

Training Manual: The Basics of Financing Agriculture

Module 6.2 | Roles and Responsibility of the
Management

Acknowledgement

The Agriculture Finance Training Manual is part of AgriFin's Agriculture Finance Training Tools. The Manual was developed by [IPC](#) - Internationale Projekt Consult GmbH as part of AgriFin's technical advisory project for Cameroon Cooperative Credit Union League ([CamCCUL](#)).

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Session Overview

LEARNING OBJECTIVE	The management of an agricultural team is essential to ensuring business sustainability and minimization of risk. An understanding of the basic principles of managing an agricultural portfolio and loan officers is important to the successful execution of the loan process.
SCOPE	By the end of this presentation, the management representative will have a basic introduction to: <ul style="list-style-type: none">• A discussion of the management process• The general and technical skill set that managerial positions are required to have to execute their roles in agricultural lending• Role playing exercises to encourage the trainee to appreciate the need for these skills by simulating a real world situations
TARGET	Agriculture loan officers, trainers, agriculture experts with limited financial analysis training, and other professionals interested in agriculture financing
DURATION	2 hours

Content

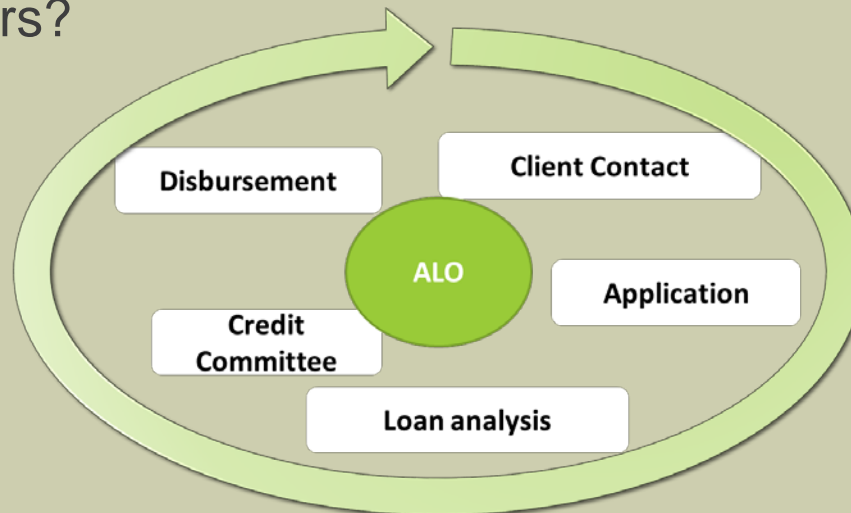
1. Major responsibilities
2. Loan Cycle
3. Monitoring Portfolios and Teams
4. Internal controls
5. Procedures and Manuals
6. Approving agricultural loans
7. Support and Mentor

1. Major Responsibilities

- Discuss and decide on an agricultural strategy with your agricultural loan officers
- Supervise the loan cycle
- Monitor and manage your loan portfolio
- Conduct internal control actions (e.g. loan file spot checks, surprise visits, etc.)
- Ensure that all procedures and manuals are followed
- Schedule SCC to approve agricultural loans
- Register costs incurred with regard to this project and submit to ABU team
- Support, help, and coach your loan officers

2. Loan Cycle

- Are all responsibilities for all phases distributed correctly?
- Do your staff know what to do?
- How long does it take for a loan to be disbursed?
- How can you ensure that your staff are not accepting tips from members?



3. Managing Portfolios and Teams

- Check loan portfolio indicators every morning:
 - Growth since beginning of the month
 - Loan applications (under analysis) and how this number has changed over time (is there an application treating behind)
 - Congratulate your staff for large/complicated loans disbursed
- Be open and available to schedule a SCC
- Support loan officers in meeting clients and recovering loans

4. Internal Controls

- Once a week, choose 5 random loan files to check
 - Have all necessary documents been provided?
 - Is the analysis complete?
 - Is the decision reasonable?
- Once a month, visit 8 premises of financed members (for loans disbursed in the previous month)
 - Is the store really there?
 - Are the references provided in the analysis correct?
- Once a month, visit 10 financed members (for loans disbursed in the previous month)
 - Check that funds are being used for stated loan purpose
 - Ask the member to describe his/her experience

5. Procedures and Manuals

- At every meeting, remind staff of the importance of respecting procedures
- Plan short ALO meetings to discuss the procedures
- Make the cashiers and accountants aware of their responsibility to help detect breaches in procedures
- Explain to ALOs that this is not due to a lack of confidence, but everybody is just doing their job.
- Ensure Financial Institution provides refresher sessions to ALOs on subject areas in which they display weaknesses.

6. Approving Agricultural Loans

- Choose a specific day per week on which SCCs will take place.
- Be prepared to hold ad-hoc SCCs if ALOs request them.
- Use the SCC to do some short coaching sessions and be prepared to answer questions.

7. Support and Mentor

- Decide on specific times to discuss issues with which your loan officers might need help
- Always have an open door so that ALOs can walk in to ask questions. Be accessible!
- Defend your ALOs in front of difficult or rude members

For more resources please visit AgriFin's website

www.AgriFin.org

We welcome your feedback to help us further refine these training materials. Please contact us at agrifin@worldbank.org.