Financial Inclusion to support the sustainable development of the Livestock sector in the Republic of Uzbekistan

Country: Uzbekistan

VetEffecT has been awarded a contract for the Agence Française de Développement (AFD) in Uzbekistan. The study shall evaluate the feasibility for financial inclusion of livestock sector farmers and enterprises in Uzbekistan which would be financed through an AFD loan of 150 million euros and an EU grant of 15 million euros from the Investment Facility for Central Asia (IFCA), delegated to the AFD.

The project, implemented in association with IDELE, will aim to increase livestock sector productivity and market access through improved financial inclusion of operators and better structuring of production, sales, and distribution channels on promising sub-sector areas. It will particularly support small and medium-sized farms to enhance their marketing skills and their integration into market chains.

The Government of Uzbekistan and AFD/EU wish to promote an inclusive and differentiated approach to agricultural financing, by prioritizing producers which have little access to commercial credit but that could expand rapidly if they had sufficient funding. It will be important to target livestock producers (individuals or collectives) with a combination of financing tools tailored to their needs: preferential loans, loan guarantees, technical assistance, and/or investment grants (to stimulate a loan application).

The project team will conduct documentary research about the livestock sector, as well as the financial and agricultural finance sectors which will entail an on-site banking sector analysis, institutional and financial analysis of the State Fund for the Support of entrepreneurship Development GFP and a technical capacity needs assessment of key institutions in the livestock sector. An economic, financial assessment, environmental and social risk evaluation and a gender assessment will also be undertaken by the team.

