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Pakistan Puts Women, Farmers and Small Businesses at the Heart of Its Green Finance Agenda: SBP Governor

Governor of the State Bank of Pakistan (SBP) Mr. Jameel Ahmad inaugurated the four-day SBP and Alliance for Financial Inclusion (AFI), Joint Learning Program on Inclusive Green Finance Policy Implementation in Islamabad. The program brings together 38 international participants of AFI network representing central banks and financial regulators of 24 countries from four continents, to move from policy commitments to real-world implementation.

In his keynote address, the Governor said that climate change and financial exclusion are deeply interconnected. The people most exposed to climate shocks are smallholder farmers, micro and small enterprises, and low-income households. They are also the least likely to have insurance, savings, or access to formal finance. "Climate finance must do more than support green investments. It must also help communities anticipate risks, build resilience, and adapt to a changing climate," the Governor said.

The Governor pointed to Pakistan's experience during the devastating floods of 2022. The floods caused nearly US$15 billion in physical damage and a further US$15 billion in economic losses. They affected more than 30 million people and damaged 2.2 million homes. He said this shows why financial systems must be both green and inclusive. Highlighting Pakistan's progress, he noted that financial inclusion has reached 71%, the gender gap has narrowed to 27%, and Pakistan is sharing its Green Taxonomy and climate risk framework with peer regulators across the AFI network.

The Governor highlighted SBP's progressive regulatory framework, which includes the Green Banking Guidelines (2017), the Environmental and Social Risk Management Framework (2022), the Pakistan Green Taxonomy, and regulations on climate-related financial risks, along with the Climate Stress Testing Guidelines (December 2025).

On initiatives to promote women's financial inclusion, the Governor highlighted the Pakistan Women Inclusive Finance Program, supported by the Asian Development Bank. He also noted that Pakistan joined the Women Entrepreneurs Finance Code in 2025, with SBP serving as the anchor institution for the financial industry. The Governor also outlined Pakistan's work under AFI's four pillars of Promotion, Provision, Protection, and Prevention. The Green Taxonomy provides a science-based classification of green activities, while targeted financing schemes channel credit to underserved segments. Women-focused programs strengthen financial resilience, while climate risk regulations and stress testing help financial institutions prepare for potential shocks.

The Governor shared that participants will exchange experiences over the coming days on operationalizing green finance, supporting climate-smart agriculture, and addressing implementation challenges, including gender-related barriers. "The success of any policy framework is ultimately measured by its implementation and its impact on people's lives," the Governor said.

The Governor thanked AFI for its partnership and expressed hope that the program would foster stronger peer networks and continued knowledge exchange across jurisdictions.

Ms. Aban Haq, Director Strategy, Member Engagement and Evaluation at AFI, and Mr. Lasse Melgaard, Operations Manager at the World Bank, also addressed the inaugural session. They stressed the importance of knowledge-sharing platforms in showcasing innovative country experiences and disseminating good practices in inclusive and sustainable green finance. Mr. Melgaard appreciated the

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platform created by SBP and AFI for peer learning, collaboration, and the exchange of implementation experiences among AFI member institutions.

Conducted for the first time in Pakistan, the joint learning program reflects SBP's commitment for promoting inclusive and sustainable finance through practical policy implementation and international cooperation. The program is expected to foster lasting institutional linkages and contribute to a shared vision of a more inclusive, climate-resilient, and sustainable financial future.

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