

Media Update

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FAO

PRESS RELEASE

Agriculture financing in Pakistan is limited with low percentage of finance going to the sector in relation to the needs and to its contribution to the country's GDP

Islamabad, 28-29 April 2015: The State Bank of Pakistan (SBP) in collaboration with the Food and Agriculture Organization (FAO) of the United Nations is conducting a two days International Conference on the “Innovative Agricultural Financing’ from 28 to 29 April 2015 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 at the high-end of the market focusing corporate farming and agriculture-food enterprise. During the course of two days, the conference will highlight global experiences on agricultural financing through plenary discussions, breakout sessions, and “plug-and-play” sessions. Major topics include policy framework, value chains financing, warehouse receipts financing, risk management, and use of technologies.

A large number of representatives from the Government of Pakistan, the State Bank of Pakistan, senior policy makers, leading commercial Banks of Pakistan, donor agencies, private sector leaders, development partners, civil society, academia and FAO participated in the conference. Fifteen international experts from DFID, Asia-Pacific Rural and Agricultural Credit Association (APRACA), Frankfurt School of Finance & Management, Policies, Markets and ICTs-CTA, FAO Rome and FAO Thailand are also participating as key speakers or panelists.

The inaugural session was chaired by the Honourable Senator Mohammad Ishaq Dar, Federal Minister, Revenue, Statistics, Economic Affairs and Privatization and was co-chaired by H.E. Mr. Sikandar Hayat Khan Bosan, Federal Minister for National Food Security and Research. Mr. Patrick T. Evans, FAO Representative to Pakistan; Mr. Ashraf Mahmood Wathra, Governor, State Bank of Pakistan; Mr. Saeed Ahmad, Deputy Governor, the State Bank of Pakistan; Mr. Richard Montgomery, Head of DFID Pakistan; Mr. Ashraf Mahmood Wathra, Governor SBP and Mr. Chamnong Siriwongyotha, General Secretary, APRACA spoke on the occasion.

While addressing the audience, the Chief Guest Senator 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. In his concluding remarks, Mr. Ishaq appreciated FAO collaboration with SBP for promoting agricultural value chain financing in Pakistan.

Speaking on the occasion, the Honourable Minister for National Food Security and Research said that "compared to the developed and many developing countries with similar resource base, the productivity of Pakistan's agriculture sector today is low. With current levels of productivity, it is becoming increasingly difficult for the sector to feed the country's population as well as to compete in the world markets. Lack of resources, poor investment in inputs due to the lack of credit availability, old management techniques and the absence of modern technology are some of the key issues that need to be addressed in order to increase the productivity and growth of the sector". However, "the Government is fully committed to tap every opportunity to ensure full support to the agriculture sector, and especially to the small-scale farmers in the country", said the Minister. The minister also said that the government will consider the recommendations from this conference for inclusion in the forthcoming finance bill.

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 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". Mr. Patrick further said that "there is an immense need to introduce new products of value chain finance and educate farmers to bring economies of scale that is reducing their costs and eliminating role of middle man. The value chains can attract businesses such as input suppliers, machinery hire services and banking sector expansion. Its best part is development of rural areas by raising farmer income level".

While addressing the audience, Governor State Bank of Pakistan, Mr. Ashraf Mahmood Wathra highlighted SBP's policy framework for enhancing the flow of financial services to rural agriculture sector. 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 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.

Experts also discussed the three main factors that contribute to agricultural growth i.e. increased use of agricultural inputs, technological change and technical efficiency. Increased use and a better mix of inputs also require funds at the disposal of farmers. These funds could come either from farmers' own savings or through borrowings. In less developed countries like Pakistan where savings are negligible especially among the small farmers, agricultural credit appears to be an essential input along with modern technology for higher productivity.

The credit is important for development. It helps farmers and entrepreneurs to undertake new investments or adopt new technologies. It helps smooth consumption by providing working capital and reduces poverty in the process.

Additional features of the conference include stalls to be by different agri-allied stakeholders including financial institutions, development finance institutions, and agri-technology promoters. [END]

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ILO

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World Day for Safety and Health at Work 2015

ILO Director-General: Building a culture of prevention on occupational safety and health

The news is punctuated periodically by intense coverage of dramatic, heartbreaking stories that capture global attention: health workers infected while caring for patients with deadly diseases, trapped miners who may or may not resurface, factory building collapses, plane crashes, explosions of oil rigs and nuclear accidents.

While the media eventually move on to other topics, working in hazardous conditions is actually a daily, routine and unseen affair for many workers. The numbers are striking. Over 313 million workers suffer non-fatal occupational injuries each year, equating to 860,000 people injured on the job daily. Every single day, 6,400 people die from an occupational accident or disease, amounting to 2.3 million deaths each year. Work-related accidents or diseases can definitely be placed in the high-burden category of all global health problems.

Economic recession or pressure to maximize profits cannot justify cutting corners in workplace safety.

Actually, failure to do so comes at a high price. Four per cent of global gross

domestic product, equivalent to an astounding US\$2.8 trillion, is drained off annually by costs related to lost working time, interruptions in production, treatment of occupational injuries and diseases, rehabilitation and compensation.

A long-standing ILO priority, occupational safety and health was recognized as a fundamental human right in the [2008 Seoul Declaration on Safety and Health at Work](#). It is time to turn this human right into reality for workers everywhere.

Good governance on occupational safety and health shows that prevention pays. Today, on the occasion of [World Day for Safety and Health at Work](#), the ILO calls for urgent action to *build a culture of prevention* on occupational safety and health.

What does a national culture of prevention on occupational safety and health involve?

- Respecting at all levels the right to a safe and healthy working environment;
- Active participation of all stakeholders in securing a safe and healthy working environment through a system of defined rights, responsibilities and duties; and
- According the highest priority to the principle of prevention.

How do we build and maintain a culture of prevention?

It must be founded on the engagement of many partners: governments, workers and employers and their organizations, specialists and experts.

Constructive dialogue among these groups promotes consensus building and democratic involvement of those with a vital stake in the world of work.

It is time to consolidate occupational safety and health achievements in prevention. Good practices should be shared, promoted and emulated where possible and partnerships forged to accelerate progress towards building a global culture of prevention.

Raising awareness and knowledge of occupational hazards and risks and how to prevent and control them is key for this process. Good governance will strengthen country capacities and also facilitate mobilization of national and international resources. Spending these funds wisely requires the creation

and implementation of effective national occupational safety and health strategies with the aim of extending them to all sectors including micro- and small enterprises, the informal economy and agriculture.

Each and every one of us can contribute to the prevention of occupational deaths, injuries and diseases. I invite you to join the ILO's new Safe Day Campaign which we are launching to raise awareness, secure greater engagement people and support stakeholders. Together we can build a culture of prevention on occupational safety and health.
