




## World Bank Group Supports Agriculture Commercialization in Tajikistan

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The Minister of Finance of the Republic of Tajikistan Abdusalom Kurbonov and the World Bank Country Manager for Tajikistan Marsha Olive today signed a grant agreement to finance the Tajikistan Agriculture Commercialization Project. The new project is jointly supported by the World Bank and the International Finance Corporation (IFC) and is funded by a grant from the International Development Association (IDA) in the amount of US\$22 million. The project builds on past reforms that strengthened property rights in land, restructured farm ownership, and gave farmers the freedom to choose which crops to produce. It will further expand opportunities for farmers and enterprises to increase productivity and access to domestic and export markets. Farmers currently lack options to bring their products to market, reducing their income and overall economic development in Tajikistan. This project will expand opportunities for farmers by introducing modern marketing methods and commercial practices that add value to agricultural products. As small farmers become successful businesses, they will be able to create jobs and contribute to economic prosperity, said Marsha Olive, World Bank Country Manager in Tajikistan. Agriculture accounts for 23 percent of GDP and 48 percent of employment in Tajikistan, so it plays a major role in economic growth and poverty reduction. Through a set of complementary measures, including access to loans, grants and capacity building for small farmers, the project will increase the commercialization of farm and agribusiness products. Also, more medium-scale agribusinesses and producer associations will be able to market their products locally and internationally. It will also build the governments capacity for policy and regulatory reforms and support market research and analysis, and modernize the curricula of educational institutions for commercial agribusiness. A parallel direct investment by IFC of US\$1.9 million brings the project value to US\$23.9 million. The joint efforts of IDA and IFC are expected to leverage private investment estimated at US\$72 million. In Tajikistan, most private businesses are small farmers and helping them secure access to markets and sustainable income is central to reducing extreme poverty and boosting shared prosperity, said Christopher Miller, IFC Tajikistan Country Officer. "Through this project, IFC will focus on increasing farmers access to finance through supporting financial sector to introduce new products and services unique to agri-financing. We will also work with supply chain aggregators to help them provide better services to farmers and foster private investments in agri-processing. The active World Bank portfolio in Tajikistan consists of 13 projects with net commitments of US\$220.56 million. The largest share of the portfolio is in agriculture and rural development (46 percent), followed by energy (16 percent), health, education and social protection (15 percent), public sector governance and economic policy (11 percent), water (7 percent), and private sector (5 percent). As of June 2014, IFCs investment portfolio in Tajikistan stands at US\$53.7 million in financial markets, manufacturing, agribusiness, and services. IFCs program includes annual advisory services of approximately US\$3 million in: improving the investment climate, promoting corporate governance, reforming tax administration, supporting the development of credit bureaus, supporting the microfinance transformation processes and improving access to finance for agribusinesses. The World Bank 1818 H Street, NW DC 20433 Washington USA Telefon: (202) 473-1000 Telefax: (202) 477-6391 Mail: investigations\_hotline@worldbank.org URL: <http://www.worldbank.org/> 

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