

Responses from APRACA Members	Issues, challenges and responses by APRACA members to COVID-19 Pandemic			
	1. What is the impact of COVID-19 that you are expecting on the agricultural sector in your country (macro level)	2. How the supply of finance to agriculture and allied sectors are being impacted due to COVID-19 (both Macro and micro level)	3. What are the responses by your organization to reach out to your customers engaged in agriculture and allied business?	4. What are the policy measures taken by the national government and central banks to ease the impact of COVID-19 on agricultural finance?
PAKISTAN				
State Bank of Pakistan (SBP), Pakistan	<p>a) COVID-19 is challenging human life globally and straining economic activity in Pakistan. Government as well as central bank are taking extraordinary measures to address the challenges associated with this situation.</p> <p>b) The State Bank of Pakistan (SBP) is taking a range of measures to protect the safety of public and address the economic impact. The Bank is focusing on ensuring that inflation remains contained, reducing the impact of COVID-19 on economic growth and employment, and overseeing that the banking and payments system remains healthy.</p> <p>c) In this context, SBP have taken a number of policy measures already and are working closely with stakeholders to continuously assess the situation and taking additional measures to contain the impact of this pandemic to the national economy.</p>	<p>a) Medium Term: Agriculture and food sector operation is affected due to various restrictions. The food processing sector and the other SMEs typically bear the brunt of credit supply contractions during periods of heightened risk aversion and economic downturn and need special attention.</p> <p>b) Long term: SBP announced a 'Temporary Economic Refinance Facility (TERF)' and its Shariah compliant version to stimulate new investment in manufacturing. Under this scheme, the SBP will refinance banks to provide financing at a maximum end-user rate of 7 percent for 10 years for setting up of new industrial units. The total size of the scheme is USD600 million, with a maximum loan size per project of USD30 million. It can be accessed by all manufacturing industries, with the exception of the power sector, where an SBP refinance facility for renewable energy projects already exists.</p>	<p>a) Promotion of digital finance: SBP has instructed banks to waive all charges on fund transfers through online banking channels such as Inter Bank Fund Transfer (IBFT) and RTGS for customers and using ATMs. Thus, people can transfer money through mobile phones or internet banking avoiding the need to visit a bank branch.</p> <p>b) Relief package extended to borrowers availing loans under Refinance Schemes: Borrowers availing loans under various refinance schemes from corporate, consumer, agriculture, SMEs and microfinance sectors can avail deferment of principal amount for one year while continue servicing mark up. They can also apply for rescheduling/restructuring if they are not able to service mark-up payment.</p>	<p>a) Provision of disinfected currency notes by banks: Recognizing the need for issuance of fit and disinfected cash by the banks, SBP has advised them to quarantine cash collected from hospitals, laboratories, etc. for at least fifteen (15) days. Further, arrangements have been made to provide sufficient fresh or disinfected cash to banks to meet their needs.</p> <p>b) Support Export-Import business: SBP has a strategic objective to support exports for sustained improvement in Pakistan's balance of payments and growth. To this end SBP provides refinance to banks to provide cheap credit at interest rates that vary between 3 to 6 percent to exporters for working capital and new projects under Export Finance Schemes (EFS) and Long-Term Financing Facility (LTFF) schemes. The total subsidized credit to exporters outstanding under both these schemes is currently approximately USD4.00 billion.</p>