



WOMEN EQUALITY IN FINANCE POLICY (WEFP) FOR NON BANK MICRO FINANCE COMPANIES

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Introduction

Pakistan's economic growth has not benefited men and women equally, and women remain underrepresented in the economy. In addition, while Pakistan's financial inclusion has been improving, the share of women account holders in formal financial institutions is a disappointing 13%^[1] as compared to men which stands at 34%^[2] by the end of FY2021. The microcredit segment in particular represents a large opportunity, with the gender gap^[3] increasing from 16% in 2013 to 31% in 2024^[4] and this has been forecast to deteriorate further to 40%+ by 2030 (see next section for a detailed commentary).

The Securities and Exchange Commission of Pakistan (SECP), as a regulator of the non-bank microfinance sector has embarked on a journey of developing a Women Equality in Finance Policy (WEFP), starting in early 2023. The effort is being supported by the Asian Development Bank (ADB) under the Women Inclusive Finance (WIF)^[5] program for Pakistan to support women's access to finance.

Women Equality in Finance Policy (WEFP) is expected to complement the gender initiatives of the financial ecosystem, such as Banking on Equality (BOE) policy of the State Bank of Pakistan (SBP) under the ambit of the National Financial Inclusion Strategy (NFIS), and the Women Entrepreneurship Policy (WEP) currently being developed by Small and Medium Enterprise Development Authority (SMEDA) under the overarching Small and Medium Enterprise Policy (SME Policy).

Women Equality in Finance Policy (WEFP) is predominantly focused on the Non-Bank Microfinance Companies (NBMFCs) and addresses a growing gender finance gap in the Pakistan market. It suggests solutions for women empowerment by recognizing the needs and challenges faced by women entrepreneurs. In addition, the Policy aims to increase and upgrade the inclusion of women as employees at all hierarchical levels, within the NBMFC sector, for improved decision making and governance of the microfinance market.

The process of policy formulation was initiated in January 2023 consisting of a series of surveys, market analysis, and assessment of prevailing regulatory guidelines and practices. (See Annexure C for WEFP Development Process details). A consultative session "Women in Finance Thought Leaders Workshop" was later jointly organized by SECP and ADB in January 2024. The workshop brought together key representatives of the NBMFC sector, enabling environment entities, and regional experts to find solutions to bridge the gender finance gap (see participants' list in Appendix D). The workshop participants prioritized a roadmap of policy initiatives that could potentially form part of the new Women Equality in Finance Policy (WEFP) – intended to be approved in 2024.

The following discourse details the discussions and recommendations for policy formulation with the intent to elicit final views from the readers. Once the industry accords with its consent, the next step would entail setting targets under each pillar and sub-themes (see WEFP Framework for details).

¹ Global Findex data 2021

² ibid

³ Defined as the share of microloans distributed to male versus female borrowers.

⁴ Estimations based on data provided by Pakistan Microfinance Network for June 2024

⁵ The Women Inclusive Finance (WIF) is \$155.5 million sector development program comprising a \$100 million policy-based loan that supports legal and regulatory reforms to help women better access finance; a \$50 million financial intermediation loan to enable participating financial institutions to lend to women entrepreneurs, and women-led micro, small and medium enterprises; and a \$5.5 million grant to finance related activities.

Women's Equality in Finance Policy

The Problem

"Women's access to finance in Pakistan is severely constrained, evidenced by higher levels of financial exclusion of women, a widening gender finance gap^[6] and a lower average loan outstanding. While NBMFCs remain the main providers for women's access to finance^[7], the downward trend in serving the microfinance customer base, especially women, is clear indication of a consistent need to operationalize changes at NBMFC level to serve women more and better"

Market Evidence

Outreach to Women Clients

The NBMFC sector in Pakistan is critical for access to finance for women, providing loans to around 2.5 million women with a Gross Outstanding Portfolio (GLP) of PKR 89.2 million in June 2024, making them the main source of formal access to credit in the country for women. However, a longitudinal analysis of the microfinance sector in Pakistan (from 2018 to 2024) shows that the number of women borrowers at NBMFCs is on a downward trend, shrinking by over 5% comparing 2008 outreach to 2024 outreach^[8]. Moreover, for the sector as a whole the rate of growth of women borrowers is much slower than the growth in the male borrowers. The overall number of microfinance women borrowers has grown only 41% from 3.5 million (2008) to 4.9 million (2024) compared to 97% growth in male borrowers from 2.9 million (2008) to 5.9 million (2024).

Based on proxy calculations of the women's market size (see Box 1, below)^[9], rough estimates indicate that NBMFCs and MFBs combined are only serving less than 25% of the potential microfinance women market.

Box 1: Potential Market Opportunity with Women

A potential women market of 18.4 million women can be approximated, using an available estimation of the potential microcredit market in Pakistan.

⁶ Women are increasingly left behind with a large gender finance gap currently standing at 34% (K-FIS 2022). Pakistan has among the lowest rates of women's entrepreneurship in the world at 4% of female working age adults.

⁷ Over 80% of NBMFC active client portfolio consists of women. See Market Evidence for more details.

⁸ Several factors could have contributed to this trend, one of which is the liquidity issue experienced as after the Covid-19 pandemic and other external shocks (which was signalled by the NBMFC industry during the SECP-ADB January 2024 workshop conducted in Lahore).

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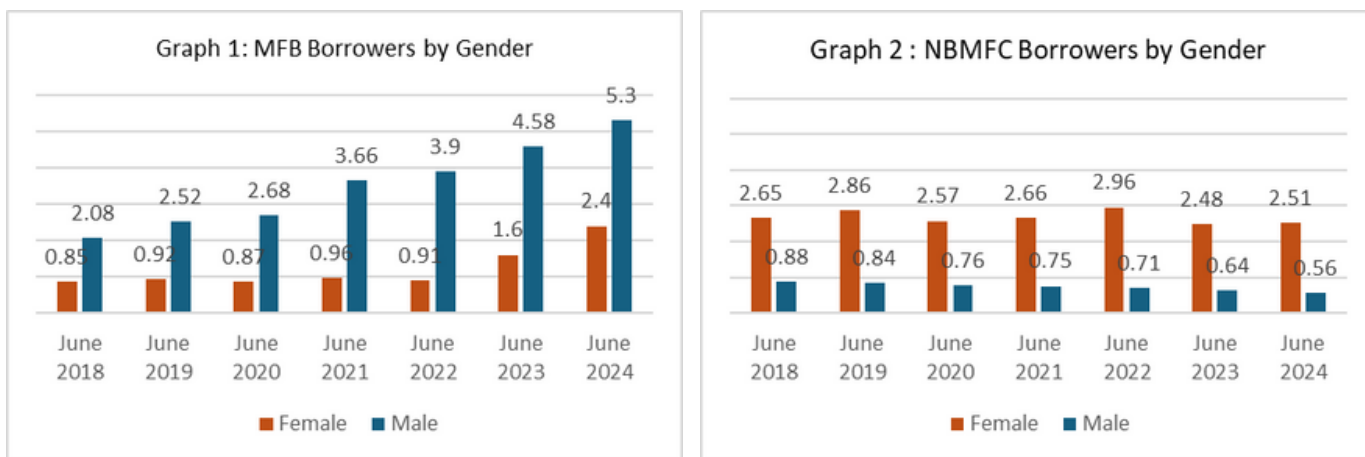
Table 1 Gender Analysis of Outreach & Gross Loan Portfolio of NBMFCs & MFBs (June 2018 – June 2024) – Source Pakistan Microfinance Network

		Number of Borrowers (in Millions)			Gross Loan Portfolio (in PKR M)		
		2018	2024	Change	2018	2024	Change
NBMFCs	Male	0.83	0.56	-37.1%	20.73	35.89	73.1%
	Female	2.65	2.51	-5.2%	56.1	89.22	59.0%
	Total	3.53	3.06	-13.2%	76.83	125.1	62.8%
MFBs	Male	2.08	5.29	154.7%	132.32	335.22	153.3%
	Female	0.85	2.43	184.9%	30.22	105.53	249.2%
	Total	2.93	7.72	163.5%	162.53	440.75	171.2%
Sector	Male	2.91	5.85	97.4%	153.05	371.11	142.5%
	Female	3.5	4.94	41.1%	86.32	194.75	125.6%
	Total	6.46	10.78	66.9%	239.36	565.85	136.4%
Female % in Sector		54%	46%	-	36%	34%	-
NBMFC Female % of Total Female		76%	51%	-	-	-	-

The data given above shows that:

The average loan outstanding by NBMFCs in 2024 for women is much lower at PKR 35,571 as compared to PKR 64,537 for men. The same comparison for 2018, showed more gender parity in average loan outstanding for women and men at PKR 21,937 for women compared to PKR 23,459 for men. This shows that even within the NBMFC sector, average loan outstanding for women is 55% that of men in 2024.

Between 2018 and 2024, the overall share of lending to women in the microfinance sector (MFBs and NBMFCs combined) has also declined both in terms of numbers (from 54% to 46%) and loan volume (from 36% to 34%).



Source: Calculations based on Pakistan Microfinance Network Data

Gender Inclusive Culture and Values

Moreover, the microfinance sector faces challenges of limited focus on gender inclusive culture and values, evident through a low level of female employment at all levels – especially for leadership roles. Organizational roles demanding high customer engagement such as sales, credit, complaint are dominated by male staff members. The sector experiences insufficient gender sensitive trainings and awareness, coupled with a pervasive missed opportunity to serve the women and women entrepreneurs’ segments in Pakistan. For NBMFCs no specific female employment participation targets are advised. Currently, women represent 23% of employees and 21% of senior management.

A survey exercise conducted by SECP and ADB in 2023 with NBMFCs in 2023-2024 (see Annexure C for details) indicated that:

- Even though NBMFCs acknowledge that women exhibit better financial behavior than men, few NBMFCs offer products customized to women’s conditions.
- NBMFC credit decisions rely heavily on Credit Bureau data and not alternative data.
- Most NBMFC lending is secured by personal guarantees (individual or group).
- Non-financial services’ offering for women customers on business, financial and digital literacy is often lacking or superficial.
- Take up of digital solutions by women customers is low due to limited access to technology and information on available platforms.
- Climate finance is nascent and mostly focused on renewables at a small scale.

Multiple factors contribute to this downward trend, including:

- Gaps in the regulatory enabling environment.
- Supply- side capacity challenges
- Limited knowledge of, and value-proposition offerings for the demand side

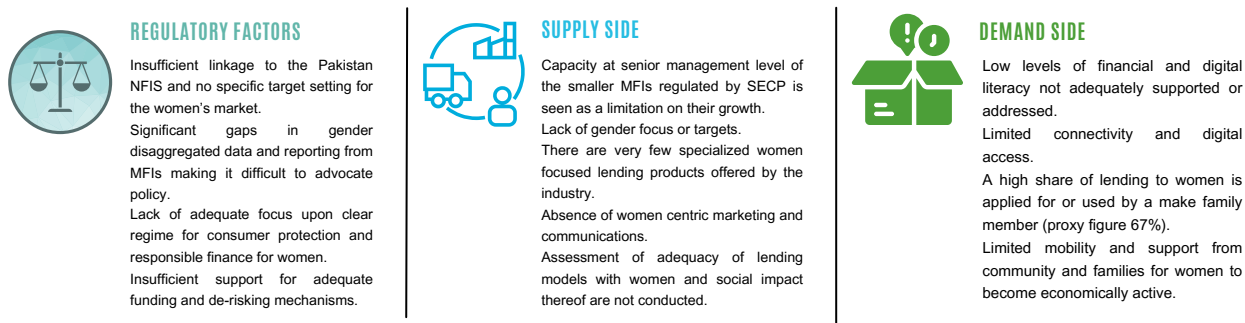


Figure 1 | NBMFC Challenges and barriers to gender inclusivity

WEFP Framework

One of the key findings from WEF policy development undertakings (see Annexure B for details) has been the overlapping themes and discussions in three major domains (identified and summarized in Figure 1)



An opportunity to finding concrete, quantifiable solutions under each of these domains was provided by ‘Women in Finance Thought Leaders Workshop’ (January 2024). The discussions to close the gender finance gap expanded upon women inclusion as business owners, employees, and customers. The two-day deliberations culminated in a prioritized roadmap of initiatives which form the basis of WEFP Framework. (See Annexure D for details).

While every effort has been made to preserve the comprehensive outcomes of the workshop, it is important to note that not all recommendations made by the participants fall under the domain of SECP, and/or are directly relevant to enabling access to finance for women. Additionally, some recommendations may require an extended time frame (more than 5 years) to implement, making them difficult or costly to consider. Hence, the inclusion of recommendations in the final policy document considers the following factors:

- Level of effort (cost) required or readiness (of the NBMFCs) for adoption/adaption
- Existence, amendment, or absence of regulation, guidelines for implementation
- Creation of new partnership models or operational structures

Six major pillars (or domains) are proposed for the Women Equality in Finance Policy (WEFP). See Figure 2 for a schematic summary. The details are as under:

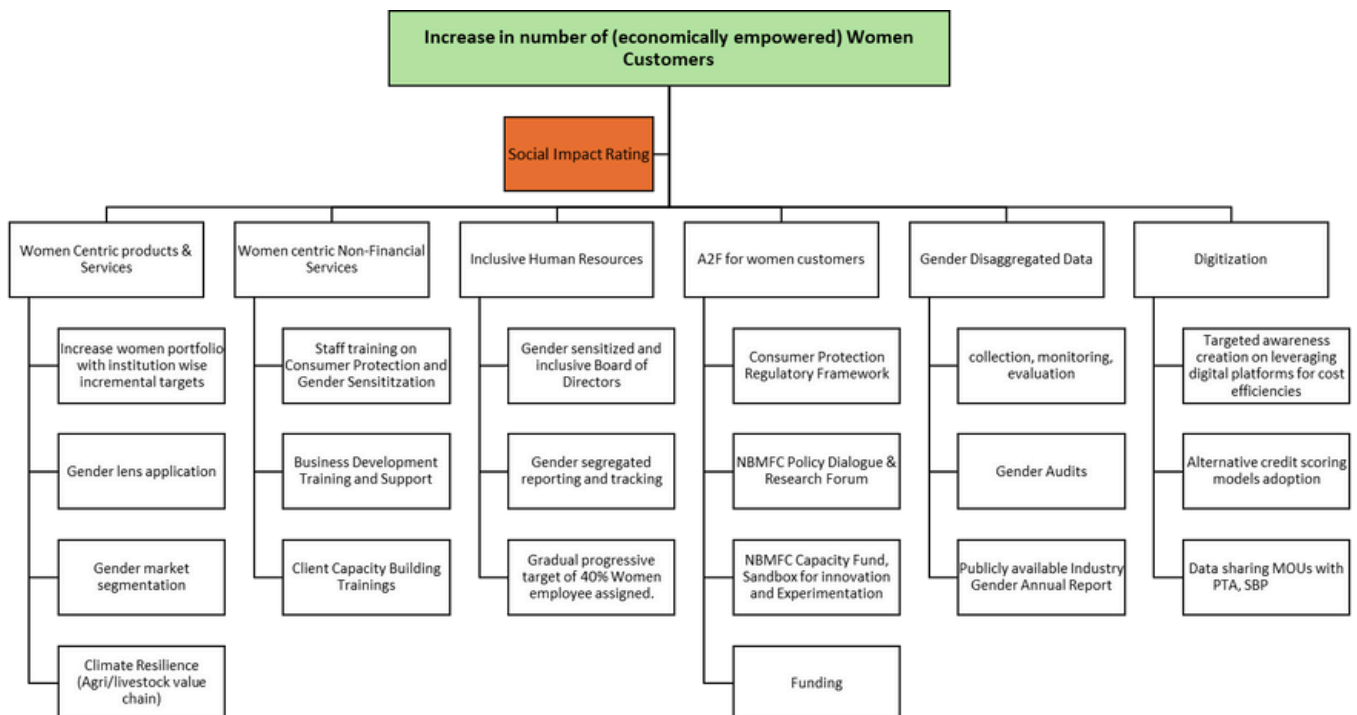


Figure 2 | Women Equality in Finance Policy Framework - Suggested Pillars

Pillar 1: Women Centric Products & Services

The survey and the workshop have highlighted the non-uniformity of capabilities and capacities of NBMFCs to promote women's inclusive finance across the sector. Based on the varied spectrum of understanding of women needs and priorities, the adoption of gender inclusive practices vary widely across the NBMFCs for women customers. While compliance with regulatory requirements^[10] is ensured, gender specialization as a business approach is thus far not realized. This points towards the need for a more active role of the regulator to guide the sector towards gender inclusivity and growth.

Sub-themes	Policy Reforms	Considerations for Implementation
1.1 Increased women portfolio with institution wise incremental female lending targets assigned.	SECP mandates that NBMFC achieve target of 70% of all new women clients in 5 years.	The rule to be targeted to all NBMFCs. For NBMFCs that are below the threshold incremental lending targets to serve at least 70% women in their new portfolios by Year 5.
1.2 Gender lens application in products and services offered by NBMFCs (existing and/or new)	SECP promotes a standard definition of 'gender product and service' to be developed and provided to industry under the broader concept of women financial inclusion.	Technical assistance is required by SECP to develop the standard definition and the toolkit to recognize and promote women centric products. To encourage adoption of the scheme
1.3 Advancing women centric products and services	Design a Training/Capacity curricula for development of women centric products and services through a standardized (life-cycle) and livelihoods approach.	SECP will use the coordination forum to define/conceptualize women centric products and work with PMN/ to hold an annual competition to award best women centric products.
1.4 Gender ranking in products and services (existing and/or new)	Provides gender Financial Inclusion tools for assessing existing product(s) and service(s) for women centricity, including a ranking mechanism.	SECP, through the Coordination Forum, to create a repository of the type of women centric products used in South Asia and other developing countries on its website and organize webinars of experts from other countries to educate & encourage NBMFCs

¹⁰ Apart from directives in NBMFC Licensing regime, SECP has issued guidelines for Gender Mainstreaming (circular 24), and Gender Diversity (circular 7 and 9)

1.5 Gender market segmentation	Regulator leads market segmentation exercise that purposely follows a women centric approach (e.g., looking at women typical sectoral profiles etc.).	SECP might conduct the exercise itself and/or rely on stakeholders (such as Karandaaz or data-analytic entities such as Tasdeeq) for market segmentation
1.6 Climate Resilience (Agri/livestock value chain)	SECP issues green financing guidelines for NBMFCs to lend to (women) customers which also includes climate risk mitigation and adaptation. For better outreach, SECP incentivizes and showcases successful women centric crop and/or livestock insurance products through multiple forums.	Guidelines to be issued by SECP in FY 25-26

Pillar 2: Women Centric Non-Financial Services

Research has shown that providing nonfinancial services (NFS) alongside finance can help financial institutions to tap into the enormous potential of women-led enterprises[11]. Very few NBMFCs follow the ‘life-cycle’ approach towards women and their businesses. While arguments can be made regarding the cost constraints for the provision of such services, international best practices show community and client outreach and mobilization programs to be more successful when combined with non-financial value-added services.

This pillar focuses on building the capacity of NBMFC staff on consumer protection and gender sensitization to better serve the women segment. Moreover, proposed non-financial services such as digital and/or financial literacy, business development skills, and trainings on agency and empowerment will not just build the capacity of women clients but also help the NBMFCs reduce portfolio risk, grow their portfolio, increase client loyalty, and improve opportunities for cross-sell.

Sub-themes	Policy Reforms	Considerations for Implementation
2.1 Staff training on consumer protection and gender sensitization	SECP develops and launches modules on gender sensitive consumer protection, and gender sensitization for NBMFC staff. Client facing key messages on digital/financial literacy, women’s empowerment, and women’s agency to be added to this module also.	SECP to consult the industry on timelines and targets for implementation. SECP may work with institutions such as IFMP for rolling out the TOT.
	SECP (as well as NBMFCs) to launch awareness campaigns for financial & digital literacy and women centric financial products	The NBMFC could be mandated to adopt or launch the same for their customers.

¹¹ IFC & FMO. 2020. *Non-Financial Services: The Key to Unlocking the Growth Potential of Women-led Small and Medium Enterprises for Banks*. Washington, D.C.

2.2 Business Development Trainings and Support	Leveraging the Coordination forum to develop an understanding of women entrepreneurs' business needs and determine minimum support modalities for clients.	Based on the deliberations of the forum, SECP will provide guideline to standardize minimum support modalities. NBMFCs may develop or add further value-added services (such as trainings, information provision in business registration, linkage with platform, digital app etc) to position themselves as lender of choice by women.
2.3 Client Capacity Building Trainings	Capacity building of clients to be undertaken by NBMFCs. This would include the financial/digital literacy modules and Empowerment /Agency modules which would include key messages to be delivered to clients by NBMFCs in interactions with them.	SECP introduces targets in a phased manner with established timelines.

Pillar 3: Inclusive Human Resources

As mentioned in pillar 2, the capacity and capabilities of women inclusion vary across the sector. With evidence of impact of gender diversity and inclusion on profitability and other variables, it is important to push the envelope further. With prioritization of ESG by the regulator, linking NBMFCs' inclusion and governance indicators is the logical next step, further to SECP Circulars 7, 9 and 24.

Another important consideration for improvement in human resources is for funding purposes. Commercial banks have expressed reservations to the loose focus on governance structures, policies and procedures such as 'succession planning'. This has translated into the NBMFC sector perceived as medium to high risk.

With regards to employees, NBMFCs appear to struggle with establishing a healthy pipeline of high-quality potential women candidates who fulfill the minimum job criteria. Given the cultural constraints women face of education, confidence, a non-traditional approach might be best suited. Examples include skill-based job requirements (rather than minimum educational level), gender inclusive interview panels and communication, inclusive culture offerings, etc.

Inclusive HR practices entail a holistic approach which requires engagement with gender sensitization and gender planning at all levels; starting with the Board and C-suite.

¹² Companies most gender diverse on executive teams are 21% more likely to outperform on profitability and 27% more likely to demonstrate superior value creation (i.e., economic profit margin). Source: McKinsey & Company. 2023. [Diversity matters even more: The case for holistic impact](#).

Firms run by female CEOs have lower leverage, less volatile earnings, and a higher chance of survival than otherwise similar firms run by male CEOs. Source: Faccio, Mara, Maria-Teresa Marchica, and Roberto Mura. 2016. [CEO gender, corporate risk-taking, and the efficiency of capital allocation](#). Journal of Corporate Finance 39 (August): 193–209.

Companies that do not focus on gender diversity will find themselves at a disadvantage in the search for talent, as gender diversity translates to improved ability to attract and retain talent. Source: McKinsey&Company. 2015. [The Power of Parity: How Advancing Women's Equality can Add \\$12 trillion to Global Growth](#). McKinsey Global Institute

More women on bank boards is positively linked with bank stability and higher profitability. Source: Sahay, R. and Čihák, M. 2018. [Women in Finance: A Case for Closing Gaps](#). IMF Discussion Notes.

Sub-themes	Policy Reforms	Considerations for Implementation
3.1 Gender sensitized trainings for boards and C-suite.	SECP mandates NBMFCs to become more gender sensitive in their governance through gender sensitization trainings for Board members and C-Suite.	SECP consults industry and sets timelines and targets. A TOT modality may be developed and promoted by SECP to ensure a capacitated Board and Management. As per ADB recommendation and best practice for effectiveness of the gender sensitization, <ul style="list-style-type: none"> - 100% BoD trained by year - Integration of gender sensitization module in onboarding information kit to new BoD members.
3.2 Gender Inclusive Board of directors	SECP mandates appointment of at least 25% independent female members in NBMFCs' BoD (as per SECP's instructions under the NBMFC Regulations).	
3.3 Gender segregated reporting and tracking as per GDD Dashboard metrics	SECP will mandate gender inclusive standards in reporting for NBMFCs.	See Annexure A for suggested GDD Dashboard Metrics. NBMFCs would be required to report against the dashboard indicators, and upload onto a NBMFC Gender Tab created in the SUSTAIN portal. The portal is in last stages of development, and shall be launched later this year.
3.4 Gradual progressive target of 40% Women employee assigned.	To encourage women centricity in NBMFC operations at institutional level, SECP launches an incremental mandate of women's participation in NBMFCs' workforce. Readily available HR tools (NPS methodology), techniques (policies, practices) and hiring/retention strategies to support the sector will be made available at Sustain Portal	SECP to create NBMFCs level incremental targets and timelines for achievement for the whole sector overall over 5 years (e.g. by NBMFC type, size, segments served etc.). Given industry comments, SECP has revised the target to 30% for five years.

Pillar 4: A2F for Women Customers

Access to finance emerged as one of the most significant challenges faced by NBMFCs, as the available local sources of funding remain limited. Lack of innovation in conventional funding instruments has translated into high costs for the NBMFCs with restrictive terms and conditions attached. Incentive schemes for women entrepreneurs (MSMEs) by authorities (credit guarantees, reduced interest rates, sector specific funding lines etc.) are not attractive for the wholesale lenders to subscribe to, resulting in limited uptake and mobilization by the commercial market.

While the regulatory authorities have been exploring innovative funding avenues (e.g., capital markets), the uptake by NBMFCs is to date very low. Additionally, the majority of NBMFCs remain unaware of alternative funding channels such as international green funds, global venture capitals or SPVs. At the national level, Pakistan Microfinance Investment Company (PMIC) has the mandate to fill the gaps in the funding market landscape. However, its business model does not allow for significant lending rates below commercial terms, thereby reducing the value creation affect to the NBMFC sector.

Women customers also face challenges in accessing financing. As supported by survey data, despite women representing a lower credit risk with better repayment behavior, their access to NBMFC finance is arrested overall not only with regards to the nature of loans solicited, but also the amount, and quality of products offered. Portfolio indicators to measure business health, impact and wider benefits of expanding lending with women are not tracked which could otherwise attract foreign investors. Proactive efforts to attract women clients by NBMFCs remain sporadic in nature.

A concerted effort is required to improve and increase the women portfolio in absolute and relative terms. The challenges being faced by the NBMFCs need to be addressed through funding, policy and research. Further, a special fund needs to be established which could allow for experimentation, innovation and capacity building of institutions themselves which serve women clients.

Sub-themes	Policy Reforms	Considerations for Implementation
4.1 Gender Inclusive Consumer Protection Regulatory Framework	SECP appraises and amends its consumer protection regulatory framework for enhanced transparency and disclosure practices whilst incorporating a gender lens	Gender inclusive Consumer protection practices to be standardized for NBMFCs. The consolidated framework to be unveiled in Year 1, Compliance by NBMFCs to start from Year 2 on prioritized pillars. Complete compliance by Year 5.
4.2 NBMFC Policy Dialogue & Research Forum	SECP creates a knowledge, policy and research sub-committee under the SECP Microfinance coordination forum for exchange on best practices in gender inclusive lending and performance-based lending targeted at women.	SECP may conduct the research itself, or disseminate important research conducted by reputable institutions which might benefit the NBMFC sector at large.
4.3 Sandbox for innovation & Experimentation	SECP prioritizes proposals/ideas sent by NBMFCs to the regulatory sandbox of the SECP for innovation and experimentation.	
4.4 Creating an enabling environment for NBMFCs to access credit lines	SECP initiates discussions with the Ministry of Finance to explore the possibility of becoming an agent/manager of funds for the Government of Pakistan.	This can help remove guarantee requirements on NBMFCs to access lines of credit made available for the microfinance sector to the GoP by multi-lateral institutions and other foreign donors.

<p>4.5 SECP creates incentives for NBMFCs to convert to for-profit entities or hybrid structures</p>	<p>SECP creates incentives through structured engagement with the sector and information dissemination on benefits to the entity of transforming into for-profit. Moreover, SECP will explore the following incentives for for-profit entities:</p> <ul style="list-style-type: none"> - Use of SIP ratings as an additional/alternate ranking system for impact investors - Enable experimentation around deposit mobilization arrangements 	
<p>4.6 Enabling Direct international investment for NBMFCs</p>	<p>SECP to engage PMN to undertake a market sizing for global impact funds working for inclusive finance and/or microfinance. SECP to house the roster created via the market sizing exercise to enable access of NBMFCs to up-to-date information on foreign funds including qualification requirements and due diligence processes. SECP to independently or through partnerships arrange forums/conferences where NBMFCs can engage with investors.</p>	

Pillar 5: Gender Disaggregated Data

International best practice dictates gender disaggregated data as the starting point for any formal intervention concerning women. Importance is placed not only on collecting and recording of data, but its public availability for analytical purposes as it guides commercial decisions and policy enactment [13].

- Fragmentation of data and information within the eco-system
- Limited reliance on, and investment in digitization
- Lack of partnership models for leveraging deep insights

Sub-themes	Policy Reforms	Considerations for Implementation
<p>5.1 Collection, Monitoring, Evaluation</p>	<ul style="list-style-type: none"> - Mandatory reporting of gender disaggregated data (GDD) indicators by NBMFCs on a pre-defined frequency basis. - GDD indicators to be reported on the ESG portal 	<p>See Annexure A for proposed initial list of gender disaggregated Dashboard Indicators. SECP shall provide the requisite training for reporting on the ESG portal "Sustain" to all NBMFCs' nominated staff.</p>

5.2 Gender Audits	<ul style="list-style-type: none"> - Mandatory internal gender audits by the NBMFCs to be undertaken once every 3 years - SECP supervisory function to include key gender indicators based on the already issued circulars, along with some indicators of the Dashboard. 	<p>SECP to develop a</p> <ul style="list-style-type: none"> a. Gender audit toolkit for NBMFCs along with guidelines/instructional documents b. Supervisory audit tool and a scorecard. <p>Both tools to be developed with support from donor agencies and international best practice.</p>
5.3 Publicly available Industry Gender Annual Report	<p>SECP publishes an annual report on the state of gender inclusion by the NBMFCs. The report to draw from the reporting of NBMFCs on ESG portal, as well as supervisory audit reports.</p>	<p>PMN could potentially add new data points stemming from SECP dashboard in annual MicroWatch reports to ensure harmonization with SECP efforts.</p>

Pillar 6: Digitization

Pakistan's non-bank microfinance suffers from extremely high-cost structures in sharp contrast to comparable countries with similar cultural context. Reasons highlighted during the workshop are:

Discussions point to a chicken-and-egg situation whereby NBMFCs claim lack of investment in cost reducing structures to funding constraints, while funding entities are reluctant to extend credit because of in-efficient business models. Fear of losing clients by the NBMFCs heightens the propensity to hoard client information which could otherwise be utilized to create new products, new markets.

The regulator could potentially play a role here to act as a mediator between market players, incentivizing partnerships which could reduce the fragmentation of information to create new and efficient models of business.

Sub-themes	Policy Reforms	Considerations for Implementation
6.1 Targeted awareness creation on leveraging digital platforms for cost efficiencies	<p>SECP through the Coordination Forum promotes digitization practices for cost economization (efficiency benchmarking, use cases, international/regional best practices).</p>	<p>The Forum to shortlist key indicators on NBMFC operational efficiency to benchmark Pakistani NBMFCs to regional best performing entities. SECP may require NBMFCs to start reporting on these indicators in Year 2 and Year 3.</p>
6.2 Alternative credit scoring model's adoption	<p>SECP, by leveraging coordination forum, to identify and shortlist best performing credit scoring models in the market.</p>	
6.3 Data sharing MOUs with PTA, SBP	<p>Regulator facilitated or incentivized models of fee-based partnerships ensuring non cannibalization of client base.</p>	<p>Regulatory level MOUs to ensure the legitimacy of partnerships. Further, SECP and other regulatory bodies to define the partnership modalities to safeguard interests of partners.</p>

Note: While both Pillar 5 (Gender Disaggregated) and Pillar 6 (Digitization) rely on data, distinction can be drawn on the utility and aim of both pillars. While the former is predominantly for reporting purposes to draw consumer insights and trends from, the latter intends to explore realization of cost efficiencies through reliance on digitization, and digitalization.

Annexure - A

Dashboard of Key Performance Indicators (KPIs) (incl. gender disaggregated data) for NBMFCs

Indicators					
Human Resources		Total	# Women	# Men	Reporting Frequency
1	# Directors on the Board ¹⁴				Half Yearly
2	# Employees ¹⁵				Half Yearly
3	# of Permanent Staff ¹⁶				Half Yearly
4	# of Contractual staff ¹⁷				Half Yearly
5	# Employees in senior management ¹⁸				Half Yearly
6	# Employees in middle management ¹⁹				Half Yearly
7	# Employees in non-management cadre ²⁰				Half Yearly
8	# Credit/Loan/Business Development Officers ²¹				Half Yearly
9	# Admin and Support Staff ²²				Half Yearly
10	# Internship program participants in the company in last FY				Annual
11	# Promotions during last FY ²³				Annual
12	# Employees hired during last FY ²⁴				Annual
13	# Permanent Employees hired during last FY ²⁵				Annual
14	# Contractual Employees hired during last FY ²⁶				Annual
15	Average retention rates in # Months (Total, male, female, department wise)				Annual
Gender Pay Gap					
16	Median salary for senior management last FY ²⁷				Annual
17	Median salary for middle management last FY ²⁸				Annual
18	Median salary for non-management cadre last FY ²⁹				Annual
Gender Responsive Training & Development					
19	% staff who attended technical trainings in the last 12 months				Annual
20	# senior management who attended technical trainings in the last 12 months				Annual
21	# middle management who attended technical training in the last 12 months				Annual
22	# non-management cadre who attended technical training in the last 12 months				Annual
23	# staff who attended gender sensitization training in the last 12 months				Annual
24	# senior management who attended gender sensitization training in the last 12 months				Annual
25	# middle management who attended gender sensitization training in the last 12 months				Annual
26	# non-management cadre who attended gender sensitization training in the last 12 months				Annual
Gender Inclusive Outreach					
27	Outreach in last three years ³⁰				Annual
28	Digital Outreach in last one year ³¹				Annual
29	New branches opened in last FY ³²				Annual
30	Increase in number of branches in current FY ³³				Annual
Gender Inclusive Workplace			Women	Men	
31	# Paid maternity/paternity leave days allowed as per HR policy				Annual
32	Company provides on-site day-care for employee's children across HQ and branches (options tabs for HQ and branches and subsidized and free)				
33	Company provides childcare allowance to employees for coverage of daycare costs				
34	Average retention rates in # Months (Total, male, female, department wise)				
35	Pick and Drop Facility is Provided (options for Yes and No – further bifurcation into Women, Men, Both, Senior Management, Middle Management, Non-Management Cadre)				

¹⁴ Use SECP definition of BoD

¹⁵ Total staff on payroll

¹⁶ Total active staff on payroll with contracts providing all institutional benefits

¹⁷ Total active staff on payroll with contracts providing only remuneration

¹⁸ Senior Management includes all executive management

¹⁹ Middle Management includes all subordinates to executive management

²⁰ All staff excluding Senior Management and Middle Management

²¹ Staff responsible for client acquisition and recoveries

²² Includes all staff that are in the administration department and all staff supporting the working of the organization including kitchen helpers, cleaners, peons, bank runners etc.

²³ All staff promoted with title change and/or grade change

²⁴ Total staff added to payroll in the last FY

²⁵ Refer to definition of permanent and contractual staff

²⁶ Refer to definition of permanent and contractual staff

²⁷ The median salary is the middle value in a list of salaries where half of the workers earn more and half earn less

²⁸ The median salary is the middle value in a list of salaries where half of the workers earn more and half earn less

²⁹ The median salary is the middle value in a list of salaries where half of the workers earn more and half earn less

³⁰ Cumulative number of unique clients served by a microfinance institution during that three-year period. The KPI is intended to reflect the institution's reach and ability to extend its services over time

³¹ Total number of clients that on-boarded themselves digitally and received loans

³² Full branches launched by the company in last FY

³³ Total branches at current FY close – (minus) Total branches in last FY close

36	Transport Allowance is Provided (options for Yes and No – further bifurcation into Women, Men, Both, Senior Management, Middle Management, Non-Management Cadre)				
37	Fuel Allowance is Provided (options for Yes and No – further bifurcation into Women, Men, Both, Senior Management, Middle Management, Non-Management Cadre)				
Gender Diversity Policy Adoption		Yes	No	Date if Yes	
38	The company has a gender diversity policy (GDP), approved by its Board (create an option to indicate date of approval, in case presence of policy at place)				Annual
39	The company has established a formal mechanism for GDP implementation				Annual
40	The Board oversees the implementation of the GDP and reviews progress annually (Incl. assessment of gender disaggregated data)				Annual
41	The diversity objectives are part of the KPIs of senior management				Annual
42	At least 1 independent Director of the Board is a woman				Annual
Anti Sexual Harassment Policies & Provisions					
43	The company has a board approved anti-harassment policy				Annual
44	There is functional anti-harassment committee				Annual
45	The company has a gender diversified committee to oversee harassment complaints				Annual
46	Dedicated hotline is established to report harassment incidents to harassment committee point of contact				Annual
47	The Board monitors the implementation of the harassment policy on a quarterly basis				Annual
Gender Centric Design					
48	Number of new women-centric products that have been offered in the last FY ³⁴				Annual
49	Number of women-centric marketing campaign that have been deployed in the last FY ³⁵				Annual
50	Financial literacy/financial training offered to clients in last FY				Annual
51	Digital literacy trainings offered to clients in last FY				Annual
52	Business development trainings offered to clients in last FY				Annual
53	A post-disbursement assessment of use of funds has been conducted with at least 50% of borrowers				Annual
54	A Social Impact and Performance tool has been implemented in the last FY ³⁶ (e.g., PACRA's tool)				

	Portfolio Reporting Categories	By District / Province		Reporting Frequency
		Women	Men	
1	Active Borrowers Total active unique borrowers at end of reporting period			Monthly
2	Number of Loans Disbursed Total loans disbursed in reporting period			Monthly
2.1	Number of Loans Disbursed (individual lending) Total loans disbursed in reporting period through individual lending methodology			Monthly
2.2	Number of Loans Disbursed (group lending) Total loans disbursed in reporting period through group lending methodology			Monthly
2.3	Number of Loans Disbursed (Branch onboarding) Total loans disbursed in reporting period through <u>institution initiated</u> onboarding			Monthly
2.4	Number of Loans Disbursed (Digital onboarding) Total loans disbursed in reporting period through <u>institution initiated</u> onboarding			Monthly
2.5	Number of Loans Disbursed - Nano Total loans disbursed in reporting period under PKR 10,000			Monthly
2.6	Number of Business Loans Disbursed Total loans disbursed in reporting period aimed at investment into a business (loans under PKR 300,000)			Monthly
2.7	Number of Consumption Loans Disbursed Total loans disbursed in reporting period aimed at consumption purpose (consumption smoothening, medical expenses, utility bills, <u>childrens'</u> marriage, etc.)			Monthly
2.8	Number of Loans Disbursed – Micro enterprise Total loans disbursed in reporting period over PKR 300,000 under PKR 3,000,000			Monthly
2.9	Number of Climate Adaptation and/or Climate Mitigation Loans Disbursed Total loans disbursed in reporting period aimed at climate adaptation and/or climate mitigation			Monthly
2.10	Number of Agriculture Loans Disbursed Total loans disbursed in reporting period for agriculture purposes (excluding agriculture trading and off-farm enterprises)			Monthly
2.11	Number of Livestock Loans Disbursed Total loans disbursed in reporting period for purchase of livestock for dairy or meat			Monthly
2.12	Number of Home Loans Disbursed Total loans disbursed in reporting period for Home building and/or Home Improvement			Monthly
3	Loan Tenure: The duration or length of time over which the loan is to be repaid. To be measure in months			
3.1	Number of Loans with Tenure less than 1 month: Total loans disbursed in reporting period with loan completion tenures of <u>upto</u> 1 months			Quarterly
3.2	Number of Loans with Tenure more than 1 month and less than 9 months: Total loans disbursed in reporting period with loan completion tenures more than 1 month and less than 9 months			Quarterly
3.3	Number of Loans with Tenure of 12 months: Total loans disbursed in reporting period with loan completion tenures of 12 months			Quarterly

³⁴ Women-centric financial/ non-financial products are intentionally designed for women and are aimed at closing gender gaps in access to and usage of financial services. They (a) are designed to target women customers and businesses in specific sub-demographics (eg women agro-processors), (b) consciously integrate women's perspective in the problem definition phase (ie seek to understand what is the problem and why from women's perspective), (c) analyze sex-disaggregated data for understanding female customer behaviour (ie engagement, usage of products/ services), (d) conduct interviews with women clients and front line staff and observe them to complement the diagnosis, (e) identify practical barriers (eg women's limited mobility) and behavioural barriers (eg women's lack of trust of banks), (f) based thereupon design commercially-viable solutions for women, and (g) pilot test the solutions and request feedback from women for final improvements.

³⁵ Women centric marketing means putting women at the front and center of campaigns (in messages and imagery), and as recipients of campaigns. This can be done by first conducting women-centric segmentation to identify specific sub-demographic is being targeted. Women centric campaigns achieve one or more of the following: a) mention women, b) showcase a female face, c) portray women in economic functions where they typically participate (eg as business owners in different activities) or where the campaign seeks to integrate women, d) highlight how a specific product/ service/ advantage can benefit women in their specific conditions (eg as small animal farmers).

³⁶ E.g. using PACRA's social impact tool

3.3	Number of Loans with Tenure of 12 months: Total loans disbursed in reporting period with loan completion tenures of 12 months			Quarterly
3.4	Number of Loans with Tenure more than 12 months but less than 18 months: Total loans disbursed in reporting period with loan completion tenures more than 12 months but less than 18 months			Quarterly
3.5	Number of Loans with Tenure more than 18 months but less than 24 months: Total loans disbursed in reporting period with loan completion tenures more than 18 months but less than 24 months			Quarterly
3.6	Number of Loans with Tenure more than 24 months: Total loans disbursed in reporting period with loan completion tenures more than 24 months			Quarterly
4	Gross Loan Portfolio – Total: All outstanding principal for all outstanding client loans, including current, delinquent and restructured loans, but not loans that have been written off. It does not include interest receivable in PKR Million			Monthly
4.1	Gross Loan Portfolio – Branch: GLP of loans disbursed through institution-initiated onboarding			Monthly
4.2	Gross Loan Portfolio - Digital: GLP of loans disbursed through client-initiated digital onboarding via website and/or app			Monthly
5	Average Disbursement Size: Total number of loan amount disbursed divided by total loans disbursed			Monthly
6	Average Loan Size: Total GLP divided by total number of loans			Monthly
7	PAR > 30 days (%): The PAR30 days indicates that loans are effectively at risk compared to PAR1-30 days. The PAR30 ratio is calculated by dividing the outstanding balance of all loans with arrears over 30 days by the outstanding gross loan portfolio.			Monthly
8	# (Insurance) Policy Holders: Total number of Insurance policy holders in client base in reporting period			Quarterly
8.1	Number of Credit for Life Insurance Policy Holders: Total number of Credit for Life Insurance policy holders in client base in reporting period			Quarterly
8.2	Number of Health Insurance Policy Holders: Total number of Health Insurance policy holders in client base in reporting period			Quarterly
8.3	Number of Crop/Livestock Insurance Policy Holders: Total number of Crop/Insurance policy holders in client base in reporting period			Quarterly
9	Total number of claims submitted: No. of claims submitted in reporting period			Quarterly
9.1	No. of credit insurance claims for life insurance raised: No. of credit for life claims submitted in reporting period			Quarterly
9.2	No. of claims for health insurance raised: No. of health claims submitted in reporting period			Quarterly
9.3	No. of claims for crop/livestock insurance policy raised: No. of crop/livestock claims submitted in reporting period			Quarterly

Annexure - B

WEF Policy Formulation Process

In collaboration with ADB, a stepwise list of activities was devised, prioritizing a consultative approach towards policy formulation (see figure 4 below). The policy initiation process was broadly guided by

- Assessment of existing supervisory framework as analyzed against international best practices
- NBMFC gender data analysis, and
- Industry level stakeholder dialogue to assess for contextual adoption

WEFP Development Process

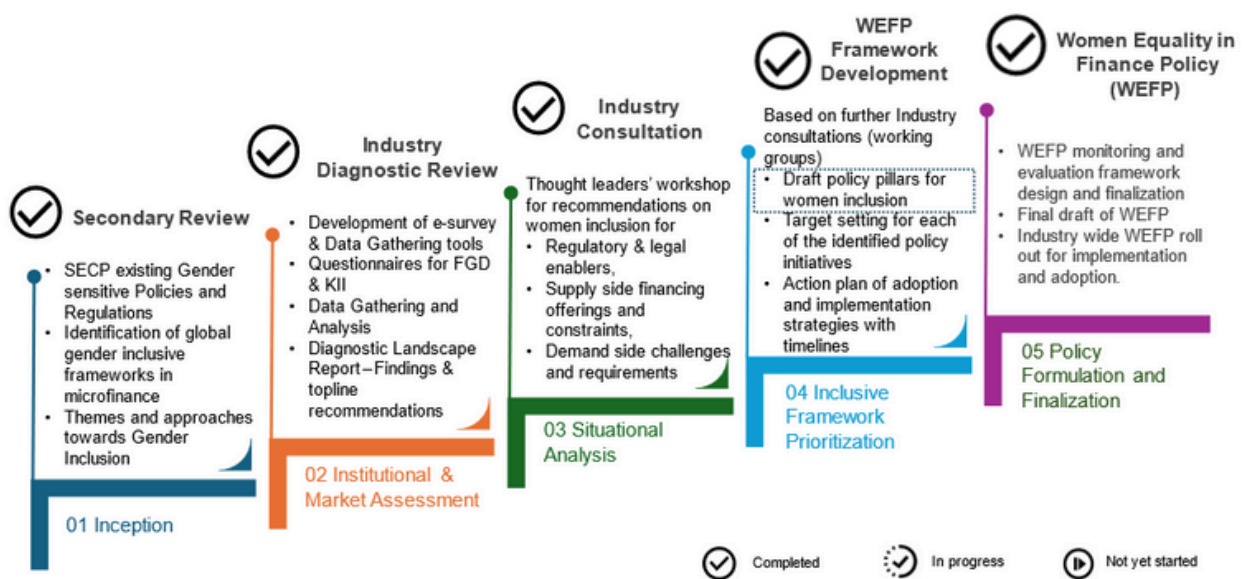


Figure 3 | WEFP Development Process and Progress

The policy formulation process was initiated in Jan 2023, in the form of assessing existing gender policy initiatives, and regulatory directives, introduced by SECP. Comparable structures were also studied such as the Banking on Equality Policy of State Bank of Pakistan (SBP), and SME Policy of Small and Medium Enterprise Development Authority (SMEDA). A stakeholder mapping exercise culminated in dialogues, interviews and meetings with industry experts, sectoral leaders and collaborative partners.

A survey (please see Annexure C-I) was designed and rolled out to all NBMFCs to gather information on the sector's inclusion of women at workforce and leadership levels, the policy structures supporting women's participation in delivery of financial services, and the gender approach to lending (including product design marketing strategies, gender disaggregation of data, green lending, digitalization of finance). This was followed by key informant interviews carried out with key NBMFCs operating in Pakistan.

³⁷ ADB collaboration refers to the provision of technical assistance in the form of international and national experts for design, draft and formulation of policy, including deciding on a plan of action for best possible results.

Annexure - C

Institutional and Market Assessment

(a). Women Inclusive Finance Program – Survey Questionnaire

Date of Survey	
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Details of individual taking the assessment

Name of the Respondent	
Designation	

Introduction of Organization/Company

Financial Institution (NBFC: MFI, leasing company, fintech company)	
Address of HQ	
Type of entity – not for profit/social entity/for profit	
Funding structure (local, international, other)	
Major Geographical Footprint (e.g., x% of portfolio falls in district abc)	

Organogram

1. If your organization/company is collecting data on inclusion of women at all hierarchical levels, please complete. |

Job Category	Total (#)	Female Personnel (number + %)	Male Personnel (number + %)
Ownership Structure			
Board of Directors			
Investors			
Workforce Breakdown			
Senior Management (Heads of Departments, Heads of Branches, etc.)			
Management (Unit/Team Managers)			
Credit/Loan Officers			

Admin and Support Staff			
Other (please specify: _____)			

Policies and Provisions

2. Does your organization/company offer any of the following to its female and male staff?

Mark all that apply and explain how they are applied	
Leave (sick, childbirth, parental, etc.)	
Flexible work arrangements (remote, flexi times, etc.)	
Childcare (in house or subsidized, etc.)	
Travel to work (subsidized, facilitated, etc.)	
Other (please specify):	

3. Does your organization/company have a specific gender policy or strong gender components under other institutional policies (e.g., Code of Business)?

- Yes
- No
- Being prepared

4. If your answer to question 3 was yes, please indicate what the gender policy or gender component includes (mark all that apply):

Mark all that apply and explain how they are applied	
Principles and talent management measures aimed at increasing recruitment, retention, and promotion of women (e.g., gender sensitive language or explicit language encouraging women to apply for positions; women-focused leadership training; rotation opportunities; internal communications that showcase women as talent assets)	
Measures to promote an increase women's representation in higher management/Board positions	
Tools to address gender/other based discrimination, anti-sexual harassment	
A procedure about reporting grievances, including sexual harassment	
On-the-job training/internship/sponsorship program to support female staff's access to quality jobs	
Establishment of a women's network, peer support groups, etc.	
Other (please specify):	

5. Does your organization/company have a training program for its employees which has a gender sensitization/awareness component/module (e.g., including unconscious bias, gender roles and stereotypes, anti-harassment, and anti-discrimination topics, etc.).
- Yes. Please explain the component or module's contents.
 - No
 - In the process of developing a program

Women's Opportunity

6. Please mark with an X your answer to the following questions:

Question.	Men	Women	No difference	Not sure
Who is more confident in their ability to run a business – women or men?				
Who is better able to manage a business independently – women or men?				
Who is more likely to have a wide network of business contacts – women or men?				
Who is generally better at finding customers – women or men?				
Who is usually better at negotiating in business, with buyers and suppliers – women or men?				
Who is usually better at informal negotiations (with authorities, for example) – women or men?				
Who is more likely to have higher financial literacy – a businesswoman or a businessman?				
Who is more likely to use different banking products from the FI – women or men?				
Who makes a better client – a businesswoman or a businessman?				
Who needs more assistance when applying for a business loan – women or men?				
Whose business tends to be less risky for the bank to lend to – a woman or a man?				
Who is more likely to use digital solutions, such as money transfer, mobile payments, or mobile banking – in their business – women or men?				

7. Currently, what kind of financial products work well with women in the MSME segment?

Mark with an X all that apply	
Money transfers and/or remittances (for business and private transfers)	
Group-based loans	
Individual Business loans	
Individual Consumer loans	
Micro-insurance (via partnerships)	
POS machines	
Pawn shop or fast-track loans	
Branch service	
Agent banking service	
Branchless finance (internet or mobile based)	
Mobile payments, transactions	
Other (please specify):	

8. Looking at your current portfolio, what kind of loans do women typically request?

Please rank the top 5 loans from most to least requested from the list below.	
Business loans for business operation: operating funds or cash flow	
Business lease / loans for business growth: new machinery, more employees	
Business loans for business operation – Uncollateralized	
Business lease / loans for business growth – Uncollateralized	
Group loans for diverse purposes	
Housing loans	
Loans for household needs and/or repairs	
Education loans	
Loans for health care (personal health, family health)	
Business start-up loans	
Consumer loans	
Lease / loans for car/vehicle purchase	
Loans for life events (weddings, funerals)	
Other (please specify):	

9. What aspects are important to women when requesting a loan?

Mark with an X all that apply and explain where possible.	
Loan / lease amount (e.g., larger amounts)	
Loan / lease duration or tenor (e.g., longer tenors)	
Frequency of payment (e.g., more frequent)	
Grace period (e.g., payment of interest every month but principal is paid after 3 or 6 months)	
Non-lengthy/complex documentation requirements and procedures	
Innovative offerings	
Products tailored to specific sub-segments or sectors	
Competitive interest rates	
Collateral or guarantee requirements realistic to women's opportunity	
Turnaround time for loan / lease decisions	
Digital/technology solutions (mobile banking, mobile repayment, other solutions)	

Provision of business or financial management support	
Low upfront costs	
Bundled products offering	
Products that are designed for women in different life cycle needs	
Trusting the financial institution or knowing the loan / lease officer	
Other (please specify):	

10. What are the most common reasons why women's requests for credit are rejected?

Please rank the top reasons from 1 to 5 from the list below.

Problems with identification documents, ID status	
Economic sector or activity where women <u>operate</u> businesses. Examples	
Level of business experience or business too young	
Level of indebtedness	
Tax status of business	
Tax debt	
Financial statements of the business (balance sheet, profit and loss statement, cash flow)	

Level of formalization of the business (i.e., legal form of the business, business certification, formal/informal staff status)	
Competitive advantage of products/services	
Bad assessment of market opportunity for business	
Insufficient loan repayment capacity (based on cash <u>flow</u>)	
Bad credit history	
Loan purpose	
Availability of collateral or other guarantees (i.e., immovable, and movable assets)	
Other (please specify):	

11. In your organization/company's experience, what type of immovable and movable assets are more difficult for women entrepreneurs to offer as collateral for loans?

Please rank 1 to 5 the most difficult collateral options from the list below.

Land or buildings owned by the business (legally registered entity)	
Equipment and machinery owned by the business (legally registered entity)	
Other movable assets belonging to the business (legally registered entity)	
Specify:	
Accounts receivable and inventories	
Personal assets of business owner	
Cattle, jewellery/gold, other personal items	
Personal guarantor	
Guarantee fund	
Other form of collateral related to economic activity (example: cattle, harvest)	
Other (please specify):	

12. Do you see an opportunity in the market for developing a new business area focused on women entrepreneurs/women-owned/led MSMEs, or for deepening your strategy and outreach with this segment?

- a. Yes
- b. No

Please explain.

13. If NBFCs would want to expand their market share with women, please mark how this could best done from the options below:

Please rank the strategies from 1 to 5 (in descending order) from the list below.

Increase their funding sources	
Improve their governance structures	
Invest in technology for data analysis and deeper insights	
Advocate for regulatory amendments	
Introduce alternative credit assessment models	
Invest in identifying the non-financial service (NFS) needs of female customers and in the NFS package offered to them	
Identify alternative data points for credit risk assessment of women customers	

Create a customer value proposition that aligns with women's identified needs	
Other (please specify):	

14. Does your organization/company include sex-disaggregated information in loan applications? Please mark all that apply.
- Yes, for individuals
 - Yes, for business borrowers – in this case, does your organization include questions about MSME ownership and /or management? Please explain.
 - No.
15. Does your organization/company use a definition for women owned or led businesses? Please include it here for reference.
16. If your organization/company collects sex-disaggregated client data in its data management systems, has it conducted any gender portfolio analysis to assess gender portfolio trends (e.g., funds availed to women) and understand their financial behavior compared to men (e.g., repayment, active # products, etc.)?
17. Has your organization/company conducted market assessments to define women and men's borrowers' distinct needs in the last 3 years?
- Yes
 - No.
Please explain why.

18. If the answer to question 17 was yes, please indicate how the information was gathered:

Mark with an X all that apply	
Through customer satisfaction surveys	
Via consumer rights associations	
With regular feedback from industry leaders	
Through regulator's feedback	
By analysing public opinion trends in print/electronic media/social media	
Other (please specify):	

19. Has your organization/company designed and launched products and services tailored to women in the last 3 years?
- Yes
 - No

20. If the answer to question 19 was yes, please provide the list of products and services in order of most to least demanded. Please explain what makes the products specifically tailored to women.

Main Loan Products for Women	Product 1	Product 2	Product 3
Name of the product	Name	Name	Name
Target market			
Tenor / Years (Min/Max)			
Amount (PKR) (Min/Max)			
Interest Rate (fixed or variable)			
Fees			
Collateral & Guarantees			
Instalment Frequency (instalment or revolving?)			

21. How does your organization support women to learn about special financial products and services available to them?

Mark with an X all that apply	
By creating a women-friendly customer experience – female loan/lease officers	
Through agent banking – including with a female face	
By increasing online or mobile phone-based points of contact (SMS, streaming)	
Via print/electronic media/social media	
Through walk-in customer opportunities	
Other (please specify):	

22. Are any special financial product considerations or provisions offered to women, youth, seniors, and/or other vulnerable or low-income groups (please mark all that apply)?
- specialized incentive schemes (e.g., dedicated products and services)
 - longer cooling off or grace periods
 - fee waivers
 - Other; please explain: _____

23. Does your organization use a credit assessment model for appraising clients' financial capability and creditworthiness?
- Yes. Please explain.
 - No

24. Has your organization/company developed an alternative credit assessment model specifically adjusted to women's risk and financial capability profile?
- Yes. Please explain.
 - No

25. Does the Staff of your organization/company who deal directly with consumers receive adequate training, suitable for the complexity of the products or services offered to women customers?
- Yes
 - No

26. If the answer to question 25 was yes, is mandatory gender sensitivity provided to staff on a regular basis?
- Yes. Please explain what it entails.
 - No
27. Does your organization/company use outreach and marketing campaigns specifically tailored to the women's segment? These could include, for example, streaming sent via SMS, innovative campaigns that appeal to women's different profiles, female agent banking, female loan officers or desks, etc.
- Yes. Please explain what it entails and what channels it uses.
 - No

Non-Financial Services (NFS)

28. Non-financial services (NFS) are business development services offered by financial institutions to MSMEs. Examples are trainings, networking events, and other tools and resources that can help MSMEs manage and grow their business. Does your organization/company offer NFS to MSME clients overall? If so, please mark on the table below the kind of NFS offered to MSME clients, what services are or could be most popular among women-owned or led MSMEs.

Mark with an X all that apply	What is in Offer	What NFS are most popular or would be most useful with WMSMEs
Business Advisory Services (by Relationship Managers or other front-line staff)		
Vocational Education / Technical Training:		
<ul style="list-style-type: none"> - financial literacy - digital literacy - business planning - market research - advertising and marketing - imports/exports - business management - negotiation and selling skills - leadership 		
Networking events/opportunities		
Access to markets, such as trade fairs, exposure trips to new markets, access to online marketplace platforms		
Business administration software (accounting, cash flow, invoicing management solutions)		
Online tools and resources, such as templates, checklists, articles, and other relevant information		
Support services such as childcare during provision of other services		
IT System support		
Legal support		
Tax and revenue support		
Other (please specify):		

29. Does your organization/company have a well-defined financial literacy/education program (either in house or in partnership with another entity – government or non-government related– for its development and implementation)?
- Yes
 - No
30. If the answer to question 29 was yes, please indicate if the program is being implemented with:
- Embedded gender methodologies (e.g., with gender sensitive learning instruments or through channels that work best with women)
 - An exclusive gender component (e.g., with a module specifically dedicated to women's way of doing business)
 - Gender disaggregated data on success or effectiveness of the program/s

Digital Services

31. Does your organization/company employ digital technologies ('fintechs') for operations?
- Yes
 - No

32. If the answer to question 31 was no, please explain why.

33. If the answer to question 31 was yes, what does your organization/company use digital technologies for?

Mark with an X all that apply	
For customer data recording during acquisition	
For end-to-end loan processing (identification, initiation, acquisition, instalment, retirement)	
For channelling lending, payments, and other services (e.g., 'insurtech') via digital means	
For penetrating new markets via extension of online services	
For customer segmentation	
For using data analytics to understand portfolios and draw deep customer insights	
For identification of processes which could be improved	
Other (please specify):	

34. Does your organization/company use or consider deploying fintech to deepen or establish relationships with clients via digital means, especially with women as a distinct segment to serve?
- Yes
 - No
- Please explain why.

35. In your organization/company's experience with the women segment, do women experience specific barriers to access mobile and smartphones, such as lack of access to their own devices, permission to use them on their own, etc.? Please explain.

Questions For Fintech Companies Only

36. Does your company analyze data from clients' digital, social behavior, and consumption patterns to identify appropriate products to offer?
- Yes
 - No
37. If the answer to question 36 was yes,
- Are these data sex-disaggregated?
 - If your company collects sex disaggregated data, does it design and offer women-centric products based thereupon?

Consumer Protection

38. As per consumer protection guidelines on the suitability of products and services (in terms of appropriateness, choice, disclosure practices, etc.), does your organization/company notify women especially about financial products' key conditions, and fees, and of changes in conditions timely, through multiple channels (email, SMS, letter, in person, phone call etc)?
- Yes
 - No

Please explain.

39. Does your organization/company maintain up-to-date gender disaggregated records of all complaints received, including those related to product suitability and breaches of the codes of conduct?
- Yes
 - No

Floods and other shocks

The flooding has exacerbated the challenges facing Pakistan's poorest people who in most cases were already struggling with high inflation and the crisis stemming from the COVID-19 pandemic.

40. What has been the impact of these events on women and WMSMEs, both in terms of jobs and economic livelihoods?
41. How have these crises affected women and men in Pakistan in terms of financial access and use and are there differences between them? Please explain.
42. What kind of services and financial products are in highest demand due to the mentioned crises?

Please rank the top 5 loans from most to least requested from the list below.

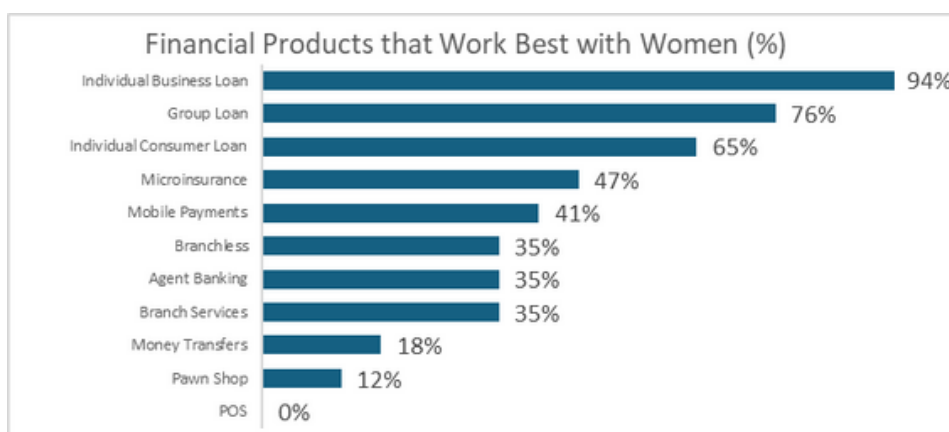
Business loans for business operation: operating funds or cash flow	
Business loans for business growth: new machinery, more employees	
Business loans for business operation – Uncollateralized	
Business loans for business growth – Uncollateralized	
Group loans for diverse purposes	
Housing loans	
Loans for household needs and/or repairs	
Education loans	
Loans for health care (personal health, family health)	
Business start-up loans	
Consumer loans	
Loans for car/vehicle purchase	
Loans for life events or emergencies (weddings, funerals)	
Other (please specify):	

(b). Key findings of the survey and interviews with NBMFCs

Key findings of the survey and interviews with NBMFCs³⁸ are:

- Few NBFCs offer customized women focused products.
- NBFC credit decisions rely heavily on Credit Bureau data and not alternative data.
- Most NBFC lending is secured by personal guarantees (individual or group).
- Although most NBFCs track the usage of funds for declared/intended purpose, they do not monitor who controls funds versus who holds loan contract.
- Most NBFC lending is in women's name, though cash flow and repayment analysis is based on household income
- Training for women customers on business, financial and digital literacy is often lacking or superficial.
- Take up of digital solutions by women customers is low due to limited access to technology and information on available platforms.
- Most loan application rejections are due to lack of serviceability, not of poor credit history.
- Customer awareness and understanding of climate related risks and available solutions is low.
- Climate finance is nascent and mostly focused on renewables at a small scale.
- Women usually request individual business loans, group loans, and individual consumer loans.

³⁸ Source: ADB's Questionnaire with 17 NBMFCs, February- March 2023 and in-depth interviews with 12 NBMFCs, March 2023.



Women's Exhibit Good Financial Behavior

70% surveyed NBMFCs assert that women make better clients and represent less risk

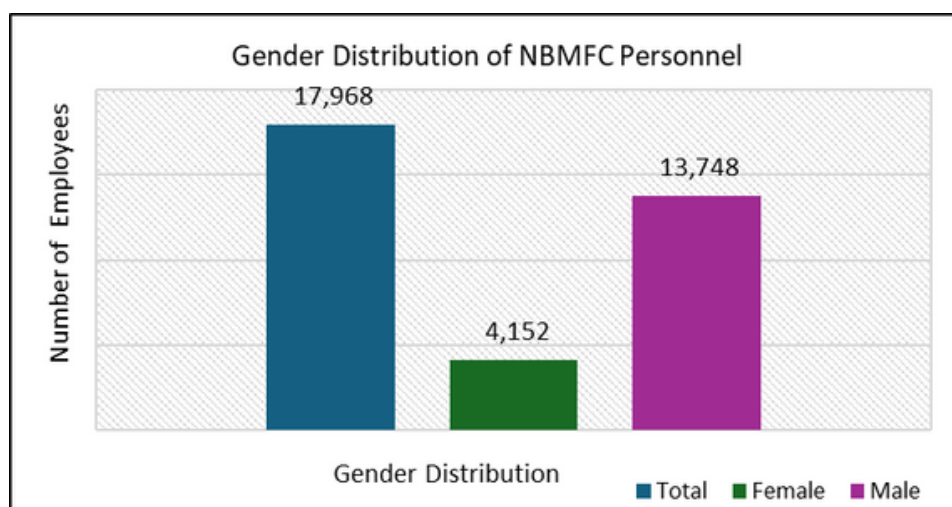
However, their access and usage of financial offering is very limited

Financial deepening with women is lower than with men:

- Men are more likely to use a wider palette of financial products and leverage digital solutions
- Women need more assistance when applying for a business loan

In terms of NBMFCs as employers:

- Many NBMFC lack inclusive workforce and governance structures, with women representing 23% of employees and 21% of senior management.
- Do not have gender targets for female participation (%) in overall staffing, higher decision-making positions, and key customer facing roles.
- Have not developed and enacted internal gender policies to incentivize women's participation institutionally and to serve women as a specific segment.
- Insufficient gender sensitization training for NBFs employees.



Source | ADB's Questionnaire with 17 NBMFCs, February- March 2023

Annexure - D

Situational Analysis

Women Thought Leaders Workshop Deliberations & Recommendations

In January 2024, thought leaders and sector experts gathered to identify the basic challenges and possible way forward.

Women Thought Leaders Workshop (Working Group) Participants

Participants	Participants
NRSP	Tasdeeq
Kashf Foundation	SMEDA
Tez Financial Services	OPRCT
PMIC	PMN
RCDP	JazzCash
Bank of Punjab	The Life Clan
TFCL	SRSO
Akhuwat Islamic Microfinance	JWSP
SMCL	TMF
Inspiring Women	Zood Pakistan
Circle Women	SECP
Ministry of Planning and Development	SBP
Agahe	RCDD
FFO-SP	