



ADB

Enhancing Women's Access to Finance

Women Inclusive Finance Program Challenge Fund Guidelines

Agriculture Credit &
Financial Inclusion Department
State Bank of Pakistan

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Background

Women's financial inclusion is a critical driver of economic growth and sustainable development. Despite comprising nearly 49% of Pakistan's population, women remain significantly underserved in the formal financial sector. Limited access to financial products, cultural and social barriers, lack of collateral, and low financial literacy contribute to this gap. As of 2024, 47% of adult women in Pakistan are financially included, reflecting progress but still indicating substantial room for improvement.

Recognizing these challenges, the State Bank of Pakistan (SBP) launched the "Banking on Equality" (BoE) Policy in 2021, a landmark initiative aimed at embedding a gender lens across the financial sector. Through this policy, banks and financial institutions are mandated to enhance women's access to finance by offering gender-responsive products, ensuring workplace diversity, and expanding women's banking agents and touchpoints.

Further, in alignment with SBP's strategic vision and the Government of Pakistan's broader commitment to gender parity, SBP recently launched the National Financial Inclusion Strategy (NFIS) 2024-2028, which targets increasing women's financial inclusion to 62% by 2028 and reducing the gender gap to 25%. Furthermore, particular focus has been given to improving access to finance, especially for women and youth.

Women Inclusive Finance Program

The Women Inclusive Finance Program (WIFP) is an initiative of the Government of Pakistan (GoP), launched in collaboration with the Asian Development Bank (ADB) to enhance women's access to finance. The program comprises of a Credit Line Facility to provide affordable financing for women entrepreneurs through microfinance providers, an upcoming Women Microfinance Credit Guarantee Facility, and a Grant Facility to support innovative financial inclusion initiatives. State bank of Pakistan is the implementing agency to execute all the above activities on behalf of the GoP.

Challenge Fund

Under the Grant component of WIFP, a Challenge Fund has been introduced as a targeted initiative to bridge the gap of women access to finance. Through this initiative, SBP seeks to drive meaningful change by nurturing an inclusive financial ecosystem where women are empowered not only as consumers of financial services but also as active participants in the economy.

1. Objective

The primary objective of the Challenge Fund is to encourage Participating Financial Institutions (PFIs) to design and implement innovative solutions that enhance women's access to finance. This includes developing financial products, services, and delivery channels that address the unique needs of women, thereby promoting economic empowerment and reducing the gender gap in financial access.

2. Scope of Proposals

The Challenge Fund aims to support Participating Financial Institution(s) to pilot new, impactful, and scalable interventions that address the barriers women face in accessing formal financial services. The scope of the fund will focus, but not be limited to the following areas.

- Development of digital financing and payment solutions/platforms (loan applications, credit scoring, loan management, final disbursement).
- Sector specific innovative financial solutions for women working in various sectors like agriculture, livestock, home-based enterprises, e-commerce, etc.

- Supply chain financing models in line with SBP regulatory instructions
- Development of savings, insurance/takaful, and pension products tailored to women's financial needs
- Development of 'digital financial literacy' programs, consumer awareness, capacity building, and skill building solutions
- Women agent on-boarding to expand financial services to women
- Cooperative financing models for women that leverage women's social networks
- Inclusive climate smart financing solutions
- Usage of Artificial Intelligence for designing solutions, such as credit scoring/digital channels and development of chatbots 24/7 financial guidance in local languages
- Inclusive Islamic and Sharia based financial services
- Development of Non-Financial advisory services toolkit

3. Eligibility Criteria

- All financial institutions regulated by State Bank of Pakistan and MFIs regulated by Securities and Exchange Commission of Pakistan are eligible to apply for the fund.
- Other institutions such as fintechs, women centric organizations may also apply as joint venture/partnership with institutions mentioned above. However, lead responsibility will rest with applicant financial institution.

4. Evaluation

All proposals will be evaluated, by the specialized Grant Steering Committee, based on the following weighted criteria to ensure alignment with the program's objectives and the potential for meaningful impact:

Relevance & Alignment with WIFP Objectives (20%)

- The extent to which the proposal addresses women's access to finance challenges.
- Alignment with SBP's Banking on Equality (BoE) Policy and broader financial inclusion goals.
- Focus on scalable and sustainable solutions rather than one-time interventions.

Innovation & Uniqueness (20%)

- Introduction of new approaches, models, or technology to improve financial access for women.
- Creative solutions addressing collateral constraints, documentation streamlining, or digital onboarding for women borrowers.
- Differentiation from existing financial inclusion efforts.

Feasibility & Implementation Plan (20%)

- Clarity of the implementation roadmap, including milestones, timelines, and operational feasibility.
- Adequacy of resources, partnerships, and institutional capacity to execute the proposed initiative.
- Risk assessment and mitigation strategies.

Scalability & Replicability (15%)

- Potential for scaling the initiative beyond the pilot phase.
- Ability to replicate or expand the model across other regions or financial institutions.

Impact Potential & Outreach (15%)

- Estimated number of women beneficiaries and the depth of impact.
- Contribution to closing the gender gap in access to finance.

- Measurable outcomes such as increase in women lending portfolio, higher digital payment adoption, or reduced loan interest rates.

Sustainability (10%)

- Commitment to data sharing, impact assessment, and reporting mechanisms.
- Strategies for ensuring the initiative remains sustainable beyond the funding period.

5. Funding and Support

Grant-Based Funding Model

- The fund will provide partial funding to support innovative and impactful initiatives.
- The amount of funding awarded will be determined based on the merit of the proposal, its expected impact, and the institution's implementation capacity.

Institutional Contribution (Minimum 10%)

To ensure commitment and ownership, participating institutions are required to contribute at least 10% of the total project cost.

Performance-Based Disbursement

- A phased disbursement approach will be adopted to ensure accountability and effective utilization of funds.
- Disbursement of funds will be linked to achievable milestones and key performance indicators (KPIs) as outline in the proposal.

Project Duration & Utilization of Funds

- The proposed initiatives should be designed for a 12-24 month implementation period to allow for measurable impact.
- Funds must be used strictly for the approved activities, with a clear plan for financial oversight and periodic reporting.

Reporting & Compliance

- Institutions will be required to submit regular progress reports detailing financial utilization, project milestones, challenges encountered, and impact assessment.
- A mid-term and final impact assessment will be conducted to ensure funds are effectively utilized.
- Any deviation from the agreed-upon implementation plan must be communicated in advance and justified.

6. Application Process

Detailed application process is placed as Annex – 1.

Challenge Fund - Application Process

The Women Inclusive Finance Program (WIFP) Challenge Fund follows a structured and transparent proposal submission process to ensure that funding is awarded to the most impactful and scalable initiatives. The process consists of the following stages:

1. Initial Proposal Submission to WIFP Secretariat

Participating Financial Institutions (PFIs) will submit a concept note and detailed proposal to the WIFP Secretariat within the specified deadline.

The proposal must include:

- Project objectives, theory of change and expected impact
- Targeted women beneficiaries and outreach strategy
- Implementation methodology and timeline
- Financial plan, including institutional contribution (minimum 10%)
- Key performance indicators (KPIs) for monitoring progress

Proposals must align with WIFP's broader scope and objectives to improve women's access to finance.

2. Initial Review & Shortlisting by WIFP Secretariat

The WIFP Secretariat will conduct an initial screening to ensure that submissions meet the eligibility criteria and align with the objectives of the Challenge Fund.

Shortlisted proposals will be evaluated based on:

- Innovation & Uniqueness – Introduction of new or enhanced financial solutions for women
- Feasibility & Implementation Plan – Practicality of execution and institutional readiness
- Impact & Scalability – Potential to expand beyond the pilot phase and create lasting financial inclusion impact
- Sustainability – Long-term viability beyond grant funding

Shortlisted institutions will be notified and invited to proceed to the next stage.

i. Submission to WIFP Grant Steering Committee (GSC)

Shortlisted proposals will be formally submitted to the WIFP Grant Steering Committee (GSC) for comprehensive evaluation and decision-making.

The GSC comprises senior officials from SBP and Asian Development Bank representative, ensuring a fair and strategic selection process.

ii. Presentation to GSC by Shortlisted Institutions

Each shortlisted institution will be required to present its proposal before the GSC, highlighting the business case, expected impact, and implementation plan.

The GSC may seek clarifications, request modifications, or suggest improvements before final approval.

iii. Final Approval & Grant Award

Upon successful evaluation, the GSC will approve the most promising proposals for grant funding. Institutions will be required to sign an agreement with the SBP, outlining the terms of funding, expected deliverables, and reporting obligations.

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