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1. Who is PASS TRUST

The Private Agricultural Sector Support (PASS) Trust was established as a project in the year 2000 in order to stimulate investments and growth in the private sector commercial agriculture and related sectors through access to finance. It was registered in 2007 as non- profit making and non governmental organization under the Trustees Incorporation Act, 2002 and is taxed as a charitable organization.





VISION

To become a leading organization in the provision of financial and business development services in the agricultural sector.

MISSION

PASS Trust is committed to the provision of business development and financial services to small and medium agribusiness entrepreneurs through linkages to financial institutions

PASS's goals

PASS's goal is to stimulate investments and promote growth of commercial agriculture and agri-businesses in Tanzania.

2. What services does PASS TRUST offer?

Services offered by PASS

- Business Development Services
- Financial Services

2.1 PASS Business Development Services

PASS offers a range of business development services to clients on a cost sharing and/or commercial basis. The services include:

- Feasibility studies.
- Development of business plans.
- Capacity building e.g. in specific technical areas.
- Organization of farmers into groups, which can be used as focal points for contract farming, input supply credit, produce-price negotiations and provision of advisory services.
- Marketing and market linkages.

2.2 PASS Financial Services

PASS will assist eligible individuals and companies to access loan facilities for their viable investment via:

- Appraisal of loan write ups in line with specific Bank's terms and conditions and financial linkage thereof (currently collaborating banks includes:

CRDB, NMB, EXIM, TIB, BOA, ABC, AKIBA Commercial Bank, AMANA Bank, TADB, NBC, TPB, AZANIA Bank LTD, Vision Fund Microfinance Bank LTD, ACCESS Bank, EQUITY Bank and MKOMBOZI Commercial Bank.

Partial Credit Guarantee cover that is given to the collaborating bank to top up inadequate collateral.



3. Who Can Apply For PASS's Services?

Any individual, association or private company can apply for PASS services, focus will be on:

- Private Entrepreneurs – consisting of individuals, groups, cooperatives, associations or companies within or linked to the Agricultural sector (including livestock sub-sector)
- Private Entrepreneurs – Who have a vision and are committed to doing business in an efficient and commercial manner
- Private Entrepreneurs – Who will cooperate with PASS and Collaborating Bank and provide the needed documents and who can meet at least minimum requirements for borrowing

Priority will be given to clients having a big impact on the value chains for agricultural commodities particularly in food crops and export crops.

4. Costs

The cost of PASS Financial and Business Development Services will be shared between the applicant and PASS Trust as shown in the table below:-

Costs of Services From PASS

Loan amount applied	Application fee
Loan amount up to/ less than TZS 1,000,000,000.	0.625% of loan amount, Minimum fee TZS 65,000 (Application fee is payable upfront and non-refundable.)
Loan amount up to/ less than USD 1,000,000	0.625% of loan amount. Minimum fee USD 65 (Application fee is payable upfront and non-refundable.)
Loan amount above TZS 1,000,000,000.	0.625% of PASS Guarantee amount. (Application fee is payable upfront and non-refundable.)
Loan amount above USD 1,000,000	0.625% of PASS Guarantee amount. (Application fee is payable upfront and non-refundable.)
Business Plan fee	1.3% of the loan amount requested.
Linkage fees (a) Loan amount up to/less than TZS 1,000,000,000 or USD 1,000,000. (a) PASS Guarantee amount above TZS 1,000,000,000 or USD 1,000,000	1.3% of the Loan amount approved by financing bank (This is a success fee paid after the financing bank approves a loan and requested credit guarantee certified from PASS) 1.3% of the PASS Guarantee amount approved by financing bank. (This is a success fee paid after the financing bank approves a loan and requested credit guarantee certified from PASS)

Loan amount applied	Application fee
PASS corporate guarantee: (for loans above TZS1,000,000,000 or USD 1,000,000)	0.65 per quarter (i.e 2.6% per annum) of the PASS guarantee amount.

The application fees shall be paid by the client in advance at the time of submission and shall be non- refundable.



5. How and Where To Apply for PASS's Services?

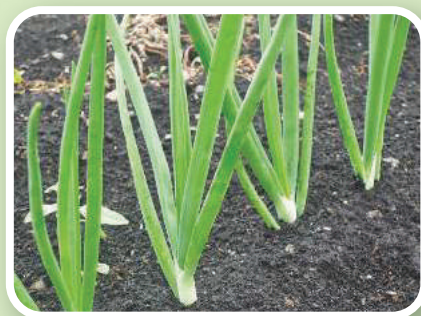
The applicant should fill the appropriate application form available at PASS offices OR website, and forward it to a collaborating bank. The collaborating bank will forward it to PASS offices for further processing. The applicant can also forward his/her (draft) application directly to any of the six PASS offices mentioned on page 1 above, but PASS recommends that the applicant first introduces his application idea at the nearest bank branch to explore acceptance in principle.

It is important that the client/applicant provides all necessary documents to PASS/collaborating bank representative at the time of application. This will speed up the process thereby saving time for the client.

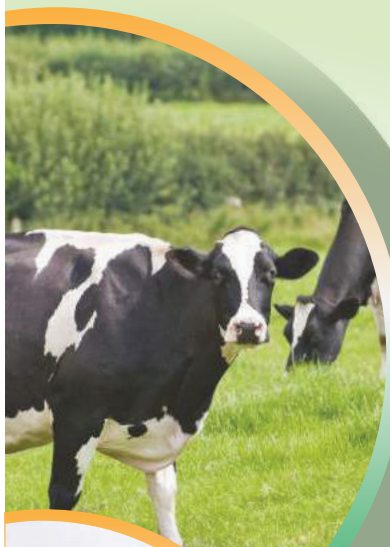
Applicant should contact the nearby PASS/collaborating bank and request for the appropriate forms and other information and/or guidance necessary towards completion of the first stage of the application process

5.1 Initial Stage: Application process within Collaborating Bank

- The PASS/collaborating bank representative will receive the completed application form, key documents and the non-refundable commitment fee from client.
- Initial screening of investment will be done within collaborating bank
- Viable investments will be passed on to the nearest PASS office for further processing.



5.2 Pre-appraisal stage: Application Process within PASS



A Client will be registered by PASS upon filling in the PASS application form. There are two kinds of application forms: (1) for financial services and (2) for business development services.

Together with the formal application form, the client is expected to pay the application fees to show the commitment.

The Client will pay to PASS all fees through the following Bank account:

Bank Account PASS Trust: CRDB PLC, Morogoro branch

TZS: Account Number: 01J1076972802

USD: Account Number: 02J1076972800

Account Name: Private Agricultural Sector Support Trust
or

Bank Account PASS Trust:

NMB, House Branch

Account Number: 22310001515

Account Name: Private Agricultural Sector Support Trust

PASS/collaborating bank representative will make a joint visit to client to assess business opportunity and collateral. In exceptional cases a PASS officer will visit the client ahead of the collaborating bank representative.

Client will be advised to go to a collaborating bank to get the proposed collateral evaluated by a certified firm.

PASS and collaborating bank will inform the client of valuation results.

If the valuation report is positive PASS, will enter into a formal contract with client in order to provide the requested service(s). At this stage the client is expected to pay (all or part) of the Business Plan Fees to PASS. After the payment, PASS can go ahead with preparation of a Business Plan. Note that the payment of the fees does not mean that the bank loan is assured. The Bank retains the final decision to finance it or not.

5.3 Business plan stage: Perfection of Application by PASS

Client will pay the business plan fee (1.3% of the requested loan) to PASS to one of the bank account as mentioned above. PASS will prepare a Business Plan in collaboration with client. If a business plan confirms viability of investment, PASS, on behalf of the client shall submit it to collaborating Bank for loan consideration.

5.4 Credit Guarantee Stage:

Upon acceptance of the Business plan by the collaborating bank, the two, institutions (Bank and PASS) will engage in further communications on the following:

- Risk Sharing
- Collaborating bank will take a decision regarding the loan.
- Amount of Credit Guarantee.
- PASS will issue Credit Guarantee Certificate to the collaborating bank.

5.5 Loan Disbursement stage:

Collaborating bank will disburse the loan with repayment schedule – in line with disbursement schedule as indicated in the loan agreement/facility letter/offer letter signed between the collaborating bank and the client.

5.6 After Loan Disbursement stage:

- Collaborating bank will monitor repayment schedule and visit client regularly and where possible with PASS staff.
- Collaborating bank will inform PASS on any major changes affecting the clients loan repayment performance. This could include proposed loan rescheduling and/or restructuring if necessary.



6. Recovery of non-performing loans by collaborating bank and PASS Trust

If client fails to make repayment for the loan, collaborating bank will make several visits to clients to enforce loan repayment. Additional remedial measures could be instituted in agreement between bank and PASS if necessary. Finally if all else fails, the pledged collateral will be disposed in accordance with the loan agreement/facility letter/offer letter and credit guarantee agreement between Bank and PASS.

