



Finance Alliance for Sustainable Trade

Supporting the Growth and Prosperity of Sustainable Trade Industries

Project Profile

WHAT IS FAST?

Facilitated by the SCI, FAST is an international, member driven, non-profit association representing financial institutions, producers and others dedicated to bringing "sustainably produced" products to market.

WHAT ARE FAST'S GOALS AND OBJECTIVES?

To ensure the continued growth of sustainable production and trade by increasing the number of producers in developing nations who successfully access affordable trade finance.

WHAT IS FAST'S GEOGRAPHIC FOCUS?

International organization with secretariat based in Montreal, Canada. Projects designed on a global level, supporting lending institutions, producers and the sustainable supply chain globally.

WHAT IS THE PROJECT'S STATUS AND TIMELINE?

The Sustainable Commodity Initiative (SCI) facilitated the development of the alliance in 2005 and lead the project towards an association launch in 2007. FAST currently has more than 75 members and is focussing on the development and implementation of core projects identified by stakeholders as top priorities.



WHO ARE FAST'S PARTNERS AND SUPPORTERS?

In addition to its growing membership base, the following organizations have contributed significantly to the development and launch of the organization;

- Citi Foundation
- Coffee Support Network (Solidaridad)
- Cooperative Coffees
- Conservation International
- Cordaid
- Forestrade
- Green Development Foundation
- Green Mountain Coffee Roasters
- German Marshall Fund
- International Institute for Sustainable Development (IISD)
- Montreal International
- Rabobank
- Root Capital
- Shared Interest
- Starbucks
- Technoserve
- Traidecraft
- Transfair USA
- Calvert Foundation
- United States Agency for International Development (USAID)
- World Bank

BACKGROUND

Small and medium sized enterprises (SME), often in the form of producer organizations, are one of the most important drivers of economic growth and poverty reduction in developing countries. SME's specifically dedicated to sustainable production practices are growing in numbers and are key drivers behind a global transition to sustainable trade. The continued growth and development of these SME's however, depends upon a currently unmet need for external finance.

Recent growth in markets for "sustainably produced products" has created new opportunities for developing country producers to sell higher priced, value added products and create more stable trading relationships. Entry into such markets however, typically requires additional capital investment – which creates a major roadblock for many producers in developing countries.

With leadership and facilitation from the SCI, FAST evolved out of a recognized opportunity to improve the delivery of finance and financial management tools to producers in the sustainable trade arena through enhanced collaboration and reduced transaction costs. By improving producer access to finance, FAST facilitates producer adoption of sustainable practices and entry into sustainable markets.



THE SCI AND FAST

As a facilitator of the development and launch of FAST, the SCI has played an integral role working with the FAST team to develop a roster of projects and initiatives aimed at improving producer access to the finance and financial resources.

Together with FAST, the SCI aims to develop the financial management skills of sustainable producers, improve access to finance and financial services and gather data that demonstrates the sustainable development impacts generated from socially oriented lending - all within the context of advocating for deeper investment in sustainable SMEs.

FAST and the SCI work collaboratively to develop critical financial based project components that feed into other SCI projects such as SCAN and COSA. The SCI also provides FAST with research, advice and expertise that contribute to the continued development of the alliance's overall programs.

MEMBERS OF FAST INCLUDE:

- Producers and Producer Organizations Involved in Sustainable Trade.
- Socially Oriented Lending Institutions.
- Stakeholders in commodities supply chains.
- Development Focussed NGO's
- Socially Motivated Investors.

STRATEGIC APPROACH

1. Projects

Financial Literacy Training Toolbox:

The Toolbox will build the financial, accounting and business management skills of sustainable SME's by creating and providing access to a complete modular package of financial literacy training materials. FAST will coordinate and centralize access to financial education training with the aim to improve producer capacity and reduce their overall business risk.

Generic Impact Assessment Tool:

At the present time, socially oriented lenders use a variety of different and often incomparable methods to evaluate social impact, limiting the ability of external investors to assess the value of their investments accurately. The tool developed will provide a standard set of measurable, specific criteria that will enable more robust social impact measures to be put in place across members of the sustainable lending sector.

SME Online Marketplace:

This web-based access portal, tailored to sustainable producers world wide, will consolidate the products and services available from lending institutions. This tool will enable sustainable trade producers to quickly access to key information on socially oriented lenders, compare product offerings and make contact.

Guarantee Facility for Social Lending:

FAST will assess the need for the development of a mixed loan guarantee facility while building upon existing guarantee schemes. The project will investigate the lending terms and procedures of each lender and identify where procedures and processes match requirements of guarantee schemes. Where matches are identified, FAST will work to assist lenders in taking advantage of these guarantee facilities.

2. Advocacy, Networking and Knowledge Sharing

FAST uses the combined voices of its members and its institutional strengths to target key decision makers in advocating for effective change and gaining critical high-level support. As a facilitator of networking and knowledge sharing, FAST provides a platform enabling improved communications among all of its members and stakeholders. Improved collaboration will reduce the current duplication of efforts, streamlining the lending process and creating substantial creating cost savings.

FOR MORE INFORMATION ON FAST CONTACT:

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