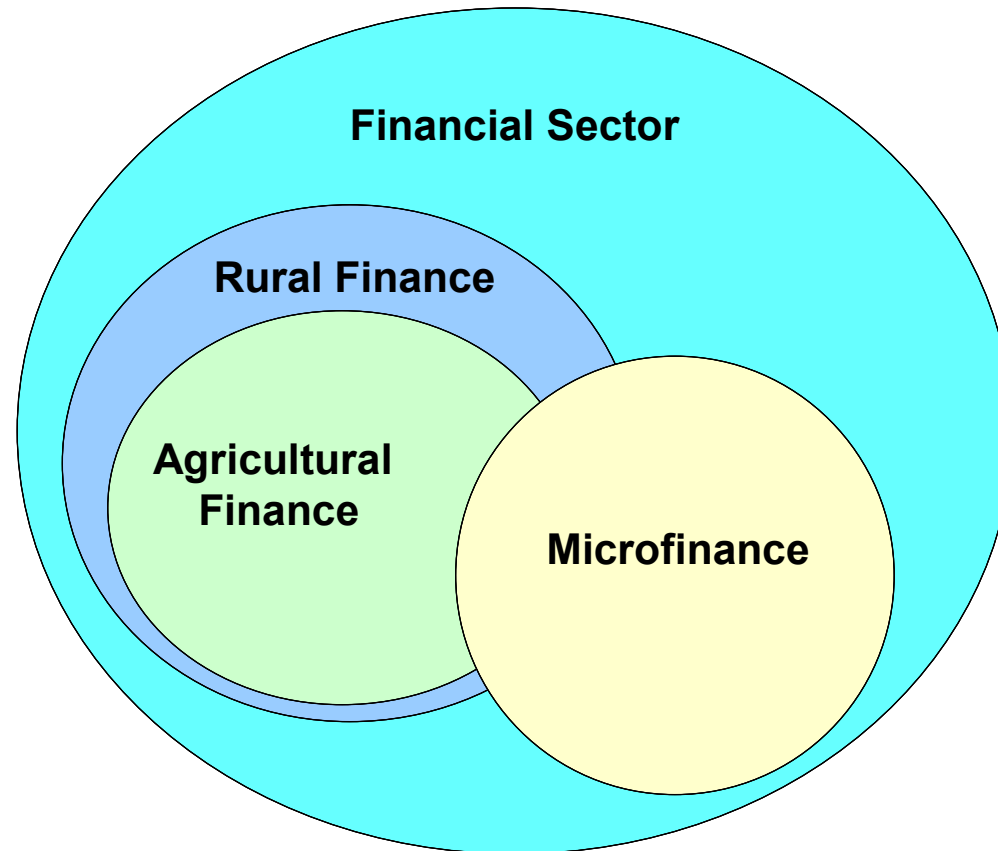




Rural, Agricultural and Value Chain Finance

Linda Jones
Chiang Mai, Sept 2007

Financial Services for the Rural Poor - CGAP



Source: CGAP Donor Brief No. 15 October 2003

Report From RAF Conference – Rome, March 2007

- Conference on rural and agricultural finance
- Sponsored by FAO, IFAD, Ford
- Leading experts – researchers, practitioners, government, bankers

Emerging Themes in RAF*

- Regional diversity cannot be generalized
- Research and services must be demand-driven
- Institutional diversity equals increased access

From Jones, SED Journal (EDMJ) Sept 2007

Emerging Themes in RAF (2)

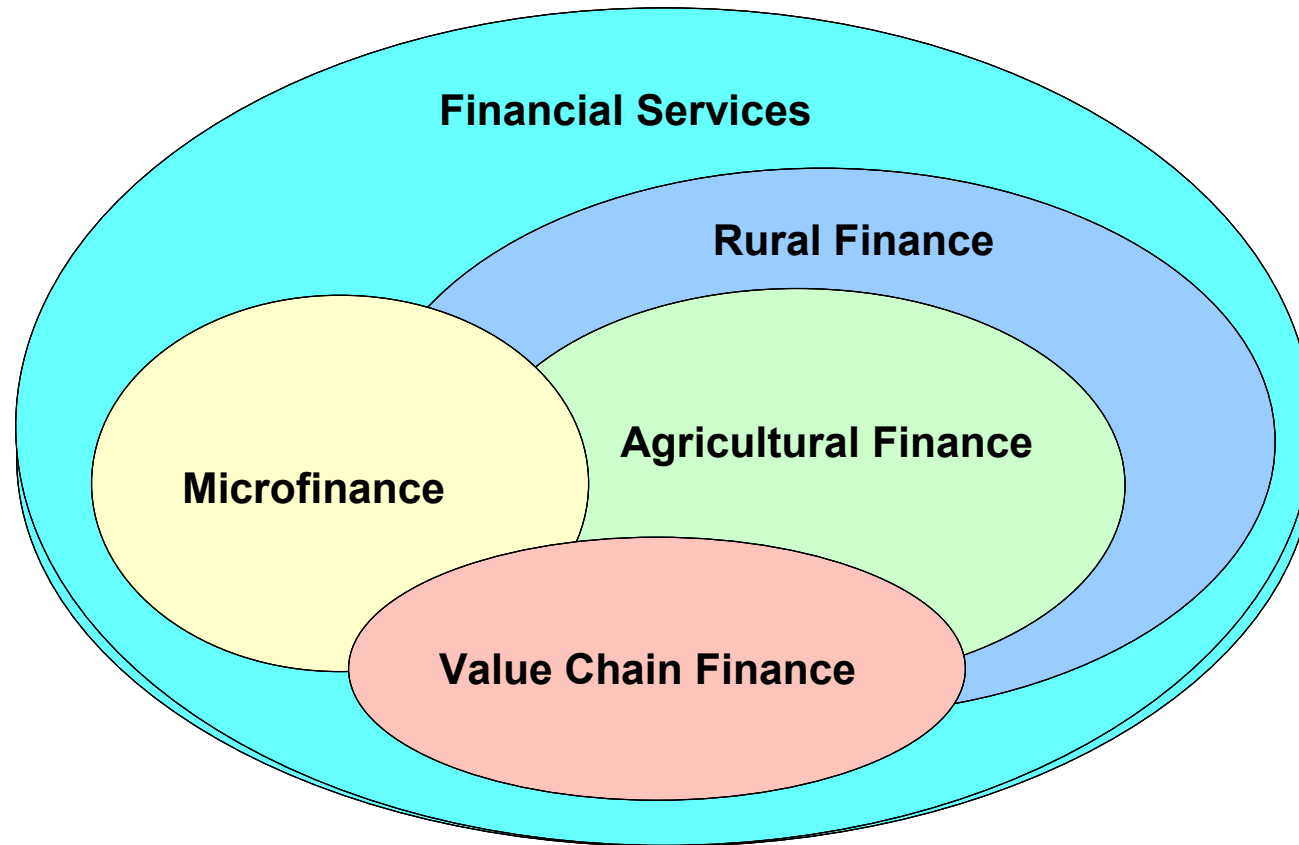
- Are we reaching the very poor and do we care?
- Value chain approaches offer potential for impact
- Innovation in products / services is a must



Emerging Themes in RAF (3)

- Define role of government
- Ignore gender at peril
- Understand and manage risks
- Need greater sharing of information and research

Fitting VC Finance into the Picture



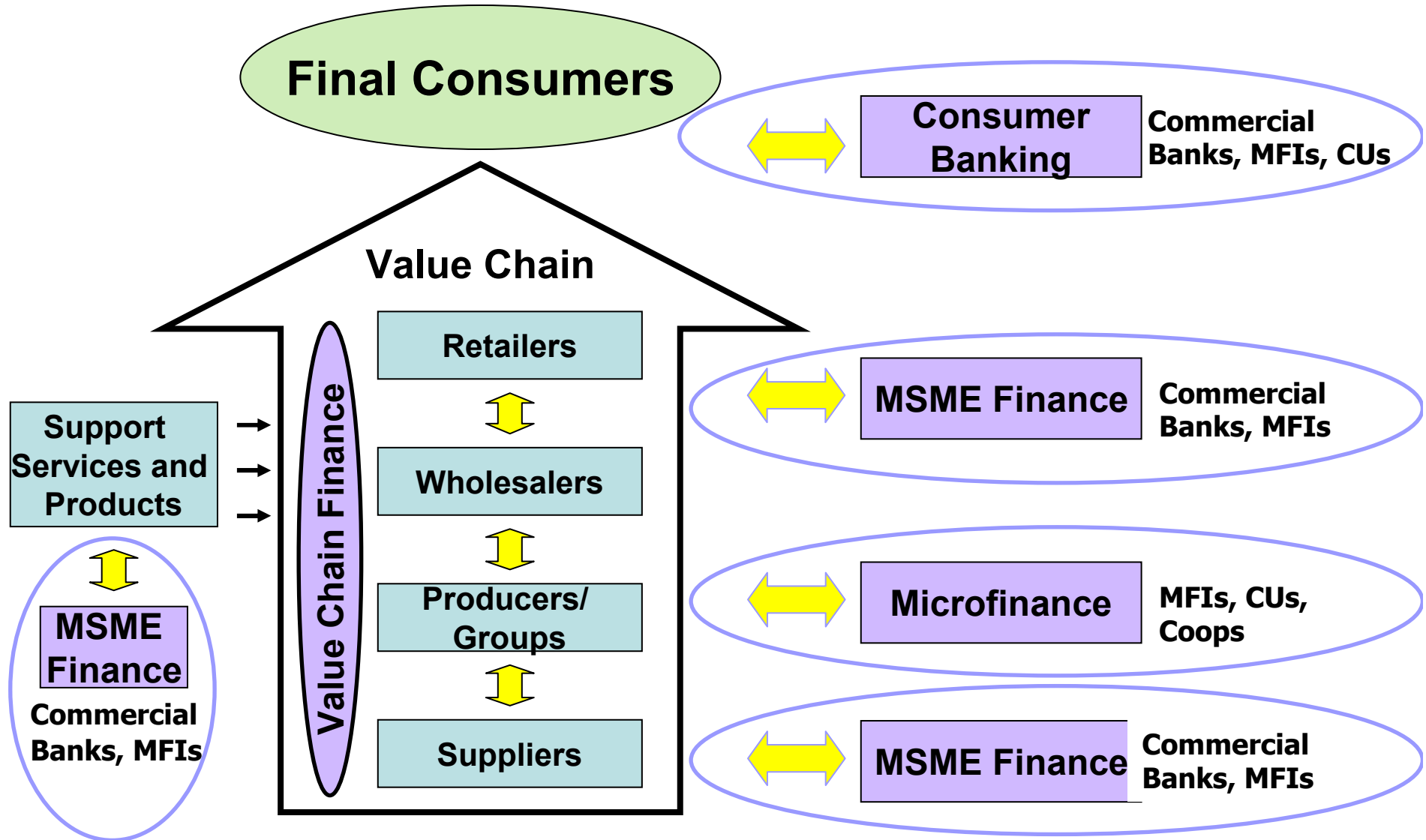
Adapted from: CGAP Donor Brief No. 15 October 2003

Financing the Value Chain

- Not just finance within the value chain
- Financial services needed at all levels to ensure healthy functioning of value chain



Value Chain Finance



Financing the Value Chain - Tajikistan

- Horticulture subsector project
- Microcredit to smallholders
- SME finance to processors and suppliers
- Matching grant facility



Financing the Value Chain - Challenges

- Complexity of programming - systems
- Implementing agency capacity
- Local capacity
- VC Players
- Donor buy-in





Thank you!