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SBP-BSC organizes workshop on agricultural finance

Mr. Muhammad Kamran Shehzad, Deputy Governor State Bank of Pakistan has impressed upon all the stakeholders including the federal / provincial governments and the banking industry to make concerted efforts to strengthen the agricultural sector due to its critical importance in the country's economy.

Inaugurating the Second Inter-Provincial Agricultural Workshop organized by SBP Banking Services Corporation in Lahore today, Mr. Kamran highlighted the initiatives taken the SBP/SBP-BSC to ensure adequate flow of funds to the agriculture sector. He said that some of the major initiatives include regular review of policy and regulatory environment, bringing all the banks to serve the rural communities, arranging awareness & information dissemination programs, building capacity of banks, conducting research and surveys to further explore the dynamics of rural economy for the benefit of bankers, and establishing regional agri-finance focus groups in all SBP-BSC offices across the country.

Speaking on the occasion, senior officials of SBP & SBP-BSC including Directors of Development Finance Support Department and Agricultural Credit Department explained in detail the status and distribution patterns of agriculture credit and the policies and operational strategies being undertaken to facilitate flow of credit to the agriculture sector. They also elaborated efforts of SBP & SBP-BSC efforts for creating awareness, building banks' capacity, information dissemination programs, and the implementation of One Window Operation under Sindh Pilot Project. The cooperation of the Revenue department in the implementation of One Window Operation was also appreciated.

Following decisions were taken at the workshop:

- SBP-BSC would further strengthen its awareness campaign and would organize Agri Melas/seminars in collaboration with banks and relevant provincial government departments in different towns;
- SBP would further enhance its capacity building efforts so that banks are able to serve the rural community in a more professional manner;
- From this year onward regional targets for growth in Agricultural credit would be given to banks to minimize regional disparities in flow of Agricultural credit;
- SBP would conduct more research studies and surveys of different regions to enhance stakeholders understanding of the rural economies in various regions;
- The Revenue Departments would take further steps to ensure expeditious issuance of passbooks to the farming community and for completion of the land record automation project.
- Appreciating the effectiveness of the forum it was decided to organize the workshop each year in all the provincial headquarters.

The senior officials from Federal and provincial ministries of agriculture, livestock and dairy development appreciated SBP initiatives to organize this workshop which provided a forum to banks and officials of provincial Govt. departments' to interact and understand each other's plans, experiences, issues and concerns. They also explained Federal and provincial governments' multi pronged strategies to increase productivity of farming community. In particular, they explained the steps being taken to strengthen the research & extension function, promoting farm mechanization, improving crop yields and improving milk & meat yields from animals. They also highlighted the need for public private partnerships for improving farmers' access to the financial services. They offered banks to utilize extensive infrastructure of provincial extension and livestock departments for creating awareness amongst the farmers about financial services.

The commercial banks gave their assessment of investment opportunities and threats in agrifinance and also elaborated the expectations from SBP and Federal and Provincial Govt. Departments to make the sector attractive for banks' investment.
