
IFC LOAN TO HELP FINANCE MICRO-HOUSING AND SMALL BUSINESSES IN TAJIKISTAN

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IFC, a member of the World Bank Group, is providing a loan of \$2 million equivalent in Tajik Somoni to microcredit deposit-taking organization Humo in Tajikistan to help underserved populations improve housing conditions and for micro and small businesses to access finance, according to press release issued by IFC on February 19.

On the housing front, there is a pressing need to improve living conditions in Tajikistan, a low-income country, where most homes are built with substandard materials, leaving them exposed to natural hazards and creating challenges in extreme seasonal weather. Furthermore, access to financing, to purchase and improve homes, is extremely limited, according to IFC.

Micro, small, and medium enterprises (MSMEs) reportedly also face limited access to finance. According to the SME Finance Forum, the countrys MSME-finance gap is estimated at around \$1.5 billion, equivalent to 18.5 percent of aggregate GDP.

IFCs financing for Humo will help address these financing gaps. This is IFCs first loan to Humo and the second to a Tajik financial institution to support micro-housing in recent months. Both loans are being provided through currency swaps with the International Development Association (IDA)s Private Sector Window Local Currency Facility.

Mavsouda Vaisova, General Director of Humo, said: We are looking forward to working with IFC to help change the predicament that Tajikistans micro and small businesses face when they want finance to grow their operations. Apart from the financing, we are eager to tap into IFCs global experience in working with the small-business sector so we can learn to better serve our clients.

Georgina Baker, IFC Vice President for Europe, Central Asia, Latin America, and the Caribbean, said: Our financing will enable low-income families to build new homes and renovate existing dwellings, thus improving their quality of life. It will also help micro and small businesses, which often lack access to affordable financial products and services, to grow, create jobs, and provide incomes for more people, especially in Tajikistans rural areas.

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