

## 4 Broadening Access to Financial Services

---

The SBP in collaboration with all stakeholders is working to develop a market based inclusive financial system, catering to financial needs of all segments of the economy, especially agriculture, microfinance, SMEs and low cost housing, which are commercially less attractive but strategically important areas. During FY16, the Bank took a number of policy decisions and regulatory initiatives to provide a conducive environment for enhancing the outreach of financial system to less privileged and so far unbanked/under banked segments of the society.

### 4.1 National Financial Inclusion Strategy (NFIS)

The strategy approved and adopted last year aims to enhance access to formal financial system to 50 percent of the adult population by 2020. The NFIS covers priority areas such as i) Digital Financial Services & Payment Systems, ii) Microfinance, Agricultural finance, & Housing finance, iii) SME finance, iv) Islamic finance, v) Financial Literacy and Consumer Protection, vi) Insurance, and vii) Pensions. In order to implement the strategy, a coordination mechanism has been established with participation from both the public and private sector stakeholders. It consists of the following governance bodies:

- NFIS Council, chaired by the Federal Finance Minister, as the primary platform for achieving Pakistan's financial inclusion objectives and vision.
- NFIS steering committee, chaired by SBP Governor, with the overall responsibility of implementing the strategy.

Technical Committees (TCs) in seven focus areas with more than 160 members from the private sector, Ministers, Government Departments, Regulatory Bodies, Associations & Networks have been formed to identify plans, address technical issues and propose solutions to the steering committee to achieve the NFIS targets.

#### 4.1.1 NFIS Action Plan

These Technical Committees have further been partitioned into 18 working groups for focused and concrete deliberations to firm up action plans. The Technical Committees, after series of deliberations, have come up with a holistic set of actions. The complete set of activities consists of around 100 actions which have been categorized into following five thematic areas:

- Legal, regulatory and policy reforms
- Financial, payment and information technology infrastructure
- Risk sharing facilities
- Capacity building of financial service providers, clients & industry
- Increasing levels of financial capability and market development

#### 4.1.2 Initiatives taken to implement NFIS

The major initiatives taken during the year to implement the NFIS include the following:-

##### *Introduction of Asaan Account*

In order to enhance the outreach of basic financial services to unbanked or underserved segments of the population and achieve the targets set out in NFIS, the Low Risk "Asaan Account" with

simplified due diligence requirements, minimum initial deposits (Rs 100) and monthly debit limit of Rs 500,000 and overall credit limit of Rs 500,000 was introduced. The initiative resulted in addition of 1.13 million accounts in the banking system within two quarters of issuance of guidelines by the Bank.

### **Branchless Banking (BB)**

Branchless Banking (BB) has emerged as an easy-to-access distributional channel for offering basic banking services to millions of unbanked/under banked individuals. The branchless banking industry is expanding with persistent growth trends and is now spread out across almost all the districts of the country. The combined network of 346,716 agents of nine BB players as of June 30, 2016 is engaged in providing basic banking services to millions of unbanked/under banked. The quarterly number of BB transactions reached 118 million in volume and Rs 543 billion in value. The mobile wallets (branchless banking accounts) as on June 30, 2016 have been reported around 14.6 million. **Table 4.1** contains key indicators showing growth in BB business. To further strengthen the BB regulatory environment following regulations were issued during the year:

- Branchless Banking Regulations (revised)
- Framework for branchless banking Agent Acquisition and Management
- Regulations for Mobile Banking Interoperability

## **4.2 Agricultural Finance**

The agriculture financing continued its strong growth momentum as disbursements to the sector grew by 16 percent despite overall negative growth, particularly due to a significant reduction in cotton production. Banks disbursed Rs 598.3 billion, achieving 99.7 percent of their annual indicative agri-credit disbursement target of Rs 600 billion for the year. The banks added 200,000 new agri-borrowers during the year thus increasing the total number of outstanding agri-borrowers to 2.4 million. This is very encouraging and will help in achieving the NFIS targets. The SBP during the year continued pursuing banks to increase their penetration in the sector through suitable regulations, guidelines and incentives. Some of the major initiatives taken by SBP during the year include, implementation of credit guarantee scheme for small & marginalized farmers, successful execution of livestock & crop loan insurance schemes, national roll out of agriculture-value chain financing project, capacity building & awareness programs and rigorous monitoring of agri-credit disbursement targets, etc.

An emerging trend in agriculture financing is the increasing interest of private banks in the agriculture sector with their share in agri-financing increasing to 20.6 percent during the year. This growth is not limited to the top tier commercial banks, as small banks, microfinance banks and Islamic banks have also started pursuing agri-financing as a viable business line. The increase in agri-finance outreach could not have been possible without this interest in the sector by private commercial banks. The **Box 4.1** gives the key initiatives taken during the year for promotion of agri-finance

**Table 4.1 Key Indicators Showing Growth in BB Business**

Indicators	Jan-Mar 16	Apr-Jun 16	Growth
Number of agents	341,403	346,716	1.56%
Deposits as on quarter end (Rs in millions)	10,885	13,734	26.18%
Number of transactions ('000')	115,927	118,772	2.45%
Value of transactions (Rs in millions)	509,126	543,609	6.77%
Average size of transactions (Rs)	4,392	4,577	4.21%
Average daily transactions	1,288,083	1,319,684	2.45%
Number of Accounts	13,673,442	14,576,387	6.60%
Average deposit in accounts (Rs)	796	942	18.37%

**Box 4.1: Initiatives for Promotion of Agricultural Finance**

Following measures/key steps carried out during FY16 for the promotion of agri/ rural finance in the country:

- **Implementation of Credit Guarantee Scheme for Small and Marginalized Farmers:** The Credit Guarantee Scheme for Small & Marginalized Farmers was implemented in line with the Government's budgetary announcement. Under the scheme, credit disbursement targets of Rs 2 billion were assigned to 14 Participating Financial Institutions for disbursement to 20,000 borrowers across the country (four provinces, FATA, AJK & GB). The scheme aims to encourage financial institutions to lend to small farmers who do not have adequate collateral (acceptable to banks) in order to meet their working capital requirements.
- **SOPs for Crop Loan Insurance Scheme (CLIS) & Livestock Loan Insurance (LLIS):** To simplify the verification process of premium subsidy claims of banks and bring transparency, Standard Operating Procedures (SOPs) on CLIS and LLIS were developed.
- **Publication of Value Chain (VC) Reports and National Rollout of VC Financing:** The Bank published reports of six main value chains in the country: i) Potato, ii) Tobacco, iii) Beef, iv) Dairy, v) *Basmati* Rice, and vi) Aquaculture and Inland Fishery. The aim of these reports is to enable financial institutions to more clearly understand the specific value chain dynamics and develop products and services for increasing agri. financing through VCF. In line with this strategy, the Bank successfully rolled out agri. value chain financing, wherein, disbursement targets of Rs 5.8 billion have been assigned to 11 banks/ MFBs for FY16. The number of borrowers targeted under value chain financing is 13,412.
- **Enhancement of Produce Index Unit Value:** In order to meet financing needs of farmers in the wake of increasing cost of agri. inputs, the value of Produce Index Units (PIU) has been increased from Rs 2,000 to Rs 4,000 enabling farmers to obtain more credit for the same land-holding.
- **Workshops/ Trainings/ Capacity & Awareness Building Sessions:**
  - 04 Training of trainers (ToT) programs on Warehouse Receipt Financing, Agriculture Loan Analysis and Contract Farmer Financing were organized in collaboration with Food & Agriculture Organization (FAO) in Karachi and Lahore in which over 120 bankers were trained by international experts.
  - In order to learn international best practices in agriculture finance, three Exchange Learning Programs (ELPs) were arranged during the year to visit Philippine, Kenya, Netherland/Serbia in collaboration with APRACA, AFRACA and FAO respectively. These ELPs were attended by 25 officials of banks and SBP.
  - The Bank conducted two leadership seminars on Warehouse Receipt Financing and Value Chain Financing. The purpose of these programs was to showcase the successful models in the industry to sensitize agri. lending banks about new and innovative financing methods.
  - Conducted 08 Farmers Financial Literacy and Awareness Programs (FFLP) in different agri. intensive districts across the country. Over 300 field officers of banks were trained in these programs, alongside farmers, for onward financial literacy of farmers.

**4.3 Microfinance**

Microfinance banks' (MFBs) credit portfolio grew by a record 60 percent during the year to reach Rs 72.8 billion as at end June, 2016 as against Rs 45.5 billion at the end of preceding year. The outreach also registered a strong growth of 31 percent with number of borrowers increasing to over 1.7 million.

The MFBs injected fresh equity of Rs 6 billion during FY16, which increased to Rs 22.7 billion during the year. The enhanced capital base has not only significantly improved the MFBs' solvency levels but has also increased their capacity to expand and leverage the enhanced

**Table 4.2: Microfinance Banking Indicators** *(Rs in billions)*

Indicators	Jun-15	Jun-16
No of Borrowers (million)	1.30	1.70
Gross Loan Portfolio	45.58	72.86
Deposits	52.02	87.02
No of Depositors (million)	11.60	12.78
Equity	16.63	22.68
Assets	82.53	133.32
Borrowings	8.95	14.58
NPLs	1.76%	1.28%

Source: Agricultural Credit & Microfinance Department, SBP.

capital base. The deposits also registered an impressive growth of 67 percent reaching Rs 87 billion as at the close of the year. Similarly, the number of MFBs' depositors increased to 12.8 million from 11.6 million last year (see **Table 4.2**).

#### **Box 4.2: Initiatives for Promotion of Microfinance Banking**

- **Enhanced Corporate Governance Framework for MFBs:** The governance framework was further strengthened to ensure compliance with legal and regulatory framework. The new instructions require MFBs to submit an additional undertaking (E-4) at the time of inducting new Presidents, Board Members and Key Executives to validate their educational and proprietary fitness.
- **Commencement of Sindh MFB's Operations:** After being licensed in October, 2015 on a province-wide basis, Sindh Microfinance Bank commenced its banking operations during last quarter of FY16. This has brought the number of MFBs to eleven. Sindh MFB is expected to play an important role in improving access to financial services in rural Sindh.
- **Support for Digital Credit:** Two MFBs have been allowed to extend digital credit to their existing BB customers who lack access to branches to facilitate real-time disbursements with aggregate exposure (of an individual borrowers) from all the MFBs not exceeding Rs 30,000. Digitization of credit shall reduce cumbersome paper work and turnaround time for processing of credit applications for subsequent disbursement.
- **Credit Enhancement Facilities**
  - Microfinance Credit Guarantee Facility (MCGF) a £15 million a credit enhancement facility established under DFID funded Financial Inclusion Program in 2008 provides 25 percent first loss or 40 percent partial guarantee (pari passu) coverage to Banks. So far, 53 guarantees have been issued under MCGF enabling MFBs to mobilize Rs 20 billion (£145m) from commercial bank and capital markets/retail investors for onward lending to more than 800,000 micro borrowers.
  - Credit Guarantee Scheme (CGS), worth £13 million launched in 2010 to facilitate credit to small and rural businesses for greater outreach. So far, the participating banks have sanctioned loans of Rs 4.573 billion (£33m) under the scheme to more than 20,000 small & rural enterprises and the Bank issued guarantees for risk coverage of Rs 1.822 billion (£13.2m).
- **Very Small (Micro) Enterprise Lending Workshop:** A workshop was jointly organized by SBP & International Finance Corporation (IFC) in collaboration with DFID – UK. The workshop was attended by the Presidents/CEOs of microfinance banks along with their relevant key executives. The event was aimed to sensitize the audience over specific needs/issues/concerns related to Micro-Enterprise Lending and to emphasize the need for MFBs to strengthen their internal controls and risk management practices for sustainably venturing in this area under both Islamic and conventional modes.

#### **4.4 Small and Medium Enterprises (SMEs) Finance**

The SME sector contributes significantly in economic and social development especially through employment generation and poverty alleviation. Financial sector penetration in general remains very low in Pakistan and SMEs are no different. The key reason for this includes banks' reluctance to lend to SMEs. A number of factors contribute to this reluctance including a high risk perception and high transaction cost. Equally important are the demand side issues which result in low financial usage by SMEs. These issues include low level of financial literacy; high transaction costs associated with accessing formal finance and inappropriate products that do not match the business needs of SMEs.

Despite the aforesaid challenges faced by SMEs, the outstanding finance to SME sector grew by 14 percent to Rs 297 billion during the year. The number of SME borrowers also increased from 152,495 in June, 2015 to 164,733 in June, 2016 registering a growth of 8 percent. Non-Performing Loans to SME sector also declined from 31.36 percent in June, 2015 to 27.41 percent in June, 2016.

**Box 4.3: Major Initiatives to Promote SME Finance**

- **Introduction of SME Financing Targets:** The SME financing targets were introduced for banks in line with National Financial Inclusion Strategy. The targets would be monitored regularly and banks will have to explain slippages, if any. The targets would give the much needed push to banks to build their SME financing related capacity and increase their penetration in SME sector.
- **Issuance of Revised Prudential Regulations (PRs) for SME Financing:** To improve the SME Finance Regulatory environment in line with changing needs of SME market and to provide boost to the financial institutions for improving outreach of credit facilities to the SMEs, the Bank made revisions in PRs for SME Financing in May 2016.
- **Strengthening Secured Transaction Framework:** The enactment of Secured Transaction Act during the year was a major development that would go a long way in enhancing SMEs' access to formal financial system. The act has provided a framework for registration of moveable assets, which would particularly help SMEs to obtain financing against the registered charge on their movable assets. Now after enactment of the secured transaction law, the work on establishment of electronic secured transactions registry is being initiated.
- **Credit Guarantee Scheme (CGS) for Small and Rural Enterprises:** The Scheme was launched in March 2010 in collaboration with DFID. It provides 40 percent coverage to banks against losses on their short to medium term loans to Small and Rural Enterprises. Only fresh and collateral deficient borrowers are entertained under the Scheme. In order to increase the effectiveness of the scheme, a sector specific approach was introduced in July 2015 under which the participating financial institutions are required to lend 30 percent of the allocated limit to specific sectors identified by them. Every year the share of sector specific lending would increase. The main purpose of introducing this feature is to encourage more focused lending under the scheme.
- **Credit Guarantee and Risk Sharing Scheme for Rice Husking Mills in Sindh:** This scheme is specifically for the rice husking mills of Sindh to undertake projects of BMR. Under this facility Government of Sindh provides mark-up subsidy as well as risk coverage of 30 percent against the loans extended to the rice husking mills of Sindh. In order to incentivize the banks to enhance their efforts for the promotion of this facility, Government of Sindh increased the mark-up share of participating institutions from 2.75 percent to 4.25 percent in May 2016.
- **Special incentives for SME exporters under EFS:** Recognizing the economic significance of SMEs, special markup rate incentives for both participating banks and SME exporters were introduced to enhance SMEs share in EFS. The banks' spread against lending to SMEs was increased to 2 percent whereas markup rate rebate for SMEs on achieving high level of exports was increased by 0.5 percent for each level of export performance under EFS Part II. Further, the banks have been advised to allocate at least 10% of their assigned limit for SMEs out of the total limit available under EFS.
- **Refinancing Facility for Modernization of SMEs:** It is a medium to long term financing facility provided to SME borrowers for modernization of their existing units and setting up of new SME mills/units to produce quality products. Under this facility financing is available against local purchase/import of new machinery for BMR at subsidized rate for a maximum period of upto 10 years. During FY16, efforts were undertaken to collaborate with the provincial governments to initiate a modified form of this scheme for specific sectors dominating in the respective provinces. The purpose of approaching the provincial governments was to seek their support in offering mark-up subsidies to the financial institutions thus encouraging them to enhance their efforts on increased lending to SME sector.
- **Permission to Banks/DFIs to Issue Guarantees against Counter Guarantee of foreign banks:** Banks/DFIs were allowed during the year to issue guarantees up to USD 500,000 against the back-to-back/counter guarantee of an unrated, or rated below 'A' foreign bank/DFI. This will enable banks to entertain small business needs of the entrepreneur in line with their risk appetite. The aggregate amount of all such guarantees at any point in time was capped at 5 percent of the bank/DFI's own equity. Further, the banks were also advised to have a Board of Directors (BODs) approved policy for acceptance of such counter guarantees.

- **Prime Minister Youth Business Loan Scheme (PMYBL):** The Federal Government has provided an opportunity to banks to increase their outreach and capture new SME clients/startups especially Small Enterprises through the PMYBL Scheme. SBP supervises this scheme and closely monitors performance of banks under this Scheme. Eighteen banks are working as PMYBL executing agencies. As of June 30, 2016, cumulative number of applications received under PMYBL was 71,644 out of which, 61,689 (86 percent) applications were from male and 9,955 (14 percent) applications were received from female applicants. Under PMYBL 8,472 beneficiaries had been disbursed an amount of Rs 8,145 million. Automated PMYBL Central Portal for data reporting by Executing Agencies (EAs) was also developed by SBP to prevent the occurrence of multiple financing by same individual or multiple guarantors from different PMYBL EAs.
- **Soft Loans under PM National Health Program (PMNHP):** The Bank also supervises recently launched soft loans scheme for private hospitals empanelled under Prime Minister's National Health Program (PMNHP) to facilitate them in up gradation of their facilities for providing better treatment facilities to less privileged segments of population having health insurance card in 23 districts.
- **SME Melas:** The Bank in coordination with SBP-BSC organized six Melas (Expos) during the year. These events saw an active participation from the banking industry, SMEDA, chambers of commerce & industries and SMEs. These Melas provided an effective mean of interaction between the SMEs and the banking sector resulting in increased awareness at both ends. These Expos provided the banks an opportunity to market their SME specific financing products and better understand the needs and requirements of SMEs for bringing about further improvement.
- **Capacity Building/Training Sessions:** During FY16 various training programs including 'Making SMEs Bankable', 'Financing SME Value Chains' and specialized training program for DFIs officials on SME Financing were organized. Besides, ten awareness sessions during Focus Group meetings at SBP BSC offices across country were conducted for creating awareness about SBP initiatives and schemes for enhancing flow of funds to SMEs.

#### 4.5 SBP Refinance Facilities

The markup rate on loans under Export Finance Scheme (EFS) was gradually brought down to 4.5 percent to facilitate exporters in enhancing exports; for textile sector the rates were even reduced to 3.5 percent in November, 2015. Effective 1st July 2016, mark up rate under EFS has been further reduced to 3 percent for all sectors. Moreover, to support rice and leather exporters facing problems in making exports, 6 months additional export performance period was provided under EFS for the year 2014-15. The outstanding export finance as of June 30, 2016 was Rs 203.4 billion which is 6.4 percent higher than the previous year.

##### 4.5.1 Long Term Financing Facility

Mark up rate under Long Term Financing Facility (LTFF) for export oriented projects was reduced to 6 percent; for Textile Sector including Spinning and Ginning Sectors, the markup rate was reduced to 5 percent. During FY16, Rs 24.7 billion were disbursed under the LTFF whereas, the total outstanding financing under the LTFF as on June 30, 2016 stood at Rs 44.1 billion.

##### 4.5.2 Other SBP Refinance Facilities

To reduce financial cost for exporters and to support overall exports of the country, the markup rates for following long term schemes were also reduced to 6 percent p.a.:

- Financing Facility for Storage of Agricultural Produce
- Refinancing Facility for Modernization of SMEs
- Scheme for Financing Power Plants Using Renewable Energy

## 4.6 House Finance Market

The Housing Finance market in the country is gradually increasing its size and penetration. The current low interest rate environment has also given a boost to housing finance sector, which grew by 17 percent (an impressive increase of Rs 9.59 billion in gross outstanding) during the year to Rs 65.69 billion. The cumulative disbursements witnessed a very healthy increase of Rs 22.27 billion during the year which were highest in last five years. The NPLs also started showing declining trends and decreased to Rs 12.74 billion in June 2016 from Rs 13.48 billion in June 2015; a 5 percent YOY decrease. The **Box 4.4** gives major initiatives undertaken during the year for promotion of housing finance.

### Box 4.4: Major Initiatives to Promote Housing Finance

- Pakistan Mortgage Refinance Company (PMRC):** The establishment of the mortgage refinance company will provide long term funding to banks and financial institutions against their housing finance portfolio. This would address a major issue hindering the growth of primary mortgage market in the country. The PMRC would serve as a secured source of long-term funding at attractive rates for banks. It was incorporated with SECP during the year and its Board was also constituted. Further, the Federal Government and banks contributed their respective share of capital in the company's equity. Moreover, multilaterals are also being pursued to participate in the equity of PMRC.
- Diagnostic Survey of Housing Finance:** A diagnostic survey on housing finance in Pakistan was initiated during the year in collaboration with DFID. It was a national-level survey encompassing major urban and rural areas of Pakistan. Objective of this survey was to further drill down on demand and supply side issues that are hindering the growth of housing finance in the country. Through this survey, not only the opinion of the borrowers (general public) was recorded but also the view point of mortgage lenders was taken in to account. The results yielded from the survey have been compiled and would be used to further strengthening the policy framework and to make the policy environment for housing finance more enabling.
- Capacity Building of Banking Court Judges:** Banking Courts are major stakeholders for housing finance in Pakistan. Being the decision-maker of mortgage finance foreclosure cases, it is necessary for banking court judges to be abreast of the current developments in housing finance industry. Realizing this and in continuation with capacity building initiatives of the mortgage banking industry, an interactive session among bankers and banking court judges at Punjab Judicial Academy Lahore was organized in coordination with Ministry of law, justice and human rights. The session was appreciated by the judges terming it very useful in refreshing their memories and enhancing their understanding of current issues and developments in the industry.
- Amendments in Foreclosure Laws:** After concerted efforts by SBP, the amendments in Financial Institutions (Recovery of Finances) Ordinance, (FIRO) 2001 were approved by the National Assembly and Senate during the year. The amendment has provided much needed legal cover to banks to proceed against defaulters and thus is likely to give a big boost to housing finance market in the country.

## 4.7 Infrastructure Finance

Infrastructure plays a pivotal role in the development of a country by improving the national productivity and economic growth. Improved quality and service coverage in power, communication, water supply, sewerage treatment and transport are also important for improving the living standards of citizens. The banks/DFIs' infrastructure financing portfolio registered an impressive growth of about 65percent during the year and increased to Rs 541.6 billion. This increase was largely observed in the power generation, road infrastructure, petroleum, and Oil & Gas (O&G) sectors.

### 4.7.1 Green Banking

Pakistan is considered one of the most vulnerable countries to the climate changes. The fast meltdown of glaciers, frequent flooding and heat waves are manifestations of these dangers. The Green Banking

envisioned reorientation of banking practices to incorporate resource efficiency, renewable energy and environmental protection in their policies, products, services and operations. The Green Banking, therefore, has the potential to address two major concerns of Pakistan i.e. energy shortfall and climate change. Considering the importance of green banking for the country and rising interest of global financial system towards it, a special Green Banking Unit was established in the SBP's Development Finance Group to focus on green banking initiatives. The Unit developed a detailed Concept Paper on Green Banking which provides a framework of recommendations to be issued to banks for implementation. The SBP has also formally obtained membership of IFC's Sustainable Banking Network (SBN) which is an association of bank regulators globally for knowledge exchange and learning on sustainable banking.

#### **4.7.2 Development of Green Banking Guidelines**

The Green Banking Guidelines are used by banking regulators as a tool for enhancing strategic focus of banks/ DFIs and improving availability of financing facilities for green and environmentally friendly activities, businesses and projects. In line with this objective, the draft Green Banking Guidelines were prepared with the support of international consultant engaged by GIZ (the German Development Cooperation Agency). The Guidelines would be issued in FY17 after incorporating feedback of internal and external stakeholders.

#### **4.7.3 Revision of Scheme for Financing Power Plants Using Renewable Energy**

The revised Scheme for Financing of Renewable Energy was issued in June 2016. Under this Scheme, the end borrowers can avail financing of up to Rs 6 billion at a relatively subsidized rate of 6 percent for up to 12 years for installation of small scale hydro, solar, wind, bagasse and other renewable energy projects. Further, the scheme also incentivizes establishment of small scale renewable energy solutions of less than 1 MW in line with the NEPRA's Net Metering Regulations of 2015. The revised Scheme is expected to create role models of profitable investments in renewable energy and encourage banks to align their financing strategies and products/ services to capture their due share in this emerging market.

#### **4.7.4 Coordination with Multilateral Agencies on Green Banking**

The SBP is actively collaborating with multilateral agencies to promote green banking initiatives. The following collaborations were affected during the year:

- Partnered with GIZ for implementation of fourth phase of its Renewable Energy and Energy Efficiency (RE-EE) program
- The AFD (French Development Cooperation Agency) showed interest for establishment of Green Credit Line for financing of Renewable Energy Projects in Pakistan. The AFD is in process of engaging consultants to conduct a feasibility study for ascertaining demand for such a credit line.
- Coordinated with World Bank for organizing roundtable discussion on scaling up renewable energy.
- Supported IFC for completion of their survey on Environmental and Social Risk Management (ESRM) practices in the banks/ DFIs in Pakistan.

#### **4.7.5 Awareness Sessions on Green Banking, Renewable Energy and Energy Efficiency Financing**

Several awareness sessions on green banking were organized in coordination with GIZ in Karachi, Islamabad, Lahore, Faisalabad and Sialkot during the year. These sessions were attended by around 250 senior regional managers, risk heads, credit heads and field staff of banks/ DFIs and

representatives of regional chambers/ associations. In addition, a training program on energy efficiency financing for banks/ DFIs was organized in Karachi in coordination with GIZ. These trainings/awareness sessions were facilitated by international green banking experts engaged by GIZ.