

CONCEPT NOTE

Sixth Meeting of the Ministers of Agriculture of Central Asia on Agricultural finance for the Sustainable Enhancement of Agricultural Productivity in Central Asia

Date: 15 February 2023

Venue: Virtual

Background and rationale

Agricultural productivity growth in Central Asia has been relatively slow in the past 30 years, with some exceptions. Achieving faster agricultural productivity growth in a sustainable manner is critical if the countries of Central Asia are to reduce poverty and achieve food and nutrition security. This requires private on-farm investments by farmers themselves as well as public investments – including subsidies and price supports – by the region's governments.

Achieving faster agricultural growth sustainably requires on-farm investments in new technologies, such as improved seeds, plants, and fertilizers; small-scale on-farm works and equipment (e.g. land levelling, irrigation pumps); breeding stock (e.g. poultry, goats etc). Moreover, these technologies should improve agricultural productivity while enhancing biodiversity, soil fertility and efficiency of water use if they are to be environmentally sustainable.

Complementary public investments are also required. These include the promotion of agricultural research, learning and information systems; the development of rural roads linking farmers with markets, as well as irrigation systems; and the conservation and sustainable management of soils, forests, fisheries and genetic resources. Governments also implement taxes, subsidies, price supports, tariffs, import quotas etc. and these are a key part of government efforts to influence the development of agriculture in most countries.

Therefore, there is an urgent need to find innovative ways for agricultural development banks and other institutions to ensure that farmers have access to the financing they need for on-farm investments, e.g. through leasing arrangements for farm and irrigation machinery.

There is also an urgent need to understand better a) how much is being spent by governments to promote agricultural development and b) what it is being spent on. Based on this it should be possible to identify better ways to finance complementary public investments in infrastructure and in subsidies, price supports, etc.

Objectives

It is hoped that the meeting will allow Ministers to:

- achieve a better understanding of how to promote on-farm investment through innovative financing schemes;
- achieve a better understanding of the size and structure of public expenditure on agriculture in the countries of the region in relation to the needs of the agricultural sector;
- share examples of good practices not only in the countries of the region but also from outside and identify win-win options for farmers and governments in order to enhance on-farm as well as public investments to promote agricultural growth and;

- make suggestions and recommendations for public policies to promote efficient agricultural finance at both on-farm and macro (national) levels.

Participants

The meeting will be co-organized by the Ministry of Agriculture of Uzbekistan and FAO. The other participants will include (regional) representatives of other UN agencies and IFIs such as, the World Bank, IFAD, ADB, EDB, EBRD, IDB and possibly others.

Working languages: The working language of the Online Conference will be Russian with simultaneous translation into English

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The zoom link will be sent by email one day prior to the meeting.