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Press Release

Dar inaugurates the two-day International Conference on Innovative Agriculture Financing

Senator Muhammed Ishaq Dar, Federal Minister, Revenue, Statistics, Economic Affairs and Privatization inaugurated a two-day International Conference on Innovative Agriculture Financing jointly organized by State Bank of Pakistan (SBP) and Food and Agriculture Organization of United Nations (FAO) in Islamabad. The Conference aims to discuss innovative strategies and solutions to increase outreach of agriculture credit to small-scale farmers, and also highlight opportunities for corporate farming and agriculture-food enterprise.

While addressing the audience, the Chief Guest Mr. Muhammed Ishaq Dar highlighted that the Government places high priority to the development of country's agriculture sector due to its strong linkages with other sectors of economy, and its high significance in ensuring food security, reducing poverty, and generating widespread prosperity. The government is taking measures to increase agriculture production and infrastructure, ensure food security, and promote pro-poor agricultural growth. These measures will help to improve production yields, introduce modern farm-mechanization, increase better market access, and integrate farming with diverse markets through value chains to ensure that the benefits are passed down to farmers.

Mr. Sikandar Hayat Khan Bosan, Federal Minister for National Food Security and Research, who co-chaired the inaugural session, while appreciating the steps taken



External Relations Department

by SBP to promote agriculture financing, stated that focus on sustainable agriculture is imperative to meet the increasing food demand of a growing population worldwide. He emphasized that the large scale prosperity cannot be accomplished without channelizing resources including financial services, for the benefit of smallholder farmers. He hoped that innovative thinking and knowledge exchange through such forums can help in bringing working solutions to long-held issues of farmers' low access to financing.

Governor State Bank of Pakistan, Mr. Ashraf Mahmood Wathra, in his keynote address shared SBP's policy framework for enhancing the flow of financial services to rural agriculture sector. Mr. Wathra, while asserting the importance of agriculture for the country, mentioned that access to finance is critical to rural-agriculture developments. He said that changing times are giving birth to newer financial-inclusion challenges which demand a divorce from conventional and traditional approaches and a marriage with newer, better and more innovative ways of doing business. He shared SBP's vision and strategy for creating an enabling environment for enhancing agriculture credit and highlighted that the industry has so far performed well against ambitious growth benchmarks. Mr. Wathra also said that SBP encourages and supports innovation. SBP is striving to introduce internationally renowned practices such as Value Chain Financing and Warehouse Receipt Financing in the country. Mr. Wathra hoped that this conference will provide an impetus to Government of Pakistan and SBP's efforts for nurturing an eco-system which is conducive for the growth and development of agriculture financing.

In his address, Mr. Patrick T. Evans, FAO Representative to Pakistan said that the "Agriculture financing in Pakistan is limited with low percentage of finance going to the



External Relations Department

sector in relation to the needs and to its contribution to the country's gross domestic product (GDP). Many arming households are excluded from adequate financing due to the bankers' reliance on of-land titles for securing loans. Hence, it is vital to introduce agriculture value chain finance and other innovations into the banking sector and in building technical capacity to scale up its use and implement across the country".

The inaugural session was followed by plenary, 'breakout' and 'plug & play' sessions where in moderators and panelists deliberated on a variety of topics including disaster management, farmers financial literacy, use of information and technology and alternate delivery channels for financial inclusion, promotion of Islamic based modes of financing and cluster development etc. Additional features of the conference included stalls to by different agri-allied stakeholders including financial institutions, development finance institutions, and agri-technology promoters.

Earlier, Mr. Saeed Ahmad, Deputy Governor, State Bank of Pakistan thanked the Chair and welcomed the panelists and participants for attending the conference. The conference was attended by over 350 participants including General-Secretary-Asia-Pacific Rural Agriculture Credit Association (APRACA) Mr. Chamnong Siriwongyotha, CEOs/Presidents/Executives of banks, MFBs, Representatives of Farmers & Business Associations, and Academia.
