

80,000 small scale farmers to benefit from new PASS -AFDB Initiative

Dar es Salaam

At least 80,000 small scale farmers and agribusiness dealers in Tanzania are set to benefit from a new initiative launched by PASS Trust and the Africa Development Bank.

The new initiative, dubbed de-risking agricultural financing for smallholder farmers (DAFS) is aimed at improving financing and investment in the agricultural sector through credit guarantee schemes and parametric insurance-based portfolio derisking.

In an agreement signed between PASS Trust and the African Development Bank, PASS will oversee the implementation of the project in Tanzania and other african countries that include Ghana, Uganda and Zimbabwe.



PASS Managing Director Nicomed Bohay and AFDB Tanzania Country Manager Mr. Alex Mubiru

According to the AFDB's Tanzania Country Manager Alex Mubiru and PASS Trust Managing Director Nicomed Bohay, the objectives of the initiative is primarily to promote crop insurance to smallholder farmers by minimizing climate related supply chain disruptions, as well as improving financing and investment to the agricultural sector through credit guarantee schemes.

The project, will enhance access to finance by smallholder farmers by de-risking agricultural finance.

This is a great achievement for us as PASS and we feel honoured to have been considered to take lead in this project. We shall be sharing our best practices with the other countries "Says PASS MD Nicomed Bohay

The 980,000 USD project is set to last for an estimated 2.5 years.

PASS will be working with a number of institutions among them insurance companies and financial institutions in facilitating the uptake of risk transfer of crops loss by minimizing weather-driven supply chain disruptions.

“PASS plays a crucial role in Tanzania’s agricultural sector and is responsible for the provision of agricultural credit guarantee in the country. This is great work and we are confident that the project under PASS will meet its objectives “Says Prof. Erik Chavez, project partner from the London Imperial college.

The new project is set to target small scale farmers and farmer organizations in the stipulated countries

“By the end of the project, we envisage to have benefited at least 80,000 farmers in Tanzania “Adds Chavez

“The new initiative has been initiated to enhance access to finance by smallholder farmers and promote their active engagement in crop value chains” Says Mr. Mubiru

In implementing this project in other African countries PASS shall work with Imperial College London and EIT Climate KIC [European Institute of Innovation and Technology (EIT) Climate Knowledge and Innovation Community (KIC)] - <https://www.climate-kic.org>

Other key players in this project include the World Bank, European Union, the Government of Japan, the Government of Austria among others.

PASS boasts of a myriad of achievements facilitating access to finance for small holder farmers in Tanzania. A total of 929,172 agricultural entrepreneurs have benefited from PASS guaranteed loans amounting to TZS. 712.4 billion (US\$ 310 million) between the years 2002 to 2018. These beneficiaries have been from various sub sectors that include livestock, crop production, processing, crop trading, mechanization, support to irrigation infrastructures, transportation of agricultural commodities, bee keeping, fish farming as well as inputs trading.