# KYRGYZ REPUBLIC

# AGRICULTURAL PROJECT IMPLEMENTATION UNIT

**TERMS OF REFERENCE**

**for FOR THE INDIVIDUAL INTERNATIONAL CONSULTANT for Loan Product Development**

1. **Project background information**

The Ministry of Water Resources, Agriculture and Processing Industry of the Kyrgyz Republic established the Agricultural Project Implementation Unit (APIU) to coordinate, manage and implement agricultural projects and any other future projects that receive financial support from the Asian Development Bank (ADB) and other donors.

Approved by the Asian Development Bank (ADB) Board of Directors on December 6, 2023, the Climate Resilient Agricultural Value Chains Development Project (Project) aims to improve household and national food security through resilient, climate-adapted value chains.

The Law of the Kyrgyz Republic “On Ratification of Agreements on Financing the CRAVCD between the Kyrgyz Republic and ADB, signed on December 13, 2023 in Bishkek dated June 27, 2024 No. 109 was issued.

State policy in agriculture is aimed at ensuring food security and stimulating the development of medium and large processing complexes, logistics centers for exporting products to foreign markets and comprehensive support for companies with the highest export potential, by providing access to long-term and cheap credit resources, and trade information. The strategic goal of reforms in the agricultural sector is to ensure food security, develop sustainable agriculture and create conditions for the development of clusters in the production and processing of agricultural products. These country development priorities are included in the National Development Program of the Kyrgyz Republic until 2026, approved by Decree of the President of the Kyrgyz Republic dated October 12, 2021 No. 435.

The CRAVCD VC, financed by the Asian Development Bank, focuses on poverty reduction by increasing rural productivity and creating income-generating activities.

The main result of the proposed project will be an increase in the supply of fresh and processed fruits and vegetables to domestic and international markets.

The CRAVCD VC will have two outcomes: (i) increased lending from participating financial institutions (banks) to support the development of horticultural value chains and (ii) strengthened horticultural value chains.

Executive agency is the Ministry of Water Resources, Agriculture and Processing Industry of the Kyrgyz Republic (MWRAPI KR).

Implementing agency is the Agricultural Projects Implementation Unit of the MWRAPI KR.

Open Joint Stock Company "Aiyl Bank" as a participating financial institution (bank) will finance agribusinesses at the national level.

The goal of the project is to increase the supply of fresh and processed fruits and vegetables to domestic and international markets, increase the export potential of the Kyrgyz Republic, as well as create income-generating jobs in the horticulture sector.

The project consists of two main components:

**Component 1:** Financing by Participating Financial Institutions (PFIs) of Eligible Sub-Projects by providing sub-loans to Eligible Sub-borrowers in accordance with this Loan and Grant Agreement and the Project Agreements,

**Component 2:**(i) Strengthening horticulture value chains through contract farming agreements between farmers and processors and/or exporters, promoting climate-smart agronomic and processing practices to reduce losses, training women owners and/or managers in management business and entrepreneurship, as well as the implementation of measures to promote cross-border trade in Kyrgyz agricultural products; and (ii) support for project implementation by the PIU, including through improved project management, monitoring and reporting, and strengthening the capacity of PFIs to develop and implement horticulture finance policies, procedures and loan products, provide staff training in horticulture subsector lending, conduct activities to reach clients to increase their awareness of PFIs' products and services, and strengthen the capacity of PFIs to develop an appropriate Environmental and Social Management System ESMS.

**2. Goals and objectives**

The project aims to develop activities that increase productivity and supply of fresh and processed horticultural products to domestic and international markets.

The project objective is to improve food security through sustainable horticulture value chains adapted to climate change.

1. **Scope of work and responsibilities**

The list of key responsibilities for this position are:

* Review the existing loan products offered to private commercial enterprises in the horticultural/agricultural sector of the Kyrgyz Republic;
* Based on the range of products identified and on the potential demand for different loan products, recommend to PFIs loan products that could be used in its loan portfolio using project loan funds;
* In close cooperation with PFIs develop alternative loan products to be offered to potential borrowers under the project;
* Monitor the uptake of loans by horticultural value chain enterprises and determine if the demand for loan can be influenced by the conditions under which the loans are offered;
* Support the introduction of proposed loan products into the PFIs;
* Other duties requested by the APIU management.

1. **Reporting and approval procedure**

The consultant will report to the project coordinator and the director of APIU, who will evaluate their performance of their duties.

1. **Qualification requirements**

* The international Consultant will hold a masters’ degree in finance, management or public administration and also hold professional membership of a recognized banking institute.
* She/he will have at least 15 years professional experience in government or the private sector and ideally have experience working on internationally financed projects dealing with agricultural credit and small enterprise development.
* The Consultant must be able to demonstrate the necessary skills in developing loan products for agribusiness suitable for introduction into commercial financial institutions.

1. **Work period**

The work period of the position will initially be 12 months, with the possibility of extension by mutual agreement of the two parties, with a probationary period of two months.