



Pakistan: PAK: RURAL FINANCIAL INCLUSION AND DAIRY GROWTH FACILITY

Project Name	PAK: RURAL FINANCIAL INCLUSION AND DAIRY GROWTH FACILITY		
Project Number	46923-014		
Borrower/Company			
Country	Pakistan		
Location			
Approval Number	7393/7393		
Type or Modality of Assistance	7393/7393	Partial Credit Guarantee without Govt Guarantee	US\$ 3,699.50 million Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural production		
Gender Equity and Mainstreaming			
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Private Sector Financial Institutions Division		
Responsible ADB Officer	Hartel, Rainer		
Project Sponsor(s)			
Description	<p>A partial credit guarantee (PCG) facility of up to \$35,000,000 (or PKR equivalent) in support of investment loans made to small dairy farmers.</p> <p>PCGs may be issued by ADB within four years after the Board approval. PCGs may cover loans with a tenor of up to 5 years. The first PCG for up to \$3 million (or PKR equivalent) will partially guarantee a portfolio of loans to be made by a local bank to dairy farmers.</p>		
Objectives and Scope	<p>The proposed facility will contribute to (i) improving small dairy farmers supply of high value added dairy products, (ii) scaling up viable banking services for small dairy farmers, and (iii) improving dairy farmers' access to investment capital.</p>		
Linkage to Country/Regional Strategy	<p>The Facility supports the development objectives of the government, which include finance for development. The country partnership strategy (CPS) for Pakistan (2009-2013) emphasizes the need for reforms, including measures to improve productivity in agriculture and promoting the private sector. CPS consultations with stakeholders highlight the importance of the private and financial sector, and the need for improving financial inclusion, especially in rural areas. More commercial financial services will capture essential qualitative growth opportunities in neglected regions, and encourage sound risk management. Recent IMF and World Bank reports highlight the farmers inadequate access to finance. Capital support via the partnership of banks and agribusiness present a good opportunity for ADB's private sector operations. The Facility would be the first private sector transaction in Pakistan's agriculture sector.</p> <p>The Facility is consistent with ADB's financial sector operational plan and the 2007 report of the Working Group on Rural Poverty, which underscores the importance of rural finance and promotes financial inclusion of underserved poor households, and farmers.</p>		

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

Will be carried out by the client.

Timetable for assistance design, processing and implementation

Concept Clearance 20 Aug 2012

Due Diligence

Credit Committee Meeting 02 Sep 2013

Approval 29 Oct 2013

PDS Creation Date 23 Sep 2013

Last PDS Update 30 Sep 2014

Project Page <https://www.adb.org/projects/46923-014/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=46923-014>

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