



FIDEICOMISOS INSTITUIDOS EN RELACIÓN CON LA AGRICULTURA (FIRA) – BANCO DE MÉXICO

*FIRA was established in 1954 with the mission to promote the integral financing of **agricultural, forestry, fishery, food and rural** producers by means of specialized financial products with technical monitoring and risk mitigation. The aim is to **enhance their productivity and raise their living standards** from the outlook of **regional development, environmental sustainability and gender equality.***

- It engages in wholesale banking through a network of 24 commercial banks and 77 non-bank financial intermediaries and funnels its resources into commodity production, agribusiness, marketing and other services related to the integration of agricultural food value chains.
- It promotes financing by granting loans and providing guarantees and technical assistance with emphasis on micro, small and medium enterprises (MSMEs) and family businesses without access or with insufficient access to credit, and large enterprises that incorporate small producers in raw material supplier development systems.
- Its net worth at the close of 2018 amounted to US\$4,471 million and its total assets to US\$9,225 million, with average earnings over the past 5 years of US\$165 million.
- FIRA's financings in 2018 totaled US\$ 9,946 million, with a credit flow of US\$14,632 million, 23% higher than that recorded in 2017. Those funds covered loans to 1,660,907 people, of which 79% were women and 29% were first-time loan recipients.
- The outstanding balance of FIRA's guaranteed loan portfolio to financial intermediaries amounted to US\$5,560 million in 2018, equivalent to 56% of its total holdings.
- FIRA is the main source of funds and guarantees for Mexico's agricultural, forestry, fishery and rural sectors. At December 2018, its services accounted for 63% of the financing granted by commercial banks for agricultural food activities.
- It contributed 32% of the country's production sector GDP, meaning that for each FIRA discounted peso going to the production sector, the financed enterprises produced an added value of a little over 3 pesos.
- 7.1 million people were employed in the production sector. Of these, FIRA contributed to over 400 thousand jobs. In other words, each US\$8,881 in loans to the production sector created one job in the companies involved.
- Gross fixed capital formation (capital investment) in the production sector amounted to US\$1,417.6 million, with FIRA accounting for 70% of the total generated.
- FIRA is the oldest guarantee institution in Latin America. It has been carrying out a variety of guarantee operations since 1972 to incentivize the participation of the financial intermediaries in the financing of segments of public interest, ranging from pari passu guarantees to first-loss and second-loss and the National Guarantee Fund (Fonaga). It was recently involved in the design and implementation of guarantee funds using resources supplied by the governments of the Mexican states to provide access to loans in key areas of the states.

- In 2018, it received S&P Global Ratings of mxA-1+ for short-term and mxAAA for long-term stock market certificates nationwide, while Fitch Ratings gave it national short-term and long-term ratings of F1+(mex) and AAA(mex). HR Ratings, for its part, ratified the rating of HR AAA with a stable outlook and of HR+1 for FEGA, which is considered to be of the highest loan quality because of the strength of its earnings.
- FIRA has reinforced its strategic alliances with KfW, CAF, AFD, and IDB, with a view to tapping the potential of available resources and channeling them towards projects that will contribute to the sustainability of Mexico's agricultural sector, such as the Sustainable Projects Program and the Energy Efficiency Program.
- In coordination with the IDB and the Climate Bond Initiative (CBI), FIRA helped to create a specific CBI criterion for protected Mexican agriculture that allows for the issuance of Green bonds with CBI certification.
- FIRA issued the first green bond in an amount of some US\$130 million. Its inclusion of protected agricultural projects, as well as of efficient water use (technified irrigation), constituted an innovation, as being the first green bond to do so on the international scene.
- FIRA developed and implemented an Environmental and Social Risk Management System (SARAS) with the cooperation of the IDB starting in 2018. This system is based on the Equator Principles and the World Bank's performance standards on environmental and social sustainability.

Recognition

- FIRA maintains the GEI -1 recognition issued by the Secretariat of Environment and Natural Resources (Semarnat) and the Private Sector Sustainable Development Commission (Cespedes) through the "GEIMexico" program, for having taken voluntary action in the accounting and report of greenhouse gas (GEI) emissions.
- In April 2019, FIRA was awarded the MX Social and Sustainable Green Bond Prize by the Climate Finance Advisory Board, the Mexican Stock Exchange and other financial institutions interested in furthering a culture of environmental sustainability and conservation, for having been Mexico's first issuer of a Green bond to finance agricultural projects,

ALIDE has granted awards to FIRA in different categories on three occasions:

- The "ALIDE 2015 Prize" in the "technological management and modernization" category for its implementation of the computer tool "identification of accredited potentials with parametric mechanisms."
- The "ALIDE 2016 Prize" in the "Financial Products" category for the FEGA irrevocable payment guarantee, documented in institutional regulations as a final payment guarantee.
- The "ALIDE 2017 Prize" in the "Financial Products" category for having implemented the program "Financing of fixed assets for the cultivation of perennials and slowly maturing projects," thereby promoting the participation of financial intermediaries in granting loans for such projects.
- In 2014, The Ibero-American Guarantee Network (REGAR) recognized the FEGA trust fund for its 42 years of efforts on behalf of agricultural and rural producers and enterprises and for being the oldest Latin American guarantee institution.

- Mexico's National Institute of Transparency, Access to Public Information and Protection of Personal Data (INAI) recognized it for its outstanding compliance with the publication of the transparency obligations provided for in the General Law on Transparency and Access to Public Information.

In 2017, FIRA countersigned the certification in reliance on Mexican Regulation NMX-R025-SCFI-2015 on "Labor Equality and Non-Discrimination."

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