Pakistan: Resilient and Accessible Microfinance (RAM) Project

(P181037)

STAKEHOLDER ENGAGEMENT PLAN

State Bank of Pakistan

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1. Introduction/Project Description

The Pakistan: Resilient and Accessible Microfinance (RAM) Project aims to enhance access to microcredit and support the resilience of the microfinance sector and its borrowers. The project supports the adaptation and resilience of microfinance providers and their borrowers, by creating buffers against growing flood risks, while concurrently enhancing access to microcredit. The project will achieve this, in the first phase, through the establishment, operationalization and capitalization of a climate risk facility (CRF). Additionally, going forward, the project may finance the establishment, operationalization and capitalization of the risk sharing facility in collaboration with IFC (through an additional financing). Any additional financing, however, will be subject to the approval of World Bank/IFC management and concurrence of the GoP.

Component 1: Climate Risk Facility (US$125 million, which includes a US$23 million GSFF grant)

The CRF will be established and capitalized as a Trust owned by the Government of Pakistan (GoP) and managed by the State Bank of Pakistan (SBP) as the Trustee. The CRF will serve the overarching objective of enhancing the resilience of MFPs and their borrowers, by supporting climate adaptation and recovery, in addition to enhancing access to finance. It will do so by providing liquidity to MFPs for on-lending to eligible micro-borrowers. The CRF will provide liquidity both prior and post a 'qualifying' flooding event through two tailored products (see details below).

Product 1: Business as Usual Innovative Agricultural Liquidity (IAL) – USD20 million
The CRF will enhance adaptation and resilience of MFPs and their borrowers, while also enhancing access to finance through the provision of liquidity to MFPs for the origination of climate smart agriculture loans. Climate smart agriculture loans will be developed by bundling agriculture loans of MFPs with advisory support from Technology Companies (TCs). TCs are companies which use agrotechnology in agriculture, horticulture, and aquaculture with the aim of improving yield, efficiency, and profitability. Thus, by bundling loans with TC support, the IAL product will not only boost the volume of agriculture finance through the microfinance sector, but will also boost productivity, sustainability, adaptation and resilience of borrowers, and consequently of MFPs, in particular to climate risks. A panel of TCs will be selected to provide tech services in partnership with MFPs through an Agriculture Finance Innovation Challenge (AFIC). The AFIC will be implemented by SBP, in partnership with relevant stakeholders.

Product 2: Post-Climate Event Contingent Liquidity (Contingent Liquidity Facility) – USD105 million
Most of the funding available under the CRF will only be passed onto MFPs for use in the generation of 'recovery' loans following a qualifying flood event. Contingent liquidity will be provided to eligible MFPs through a product called 'Contingent Liquidity Facility (CLF)'. Only MFPs that have active portfolios in the 'qualifying' flood impacted geographies will be eligible to access liquidity available under the CRF, and liquidity extended by the CRF would only be eligible for deployment in areas impacted by floods. The level of liquidity provided to eligible MFPs will among other criterion be determined by the impact of floods on the portfolios of the MFPs. MFPs can use the CRF products to restructure existing loans of their borrowers, restructure and top up existing loans, and/or give new 'recovery' loans to their current and/or new borrowers. All end-borrowers must be from those geographies that have been impacted by the qualifying flood event. The liquidity will be passed onto MFPs, and end borrowers, on market terms, barring instances where the liquidity is to be used for generation of recovery loans for women. In such instances, price incentives will be given to MFPs to reduce the current gender gap in financing volumes to ensure

that the average size of a loan being given to women is as close as possible to that being given to man. The liquidity provided to MFPs and the loans generated using it will provide a buffer at a time when livelihoods are temporarily impacted by the climate event. This level of support serves to protect the borrowers by giving them some 'breathing space' while also protecting the asset quality of MFPs. As such, the financing will only be passed onto those borrowers that remain credit worthy; those that are deemed no longer credit worthy thus become candidates for social protection support. This builds from lessons learnt in the aftermath of the 2022 floods, whereby the government struggled to identify those who were most eligible for public sector support.

For CRF-I, SBP's role builds on its experience managing financial inclusion projects and its regulatory oversight of microfinance banks (MFBs). Implementation will follow a two-tier governance structure: an Oversight Committee responsible for strategic decisions (e.g., securing parametric insurance) and a Working Committee handling operational matters, such as allocating funding to MFPs. These arrangements ensure autonomous, cost-effective management while enabling additional funds to be mobilized to mitigate climate risks.

The RAM Project is being prepared under the World Bank's Environment and Social Framework (ESF) specifically, Envrionmental and Social Standard 9 on Financial Intermediaries (ESS9). RAM will use country systems to comply with World Bank ESF requirements, for which a Country E&S Systems Assessment (CSA) for FIs has been conducted for the State Bank of Pakistan (SBP) with regards to the requirements of World Bank ESS9. The CSA assesses the existing E&S systems in place, relevant national laws, and provides recommendations on additional E&S measures required to fulfill the requirements of ESS9.

Under the World Bank's Financial Inclusion and Infrastructure Project (FIIP), SBP has developed and is using an Environmental and Social Management System (ESMS) to manage E&S risks related to microfinance loans and provide requirements to Microfinance Providers on implementing their own E&S systems. The ESMS has been satisfactorily used and reported on by SBP and participating MFPs under FIIP. This Stakeholder Engagement Plan (SEP) builds upon the existing systems in place at SBP and has been prepared in line with the requirements of ESS9 and Environmental and Social Standard ESS10 on Stakeholder Engagement and Information Disclosure (ESS10). As per ESS10, the implementing agencies should provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination, or intimidation.

2. Objective/Description of SEP

The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project activities or any activities related to the project.

3. Stakeholder identification and analysis

3.1 Methodology

To meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- *Openness and life-cycle approach:* Public consultations for the project(s) will be arranged during the whole life cycle, carried out in an open manner, free of external manipulation, interference, coercion, or intimidation.
- *Informed participation and feedback:* Information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
- *Inclusiveness and sensitivity:* Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly women, the elderly, persons with disabilities, displaced persons, and migrant workers and communities, and the cultural sensitivities of diverse ethnic groups.
- *Flexibility:* If social distancing, cultural context (for example, particular gender dynamics), or governance factors (for example, high risk of retaliation) inhibits traditional forms of face-to-face engagement, the methodology should adapt to other forms of engagement, including various forms of internet- or phone-based communication.

3.2. Affected parties and other interested parties

Affected parties include institutions, local communities, community members, and other parties that may be subject to direct impacts from the Project. Specifically, the following individuals and groups fall within this category:

Table 1 List of Affected Parties

Category	Details
Microfinance borrowers	• Small business owners • Micro, small and medium enterprises (MSMEs) • Women, particularly those in rural or low-income areas • Farmers, especially smallholder farmers in flood-prone and climate-sensitive areas • Households located in rural and climate-vulnerable areas • Youth in rural areas
Microfinance providers	• Microfinance Banks (MFBs) • Non-Bank Microfinance Companies (NBMFCs) • Non-Bank Finance Companies (NBFCs like PMIC) •
Private Sector	• Agri-tech service providers (ASPs) • Agri-tech Companies • Fintech companies • Insurance Companies
Institutional/Government	• Members of Oversight Committee

The projects' stakeholders also include parties other than the directly affected communities, including:

Table 2: List of Other Interested Parties

Category	Details
Government Agencies	• National Institute of Banking and Finance Pakistan • Banking Mohtasib • Federal Ombudsman (Wafaqi Mohtasib) • National Disaster Management Authority (NDMA) • Provincial Disaster Management Authorities (PDMAs) • Pakistan Space and Upper Atmosphere Research Commission (SUPARCO)
Pakistan Microfinance Network (PMN)	Representing and supporting the interests of microfinance providers
Local and National NGOs	• Pakistan Poverty Alleviation Fund (PPAF) • Rural Support Programmes Network (RSPN) • Women's Rights Organizations
International Development Partners	• Global Shield Financing Facility (GSFF) • German Agency for International Corporation (GIZ) • Asian Development Bank (ADB) • Foreign Commonwealth and Development Office (FCDO) • KfW Development Bank (KfW)
Local Agriculture-based Business Owners and Service Providers	Especially those operating in rural areas where the project will be implemented, as they may see indirect benefits through strengthened local economies and improved agricultural productivity.
Credit rating agencies	Providing ratings for MFPs to support their financial stability and transparency
Informal sources of finance	*Aartis* (Middlemen)

3.3. Disadvantaged/vulnerable individuals or groups[1]

Within the Project, vulnerable or disadvantaged groups within the communities affected by the Project will be dedicatedly targeted for engagement. They may be added, further confirmed, and consulted through dedicated means, as appropriate during the project lifetime. Description of the methods of engagement that will be undertaken by the project is provided in the following sections. The vulnerable and disadvantaged groups may include but are not limited to the following:

Table 3: List of Disadvantaged/Vulnerable Individuals and Groups

Vulnerable group	Barriers to Accessing Information or Project Benefits	Potential Representatives/Partners
Women borrowers	Limited mobility due to social norms, restricted access to information channels, and financial barriers	Local women's rights organizations, women led community organizations-, community leaders
Smallholder farmers	Limited awareness of available resources, financial literacy barriers, dependency on middlemen (aartis), vulnerability to climate shocks, limited access to climate-smart practices	Agricultural cooperatives, local NGOs (e.g PPAF, RSPN)
Persons with disabilities	Physical accessibility issues, limited income, social stigma, reduced access to financial and	Local NGOs, Disabled Persons' Organizations (DPOs)

	informational resources, and limited tailored support for climate resilience	
Rural women in agriculture	Social and cultural restrictions on participation in financial programs, lower literacy rates, lack of independent income sources, limited access to agriculture advisory services	Women's organizations, agriculture cooperatives
Low-income households	Financial barriers to accessing microfinance services, lack of financial literacy, limited awareness of support services for climate resilience	Local/village level community organizations, community centers, local NGOs
Religious and ethnic minorities	Language barriers, social exclusion and marginalization in financial services and limited engagement with climate resilience programs	Community based organizations
Sexual and gender minorities	Social stigma, discrimination, limited access to safe financial services, and lack of inclusion in community-level and climate resilience initiatives	

4. Stakeholder Engagement Program

4.1. Summary of stakeholder engagement done during project preparation

During project preparation, the following public consultation meetings were conducted under the guidance of the World Bank to gather insights and address concerns related to RAM Project. Key Informant Interviews (KIIs), and Focus Group Discussions (FGDs) were conducted with representatives from the microfinance sector, agri-tech companies, and commercial banks. These consultations included roundtable discussions with 13 microfinance providers including HBL Microfinance Bank Ltd., NRSP Microfinance Bank Ltd., and Kashf Foundation. The meetings focused on the impact of climate shocks on lending in rural areas and the need for the Climate Risk Facility (CRF) to support resilience and continued loan issuance.

An engagement session was held with 8 agri-tech firms, including Bakhabar Kissan, Farmdar, and Khaity, to explore opportunities for collaboration with MFPs. The companies discussed the potential of technology solutions to support small-scale farmers but noted the challenge of limited integration with the microfinance sector.

Roundtables with commercial banks, including Standard Chartered Bank, Habib Bank Limited, and Meezan Bank, highlighted the importance of establishing a credit guarantee facility to mitigate risks and ensure liquidity flow to MFPs, which would help sustain their role in supporting vulnerable borrowers.

Institutional consultations also involved the various departments of State Bank of Pakistan (SBP), who provided insights into the sector's climate-related challenges. Securities and Exchange Commission of Pakistan (SECP), represented by Executive Director Ms. Khalida Habib, emphasized the need for an inclusive CRF. Pakistan Microfinance Network (PMN), led by Head of Operations Mr. Ali Basharat,

advocated for equitable access to the CRF, and GIZ, represented by Ms. Katharina Nett, suggested collaborative opportunities between GIZ and the World Bank to maximize project impact.

Feedback received also emphasized equitable access to the CRF across the sector, integration between MFPs and agri-tech companies, and the establishment of a credit guarantee facility to support liquidity.

Consultations during the RAM Country E&S Systems Assessment were conducted with representatives from the SBP and several MFPs, including UMFB, HBL MFB, PMIC, Thardeep Microfinance Foundation, SAFCO Microfinance Company, NRSP and Kashf Foundation. Feedback received during consultations included best practices and challenges in implementing ESMS and E&S screening on microfinance portfolios by the MFPs, and suggestions for streamlining processes to mainstream E&S requirements across the operations on the ground.

A summary of the consultations integrated into the Stakeholder Engagement Plan is provided in Annex I.

4.2. Summary of project stakeholder needs and methods, tools, and techniques for stakeholder engagement

Different engagement methods are proposed and cover different stakeholder needs as stated below:

- Structured agendas and formal meetings: These may be used to engage key regulatory bodies, including SECP, etc. ensuring alignment of regulatory and project implementation requirements.
- Focus Group Discussions (FGDs): FGDs may gather feedback from MFPs and agri-tech companies, focusing on their roles in project activities like the Climate Risk Facility (CRF) and climate-smart agriculture support.
- Key Informant Interviews (KIIs): One-on-one interviews may be held with key informants, such as senior representatives from SBP, MFPs, PMIC, and agri-tech companies, to gather detailed insights on operational challenges and specific project requirements.
- Community consultations: Consultations with microfinance borrowers and rural communities, particularly in climate-impacted regions, may help capture local needs and ensure inclusive access to project benefits.

4.3. Stakeholder engagement plan

Table 4: Summary of project stakeholder needs, methods, tools and techniques

Project Stage	Estimated Date/Time Period	Topic of Consultation/ Message	Method Used	Target Stakeholders	Responsibilities
Preparation Stage[1]	*Once during preparation*	Project objectives, components, expected impacts, and CRF design	Formal meetings, roundtable discussions	Government agencies (SBP, SECP), PMN, and NCGC	SBP

[1] Stakeholder engagement activities during the preparation stage were conducted in support of the World Bank consultants.

Project Stage	Estimated Date/Time Period	Topic of Consultation/ Message	Method Used	Target Stakeholders	Responsibilities
	Once during preparation	CRF and support for MFPs in climate resilience	Focus group discussions, interviews	MFPs, including MFBs and MFIs (e.g HBL Microfinance, Khushhali Microfinance)	SBP
	Once during preparation	Access to project benefits for vulnerable borrowers and local communities	Community consultations, Focus group discussions, interviews	MFPs, rural communities, women-headed households, smallholder farmers, persons with disabilities	SBP
	Once during preparation	Implementation plan for CRF and integration with agri-tech services for climate-smart agriculture	Roundtable meetings, individual consultations	MFPs, agri-tech companies (e.g BaKhabar Kissan, Crop2x)	SBP
	Once during preparation	Partnership discussions for credit guarantee facility and risk-sharing mechanisms	Formal meetings, focus groups discussions	Commercial banks (e.g HBL, Standard Chartered)	SBP
	Once during preparation	Use of Environmental and Social Management Systems and challenges	Focus Group Discussion	MFPs	SBP
Implementation stage	*Ongoing during project implementation*	Project information and eligibility criteria and support for microfinance borrowers	Community level outreach activities, public notices, communications materials (print and electronic) Special focus on ensuring accessibility of materials for	Microfinance borrowers in rural areas, vulnerable groups	MFPs

Project Stage	Estimated Date/Time Period	Topic of Consultation/ Message	Method Used	Target Stakeholders	Responsibilities
			vulnerable groups.		
	Once at project implementation	Enhanced stakeholder engagement for project information and eligibility criteria	Training and workshops	MFPs, Agri-techs	SBP
	Yearly	Challenges and best practices in E&S compliance	Workshops/ roundtables	MFPs	SBP
	Mid-Term and Final Year of project	Beneficiary feedback on access to CRF MF loans, access to agri-tech and usability	Beneficiary Feedback Surveys	Microfinance borrowers	MFPs,
	Quarterly	Project updates, operational feedback on CRF, and performance of MFPs and agri-tech partnerships	Website updates, consultation meetings, quarterly review meetings	Agri-tech companies, MFPs, commercial banks,	SBP and MFPs
Monitoring and Evaluation	*Annually*	Results of project monitoring, outcomes related to climate resilience and microcredit access	Formal reports, community meetings	Government stakeholders, MFPs, rural communities, and disadvantaged groups	MFPs and SBP

Engagement with vulnerable groups such as women headed households, low-income farmers and persons with disabilities will be prioritized to ensure inclusive and accessible communication. These groups will be reached through the MFPs using community meetings held in accessible locations and focused group discussions with gender and disability inclusivity. It is recommended that the project ensures that citizen/beneficiary feedback surveys are accessible to disadvantaged and vulnerable groups, using field presence of MFPs to gather feedback from those who cannot be accessed via digital means.

Information will be disclosed as follows:

- Documents: SEP, environmental and social (E&S) documents, Grievance Redress Mechanism (GRM) procedures, and periodic project updates.
- Formats: Public notices, project website updates, press releases, information leaflets, and focus group discussions specifically for vulnerable communities where applicable.
- Languages: English and Urdu. , with translations into local languages and in formats accessible to the illiterate or disabled, if required.

4.4. Reporting back to stakeholders

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and Grievance Redress Mechanism, and on the project's overall implementation progress.

5. Responsibilities and Resources for implementing stakeholder engagement activities

5.1. Management functions and responsibilities

The State Bank of Pakistan (SBP) will be responsible for ensuring implementation of the SEP activities together with the participating MFPs. SBP will provide support in content development, trainings and workshops, while awareness campaigns and community engagement activities will be conducted by the MFPs with the guidance of the SBP and the SEP. SBP will ensure all participating MFPs develop and implement similar stakeholder engagement plans based on this SEP to ensure effective engagement with all stakeholders at the ground level, including vulnerable groups.

The stakeholder engagement activities will be documented through regular reports, meeting minutes, and progress updates compiled by SBP and MFPs. These documents will be maintained in project records and may be shared with the World Bank and relevant stakeholders as part of ongoing monitoring and reporting requirements, if required.

5.2. Budget

The budget for SEP and other activities under the ESCP will be utilized from the CRF-I income returns. Approval for budget expenditures will be given by the Board of Trustees. Budget categories are broadly defined as below:

Table 6: Budget for SEP

Budget Category	Budget For	Remarks
Events	SBP	Roundtables, workshops etc.
Community events	MFPs	Community engagement events
Communications Campaigns	MFPs	Posters, flyers, digital and electronic campaigns
Trainings	SBP	E&S and citizen engagement trainings
Beneficiary Feedback Surveys	MFP	Conducted by MFP
Grievance Redressal Mechanism	SBP	Awareness on GRM and incidental costs for implementation

6. Grievance Redress Mechanism

The main objective of a GRM is to assist to resolve complaints and grievances in a timely, effective, and efficient manner that satisfies all parties involved.

6.1. Description of GRM

SBP under FIIP has established a well-structured and functioning GRM as per the requirements of the World Bank. This GRM uses the existing fully operational grievance handling mechanism at the SBP's Consumer Protection Department (CPD). This system, known as the Consumer Grievance Handling Mechanism (CGHM) is mandated to address complaints against banks (including microfinance banks) governed by the SBP. For the purpose of RAM (as already established under FIIP), the same guidelines will be followed by all participating MFPs, including non-bank microfinance providers.

Table 7: GRM steps

Step	Description of Process	Time Frame	Responsibility
GRM implementation structure	GRM for RAM will follow two-tier consumer grievance handling mechanism. This system operates at two levels: -First tier: complaints are first handled by the respective MFPs (including MFB, NBMFC and PMIC). Each MFP will establish its own grievance redress mechanism to address E&S and other concerns, as per the guidance of World Bank ESS10. -Second tier: if the grievance is unresolved at the MFP level, it can be escalated to SBP. For the purpose, a dedicated portal ram.complaints@sbp.org.pk will be created. Complaints via email may be shared on this portal.		MFPs SBP
Grievance uptake	Grievances can be submitted via the following channels: • MFPs established GRM channels which must be inclusive and accessible. • Letter submitted to local MFP offices • In-person submission at MFP offices (recorded in grievance logbooks) • Toll-free SBP telephone hotline (111-727-273) In case of unresolved complaint by MFP, submit written complaint at E-mail: ram.complaints@sbp.org.pk.		MFPs, SBP

Step	Description of Process	Time Frame	Responsibility
Sorting, processing	Any complaint received is logged by the MFPs grievance focal point, categorized (e.g., service-related, eligibility, environmental or social concerns), and assigned a tracking number. If unresolved at the MFP level, it is forwarded to SBP.	Upon receipt of complaint	Local grievance focal points, SBP
Acknowledgment and follow-up	Receipt of the grievance is acknowledged by the grievance focal point at the MFP level, or by SBP, if escalated.	Within 2 days of receipt	MFP local grievance focal points, SBP
Verification, investigation, action	The initial investigation of the complaint is conducted by the grievance team at the MFP. If the grievance escalates, SBP conducts a detailed investigation. A proposed resolution is formulated by the respective level (MFP or SBP) and communicated to the complainant.	Within 10 working days	Complaints handling teams/Committee at MFPs, SBP
Monitoring and evaluation	Data on complaints are recorded in each MFP's grievance tracking system and submitted to SBP quarterly. SBP will review the data to ensure transparency and compliance with E&S requirements. GRM reports will be submitted to the RAM Project Team.	Quarterly	MFPs, SBP
Provision of feedback	Feedback on the grievance resolution process is collected from complainants through follow-up surveys or phone calls. This helps assess satisfaction with the resolution and identify any areas for improvement.	Within 30 working days after resolution	MFPs, SBP
Training	Training sessions on grievance handling, E&S issues, and customer service will be provided for staff at SBP and MFPs to ensure culturally appropriate communication and efficient grievance management.	Annually	SBP, MFPs

The GRM will provide an appeal process if the complainant is not satisfied with the proposed resolution of the complaint. Once all possible means to resolve the complaint have been proposed and if the complainant is still not satisfied, then they should be advised of their right to legal recourse.

The project will have measures in place to handle sensitive and confidential complaints, including those related to Sexual Exploitation and Abuse/Harassment (SEA/SH) in line with national and provincial laws,

and the World Bank ESF Good Practice Note on SEA/SH. These modalities will be developed in concurrence with the World Bank and put in place at project implementation.

Labor Management Procedures (LMP) will be prepared by the project after effectiveness as per the timelines stated in the RAM Environmental and Social Commitment Plan (ESCP). The LMP will include details for a Labor Grievance Mechanism for workers.

The World Bank and the Borrower do not tolerate reprisals and retaliation against project stakeholders who share their views about Bank-financed projects.

7. Monitoring and Reporting

7.1. Summary of how SEP implementation will be monitored and reported

The implementation of SEP will be monitored and reported through key indicators that are aligned with the planned engagement activities. Indicators include:

- The number of formal meetings, roundtable discussions and focus group discussions held with government agencies, MFPs, agri-tech companies and commercial banks.
- The frequency and effectiveness of community consultations, including those with vulnerable groups, such as women-headed households and smallholder farmers, to ensure their needs are being addressed.
- The number of outreach activities and public notices issued to communicate project updates and eligibility criteria to microfinance borrowers in rural areas.
- The quantity and quality of grievance submissions and resolutions tracked through the GRM

7.2. Reporting back to stakeholder groups

The SEP will be periodically revised and updated as necessary in the course of project implementation. Quarterly summaries and internal reports on public grievances, enquiries, and related incidents, together with the status of implementation of associated corrective/preventive actions, will be collated by responsible staff and referred to the senior management of the project. The quarterly summaries will provide a mechanism for assessing both the number and nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. Information on public engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in various ways:

- Public notices displayed in offices of MFPs and community centers
- Updates on the project website
- Annual community meetings
- Distribution of information leaflets and brochures to local communities
- Reports shared with MFPs, agri-tech partners, and government agencies involved in project implementation

Annex 1

Table. Stakeholder Consultation Summary

Stakeholder (Group or Individual)	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team
State Bank of Pakistan (SBP) **Participants:** 1. Mr. Abid Qamar (Director, Agriculture Credit and Financial Inclusion Department) 2. Mr. Imran Ahmad (Additional Director, Agriculture Credit and Financial Inclusion Department) 3. Mr. Faisal Shafaat (Senior Joint Director, SME, Housing, and Sustainable Finance Department) 4. Ms. Sundus Saleem (Senior Joint Director, Consumer Protection Department) 5. Mr. Karim Alam (Joint Director, Agriculture Credit and Financial Inclusion Department) 6. Mr. Ataullah (Deputy Director, Agriculture Credit and Financial Inclusion Department) 7. Mr. Zarak Khan (Deputy Director, SME, Housing, and Sustainable Finance Department) 8. Mr. Humza Nadeem Jami (Assistant Director, Consumer Protection Department)	Multiple meetings (Last: Nov 6, 2024)	Highlighted impairments on the microfinance sector due to climatic shocks and contributed to designing the operation.	Incorporated SBP insights into the CRF design.
Securities and Exchange Commission of Pakistan (SECP)- Ms. Khalida Habib, Executive Director	Multiple meetings (Last: Sep 9, 2024)	Stressed the importance of an inclusive CRF for the entire microfinance sector, especially for NBMFCs. Gave an overview of impact of climatic shocks on NBMFCs	Ensured inclusivity principles in the CRF framework.
Pakistan Microfinance Network (PMN), Ali Basharat, Head of Operations	Multiple meetings (Last: Oct 17, 2024)	Advocated for expediting CRF processing and ensuring equity in access to funds across the microfinance sector.	
GIZ- Katharina Nett	Multiple meetings (Last: May 14, 2024)	Recommended leveraging synergies between GIZ and World Bank operations to enhance project impact.	Explored collaboration opportunities with GIZ.
Microfinance Providers	Multiple meetings (2022-2024)	Shared that climatic shocks have severely	Focused CRF design on post-climate shock

1. UMFB Muhammad Javed - Compliance Officer Allah Bakhsh - Regulatory Compliance Officer Muhammad Ahmar Adam - E&S Focal person 2. HBL MFB Amir Khan - CEO Rizwan Maqsood - CFO Kashif Zafar - E&S Focal Person 3.Pakistan Microfinance Investment Company (PMIC) Rashid Imran - Chief Risk Officer (E&S Focal Person) Saqib Siddiqui 4.Thardeep Microfinance Foundation (TMF) Sono Khangharani - CEO Imran Khoso - E&S Focal Person 5.SAFCO Microfinance Company Rameez Memon - E&S Focal Person Zulfiqar Ali - E&S Focal Person 6. NRSP Rashid Baiwa - CEO Absar Baig - E&S Focal Person 7.KASHF Foundation Shahla Sattar - E&S Focal Person Shahzad Iqbal - CFO Yasir Arjumand - Head of Finance	Nov 2, 2022 February 10, 2023 June 2, 2023 October 17, 2024	impacted their ability to extend new loans, particularly in rural areas.	liquidity support for MFPs.
Agri-tech Companies 1.Bakhabar Kissan 2.Concave 3.Crop2x 4.Farmdar 5.Growtech 6.Khaity 7.Kissan Management Services	Feb 22, 2024	Agri-Tech companies have innovative solutions that can provide great benefits to the small farmers. However, because of a lack of integration/cooperation with the microfinance sector, they are unable to bring their innovation to the small-scale farmer.	Designed project activities to integrate agri-tech solutions with MFP services.
Commercial Banks 1.Standard Chartered Bank 2.Habib Bank Limited 3.JS Bank 4.Meezan Bank	June 1, 2023	Emphasized the need for a credit guarantee facility to ensure continued liquidity for the microfinance sector.	Incorporated a credit guarantee component in the project design.

Endnotes

[1] It is particularly important to understand whether project impacts may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impacts of a project, and to ensure that awareness raising and stakeholder engagement be adapted to take into account such groups' or individuals' particular sensitivities, concerns, and cultural sensitivities and to ensure a full understanding of project activities and benefits. Engagement with vulnerable groups and individuals often requires the application of specific measures and assistance aimed at the facilitation of their participation in the project-related decision making so that their awareness of and input into the overall process are commensurate with those of other stakeholders.