

8 SBP Vision 2020 (Strategic Plan 2016-20)

State bank of Pakistan (SBP), like any other central bank in developing economies, perform both traditional and non-traditional functions to achieve macro-economic goals. SBP has covered a lot of ground in terms of its institutional strengthening but there always exist opportunities for improvement. Further, the challenges of increasing complexity of the global economic environment, changing economic growth dynamics, and fast-paced developments of the financial systems requires a formal and institutional mechanism to preempt the changes and risks thereof and to create institutional capacity to better manage the risks. SBP accordingly has a formal planning infrastructure lead by its Strategic Planning Department. During the year the Bank undertook a major exercise to develop its strategic plan for next five years (2016-2020) - the SBP Vision 2020.

8.1 Strategic Planning Process

The strategic planning process employed by SBP for SBP Vision 2020 was participative, consultative, and result-oriented. In the first phase of strategic planning process, three surveys (external stakeholder survey, staff survey and Board survey) were carried out to scan the external and internal environment and analyze the views of survey participants. Further, follow-up interviews with SBP staff and selected external stakeholders were also held in the context of matters identified in the surveys. In the next phase, a two-day Strategic Management Conference was organized, attended by the senior management including Governor and Deputy Governors. The Conference concluded with the finalization of strategic goals for the next five years. While the overall direction and strategic goals were decided in the conference, the action plans were evolved at the departmental level to ensure ownership and commitment of those charged with implementing the plan. Once compiled, the draft strategic plan was presented to SBP's Central Board of Directors and was finalized with their able guidance.

Vision Statement

'To be an independent and credible central bank that achieves monetary and financial stability and inclusive financial sector development for the long-term benefit of the people of Pakistan'

Mission Statement

'To promote monetary and financial stability and foster a sound and dynamic financial system, so as to achieve sustained and equitable economic growth and prosperity in Pakistan'

Values

Integrity, accountability, teamwork, courage, excellence, and result oriented

Strategic Goals

SBP Vision 2020 focuses on the following six priority areas:

Strategic Goal 1: the Effectiveness of Monetary Policy

Enhance the Effectiveness of Monetary Policy by strengthening its independence and implementing a framework for inflation targeting

Strategic Goal 2: Strengthen the financial system stability regimes

Strengthen the financial system stability regimes implementing a framework for resolving distress banks and supervising systematically important financial institution. Financial system stability also

requires operationalizing Deposit Insurance Scheme initiative and developing mechanism for the operation of a lender of last resort facility that includes Islamic Banks.

Strategic Goal 3: Improve the efficiency, effectiveness, and fairness of the banking system

Improve the efficiency, effectiveness, and fairness of the banking system by enabling Pakistan's banking sector to fulfill its market role to support economic development and growth.

Strategic Goal 4: Increase financial inclusion

Increase financial inclusion through the implementation of the comprehensive National Financial Inclusion Strategy and addressing unnecessary hurdles that limit inclusion.

Strategic Goal 5: Develop modern and robust payment systems

Develop modern and robust payment systems by ensuring that existing payment systems are safe, resilient and efficient while, at the same time, providing scope for new payments technologies to emerge.

Strategic Goal 6: Strengthen SBP's organizational efficiency and effectiveness

To implement a range of measures including a new human resources management strategy that better align performance measures with strategic outcomes, a complete reengineering of business process, a comprehensive communications strategy and improved governance and internal controls.

8.2 Tactical Objectives and Key Activities

For each Strategic Goal, tactical objectives have also been defined to be achieved through the key activities listed in the SBP Vision 2020 document. Many of these will be significant projects in their own right and will make substantial contributions in achieving the broad Strategic Goals.