Early Warning System

WB-P514478

Turkiye Agrifood Sector Transformation for Rural Jobs and Growth (TARGET) Project

Quick Facts

Countries	Turkiye
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-09-24
Borrower	Government of Turkiye - Ministry of Agriculture and Forestry (MOAF)
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 750.00 million
Loan Amount (USD)	$ 750.00 million
Project Cost (USD)	$ 1,452.50 million

Project Description

According to the Bank's website, the objective of this project is to enhance market integration, facilitate farmers' access to finance, and support more and better-paid jobs in Turkiye's agrifood sector.

The project is a US$750 million IBRD-financed initiative implemented by Turkiye's Ministry of Agriculture and Forestry (MoAF)) through the Rural Development Support Institution (TKDK), to boost jobs, incomes, competitiveness, and climate resilience in the agrifood sector by addressing chronic underinvestment in technology and infrastructure and address value chain coordination failures. The project operationalizes the ECA-Agriconnect MPA approach seeking to transform smallholder farming, create jobs, and strengthen global food security.

The proposed project addresses agrifood sector coordination and financing constraints through a complementary set of downstream and upstream interventions.

Component 1 supports mid-size enterprises and mid-cap agrifood enterprises (AE) and producer organizations (PO) as anchor firms to drive value chain upgrading and strengthen supply chain coordination. Through reimbursable financing, the project incentivizes investments in production, processing, logistics, quality and traceability systems, and structured sourcing arrangements with farmers, particularly in less developed regions. These investments will help address coordination externalities by aligning incentives across value chain actors, reducing post-harvest losses, improving product quality and reliability, and strengthening the integration of smallholders into formal markets.

Component 2 introduces a risk-sharing mechanism to address credit market imperfections by improving the risk-return profile of agricultural lending. By partially mitigating credit risks, the facility will incentivize financial institutions to expand lending to farmers that are credit worthy but cannot fully meet banks' collateral requirements, enabling them to access finance for both working capital but particularly for critical, on-farm investments in productivity-enhancing technologies and climate-resilient practices. The partial credit guarantee (PCG) will target farmers that are supplying AE and PO supported through reimbursable finance to enable an integrated value chain finance and upgrading strategy.

Component 3 covers TKDK's project management, fiduciary and E&S compliance needs, including PIU (Central level) and PCU (Provincial level) operating costs. It also supports capacity building for TKDK for project implementation and M&E aspects. The project management, M&E costs will be covered with MoAF/TKDK regular budget.

Together, project interventions are expected to crowd in private investment, strengthen coordination across value chains, and expand access to finance. Downstream investments will enhance value addition, efficiency, expand capacity, and market access, while upstream financing will support productivity gains and resilience at the farm level. These combined effects are to increase sector competitiveness, support enterprise growth, and generate employment in agro-processing, logistics, and related services--particularly for women and youth. Improved integration of farmers into formal supply chains, alongside greater access to finance, is to raise farm productivity and incomes. Over time, these outcomes will contribute to export expansion, greater domestic market sophistication, reduced regional disparities, and enhanced economic rural resilience.

Early Warning System Project Analysis

The environmental and social (E&S) risk for the MPA Program is **Substantial**. The MPA Phase 1, Türkiye IPF operation is also rated Substantial, reflecting the complexity of E&S implementation arrangements, the financial intermediary (FI) structure, and institutional capacity considerations.

From an environmental perspective, most subprojects are expected to be of Low to Moderate risk, involving small- to medium-scale investments such as minor civil works, on-farm improvements, equipment and technology upgrades, climate-smart practices, and value chain development. These activities may result in site-specific and temporary impacts, including dust, noise, waste generation, resource consumption, occupational and community health and safety risks, and risks related to pesticide and fertilizer handling. Potential impacts on natural habitats and biodiversity may also arise depending on the location and nature of investments.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 1452.50 million

IBRD Commitment: US$ 750.00 million

Contact Information

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ACCESS TO INFORMATION

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Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - Türkiye Agrifood Sector Transformation fo
- Appraisal Project Information Document (PID) (English)
- Appraisal Project Information Document (PID) (English)
- Concept Environmental and Social Review Summary (ESRS) - Accelerating Turkish's Agrifood Sector Tran
- Concept Project Information Document (PID)
- Environmental and Social Commitment Plan (ESCP) - Türkiye Agrifood Sector Transformation for Rural J
- Stakeholder Engagement Plan (SEP) - Türkiye Agrifood Sector Transformation for Rural Jobs and Growth