

Post restructuring scenario for ADBP

by

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The strategic objectives of the currently on-going restructuring exercise for ADBP are as follows:

Mission

Transform ADBP into a financially viable bank with a primary role for acting as a catalyst to agricultural growth in Pakistan.

1. **Expanded Outreach:** ADBP will focus upon expanded outreach in terms of increased number of genuine clients, regions and sub-sectors through active participation with community based organizations and collective lending schemes besides improvements in the business process to make it in-line with the peculiar demands of the rural finance. Maximum efforts will be to bring in new and small borrowers.
2. **Efficient Governance:** The bank through changes in the governance structure with a possibility of incorporating it as a limited company will be in a better position for prudent management controls, executive powers and accountability. In this context, the board of directors has been recently reconstituted with private sector participation. The new governance structure will make a distinction between ownership and management to reduce external pressures and improve management autonomy. Efforts will be made to give maximum equity participation to private sector and declare the management to be private sector management.
3. **Value Chain:** ADBP will collaborate with other financial sector players like commercial banks, insurance and leasing companies to serve the credit needs of the entire value chain of the agriculture sector. This would comprise agriculture activities initiating from sowing and land preparation to harvesting and marketing of the agriculture produce as well as catering to the needs of the agricultural process industry. The aim is to increase the credit inflow through innovative financial products based on demand of the particular sub-sector.
4. **Commodities Futures Market:** ADBP will play an instrumental role in establishing commodity futures market in Pakistan. In this context a concept meeting has already taken place under the chairmanship of the Minister for Finance and Economic Affairs. Commodity futures market will provide a hedge against adverse price movements thereby providing a link management mechanism against income loss to agriculturists and other agri based industry.

5. ***Financial Viability:*** The bank will re-structure its balance sheet to establish commercial and financial viability entailing the four parameters of adequate capital, debt-servicing capacity, earning a minimum desired return to the shareholders and maintaining a sufficient level of liquidity.

6. ***Client Orientation:*** ADBP will provide an efficient setup to deliver the financial needs of the small farmers in a timely and cost effective manner. Imparting non-financial services to raise productivity, reduce production costs and expand market opportunities for producers. It will also strengthen the demand driven participatory research and extension system through adequate investment in essential infrastructure and training of staff.