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## Innovation Grant Fund will increase Afghan farmers' access to agricultural credit

**Kabul, Afghanistan**—The United States Agency for International Development (USAID) Agricultural Credit Enhancement- II (ACE-II) program in collaboration with the Ministry of Agriculture, Irrigation and Livestock (MAIL) is seeking innovative solutions to expand the availability of agricultural credit for Afghan farmers.

The Agricultural Credit Enhancement program Innovation Grant Fund will address the existing constraints in agricultural credit system in Afghanistan. Through this program, the Ministry will introduce effective loan channels for disbursements and collections, new financial institutions with better technical capacity to facilitate entry into agricultural credit, trainings on agricultural credit for financial institutions and technology-based solutions to reduce the costs inherent in agricultural credit.

Speaking at a ceremony to announce the opportunity, attended by representatives from the financial and private sector, educational institutions and non-governmental organizations (NGO), MAIL Deputy Minister Mir Amanuddin Haidary underscored the importance of access to agricultural credit as a key factor in inclusive economic growth of Afghanistan.

"The National Unity Government is looking to the agriculture sector as a priority development goal to provide a sustainable agricultural system for Afghan farmers in the future," Haidary said.

The Agricultural Credit Enhancement program is seeking concept papers from a wide variety of entities, including financial and educational institutions, technology and consulting companies, and other NGOs for innovative solutions to increase Afghan farmers' access to agricultural credit. Based on evaluation of the concept papers, ACE-II will invite grant applicants to submit full applications with approaches aimed to expand access to finance at a later date.

During this ceremony, the Agricultural Development Fund (ADF) program also highlighted some business opportunities that exist for financial institutions in agricultural credit. The ADF successful client Fine Foods demonstrated how access to credit has catalyzed his company's growth.

The three-year USAID ACE-II program aims to expand access to credit for the agriculture sector in Afghanistan by encouraging the entry of other financial intermediaries into agricultural financial services provision in Afghanistan.

*The American people, through the U.S. Agency for International Development, have provided economic and humanitarian assistance worldwide for more than 50 years."*



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