



Farms to Markets

Pro-Poor Agricultural Development in Northern Tajikistan

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Farms to Markets: Stated Project Purpose

To develop the capacity of individuals, small businesses, communities and institutions to work together and actively participate in creating a robust fruit and vegetable subsector.





Project Overview



- 4 years (2004-2008)
- \$5 million
- CIDA \$4.5, MEDA \$0.5
- Four districts in Sogd
- Horticulture

Key Needs in the Subsector



- **Smallholder Production**
 - Technical assistance
 - Improved inputs and technologies
 - *Finance for agriculture production*
 - Expanded market opportunities
- **SME Processing**
 - BDS including marketing
 - *Finance for facilities upgrading*
 - Technology transfer
 - Technical assistance

Responsive Program Elements



- **Smallholder Production**
 - Sustainable agriculture extension
 - PS supply of inputs and technologies
 - *\$1 m Ag loan fund*
 - Market linkages
- **SME Processing**
 - Linkages to business services
 - *\$500 k SME loan fund*
 - *\$350 k matching grant*
 - Technology sourcing
 - Professional development

Steps in Ag Fund Development

- Identified local partner with potential for growth and ongoing impact
- Strengthened partner and built capacity in Ag lending
- Provided financial support for operations until sustainability of fund achieved (10 personnel and facilities)
- Prepared business plan for the Ag loan fund with clear parameters and targets
- Designed specific Ag loan products and procedures suitable to the context
- Ag extension advised on specific loan applications
- Loan fund ownership transferred to local partner when targets met



Ag Fund Results

- > 3800 loans disbursed by project end
- Zero % default secured
- Ag Fund operationally sustainable < 18 mos.
- Loan fund ownership transferred
- MFI independently expanding rural lending
- Additional \$1 m in loan capital from EBRD
- MFI in process of transformation to commercial entity



Learnings

- Rural development often requires finance
- MF benefits from input of Ag extensionist (general and specific)
- Provision of services and credit complementary and mutually supporting
- Institutional capacity building key for ongoing and expanding results and impact





Rahmat-e-Kalon!