

PAKISTAN DISTRIBUTED SOLAR PROJECT

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Colombo, Sri Lanka
14–17 September 2026



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JS Bank: A Leader in Sustainable Finance



JS Bank Limited (JSBL) is a leading commercial bank in Pakistan and part of the esteemed JS Group, with a nationwide footprint of 300+ branches across 170 cities and a diversified presence across retail, commercial and corporate banking:

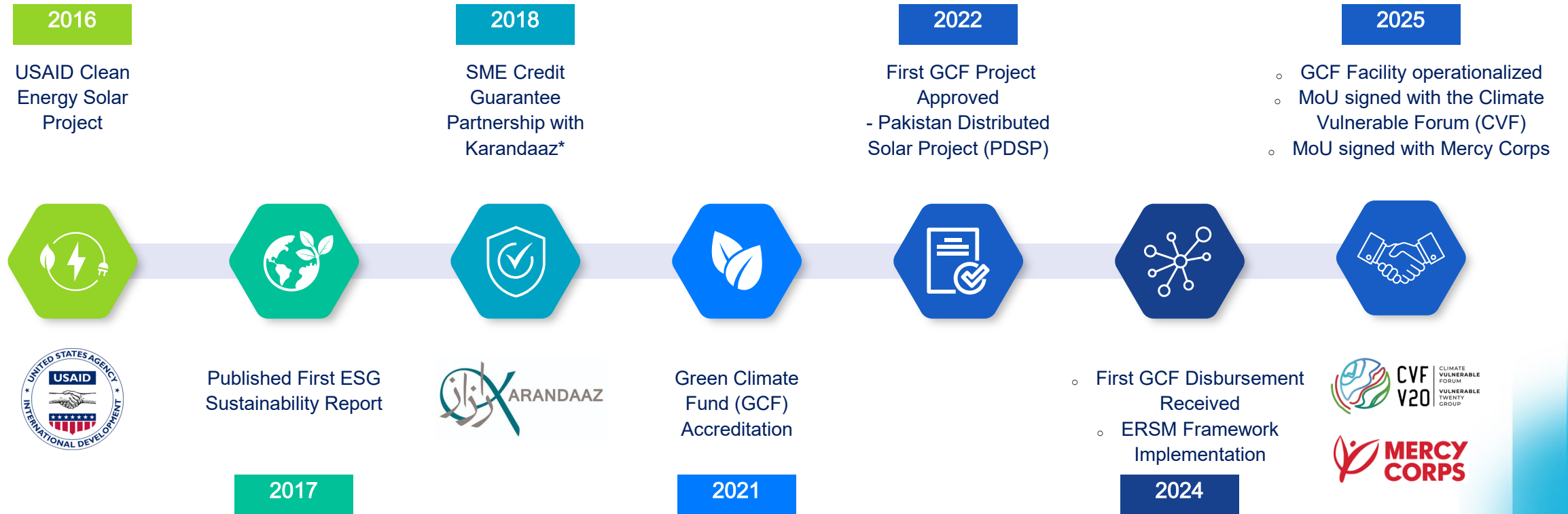
- JS Bank has a strong sustainable finance platform through international partnerships and a growing portfolio of sustainability initiatives
- As Pakistan's first and only private-sector commercial bank accredited by GCF, JS Bank is positioned to originate and structure high-impact climate finance initiatives



- JS Bank can mobilize up to **USD 250 million** in GCF climate finance to support eligible mitigation and adaptation projects across priority sectors. Through this platform, JS Bank is expanding access to concessional green finance across underserved markets and emerging climate sectors

Sustainability Journey

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*Karandaaz Pakistan is a development-focused institution advancing financial inclusion and SME finance, supported by the Gates Foundation and the United Kingdom's Foreign, Commonwealth & Development Office.

Commitment to Sustainability



Entrepreneurial Support

Capacity Building for Entrepreneurs:

A collaboration with JS Bank, IBA Karachi & UNDP to support SDG-aligned businesses:

- **Velektra**
Electric motorcycles reducing 100 metric tons of CO₂ emissions
- **Concept Loop**
Recycling 850 tons of plastic waste into building materials, installing 100,000 sq. ft. of pavers
- **Knowledge Platform**
Launching an EdTech digital learning game
- **Davaam Life**
Deploying refill stations & sanitary napkin machines, benefiting 300,000 women

Sustainable Finance & Research

JS Chair for Sustainable Finance & Fintech:

Established at Beaconhouse National University for research & collaboration:

- **Policy Advocacy**
Created briefs on Green Bonds & Sustainability-Linked Bonds
- **Research & Development**
Produced academic insights and actionable studies on climate finance and financial technology
- **Capacity Building**
Launched courses to equip future leaders in climate finance

Sustainability -Aligned Lending

Portfolio Lending:

- **12%** of the overall lending portfolio is SDG-aligned (as of August 2025)

Renewable Energy Portfolio

- Financing renewable energy since **2017**, with the largest renewable-energy lending portfolio among commercial banks in Pakistan
- **USD 12.6 million** in renewable-energy financing deployed as of July 2026

Strategic Partnerships

USAID:

- Constructed a **USD 28 Million** guarantee facility targeting SME, consumer and agricultural loans

Karandaaz :

- **USD 3.57 Million** 50:50 risk-sharing facility to support SME financing

Green Climate Fund:

- **USD 9 Million** risk-sharing guarantee under the GCF-backed solar financing program
- Provides 20% portfolio-level coverage and up to 90% coverage of individual eligible loans

The Case for Intervention

Rapid Growth in Solar Imports

Solar panel imports began to rapidly accelerate in 2019, supported by **zero customs duty** and declining technology costs

Renewable Energy Refinancing

In 2019, the State Bank of Pakistan expanded its **Renewable Energy Refinancing Scheme** *, broadening eligibility and access to a wider range of renewable energy projects

Pakistan's Climate Crisis

In 2022, catastrophic monsoon flooding affected **33 million** people and submerged nearly **one-third** of the country

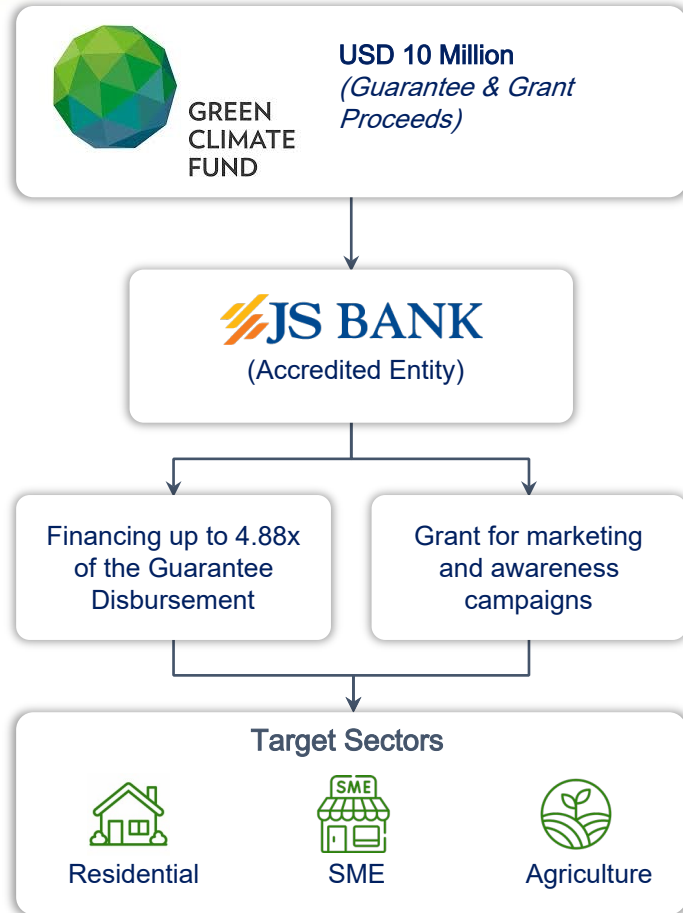
Energy Sector Vulnerability

The energy sector accounted for **46%** of national GHG emissions, while heavy reliance on imported LNG and oil worsened energy insecurity

A Transformative Solution

The **Pakistan Distributed Solar Project (PDSP)** was a targeted response, designed to unlock affordable solar financing, jumpstart a stagnant market, and accelerate the transition to clean energy

SAP024: Pakistan Distributed Solar Project



Pakistan Distributed Solar Project (PDSP) is JS Bank's first GCF Simplified Approval Process (SAP) project, approved at GCF Board Meeting 32 on **16 May 2022**.

Program Objective: Accelerating solar adoption across Pakistan by expanding access to affordable financing to critical, underserved segments.

Facility Structure: Over the project lifetime, JS Bank will disburse **USD 44 Million** in solar financing, supported by **USD 10 Million** from GCF comprising:

- **USD 9 Million** guarantee to de-risk lending
- **USD 1 Million** grant for market development, awareness and gender-responsive implementation

Revolutionizing Access to Solar Finance

- With GCF support, JS Bank is advancing inclusive financing by removing collateral requirements and enabling longer financing tenors
- This first-of-its-kind facility introduces a lending model specifically designed to serve customer segments traditionally underserved by conventional financing

PDSP Portfolio Scale: JS Bank's flagship renewable energy solution de-risks and accelerates solar adoption nationwide, targeting a **USD 44 million deployment** - the largest potential solar financing portfolio in Pakistan.

Project Features

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PROJECT		GUARANTEE	GRANT
GCF Funding USD 10 Million	Asset Type Solar Equipment	Guarantee Amount USD 9 Million	Grant Amount USD 1 Million
Funding Type Guarantee & Grant	Output Generation 43.15 Megawatt	Individual Loan Coverage 90%	Informative Marketing Campaign: Highlighting the benefits of renewable energy to increase their adoption and progress towards a paradigm shift
Target Loan Portfolio Size USD 44 Million *	Reduction 848,700 tCO2eq	Portfolio Loan Coverage 20%	Gender Action Plan: Promoting gender sensitization, inclusion, and equitable participation across the solar energy ecosystem
Project Life 10 Years	Target Audience Res, SME, Agri	Guarantee Type Cash Funded	Capacity Building & Training Sessions: Increased capacity for solar solutions by conducting training sessions

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* PKR 12,201,200,000 (1 USD = 277.30) as of 31st August 2026

2026: Adapting to a Transformed Market

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An Evolving Landscape

Since 2022, rising grid tariffs and falling solar equipment costs have accelerated adoption at unprecedented scale, with Pakistan now exceeding **50 GW** in imported solar capacity

A Financing Model at an Inflection Point

PDSP was initially structured around the State Bank of Pakistan's **6% Refinance Scheme**. When the scheme lapsed in 2024, the program had to adapt its financing model to sustain momentum

PDSP: An Adaptive Financing Solution

JS Bank successfully transitioned PDSP to a **KIBOR-based*** commercial lending framework - breaking conventional banking barriers by eliminating additional collateral requirements for borrowers.

Amidst this structural shift, PDSP maintains its role as a trusted quality gatekeeper by financing Tier-1 certified solar equipment

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* KIBOR: Karachi Interbank Offered Rate, the benchmark interbank lending rate used in Pakistan for PKR-denominated loans.

Project Impact

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ENVIRONMENTAL



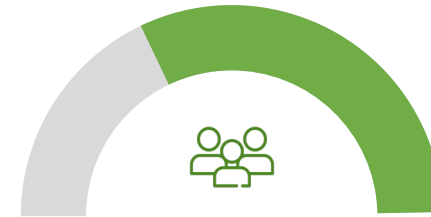
- Accelerates distributed solar adoption, reducing GHG emissions, fossil-fuel dependence, and pressure on the national grid
- Delivers projected emissions reductions of **848,700 tonnes CO₂** over the project life cycle

INSTITUTIONAL



- Builds capacity across JS Bank staff, solar vendors and financial-sector professionals, through targeted training
- Integrates gender sensitization and climate resilience, with a target of at least **20%** women's participation in training activities

COMMUNITY & SOCIAL



- Expands access to affordable clean energy across underserved customer segments
- Promotes inclusive participation, with a target of reaching at least **30% female-headed households**

Output 1 - Strengthened institutional & regulatory systems for low-emission planning & development.

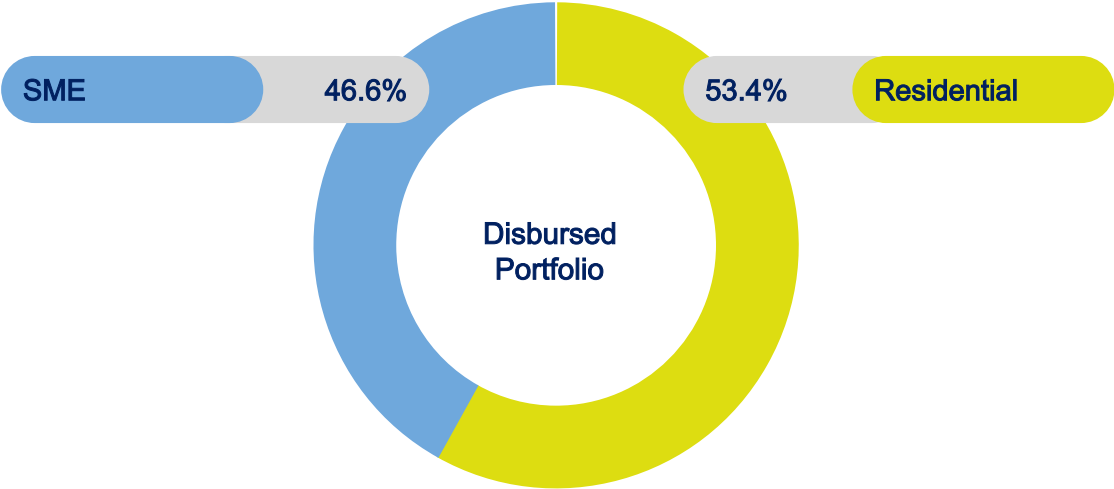
- Output 1.1: Increased deployment & sustainability of renewable energy
- Output 1.2: Strengthened awareness of climate threats & Importance of sustainable interventions

Output 2 - Increased number of small, medium & large low-emission power supplies

- Output 2.1: Improved attractiveness of renewable energy financing solutions
- Output 2.2: Increased capacity for renewable energy solutions

Output 1.1 - Increased deployment & sustainability of renewable energy

Portfolio Outlook (May 24 – July 26)	
Cumulative Disbursement	USD 2,376,312 ¹
Loans Disbursed	173 loans
GHG Emissions Avoided	6,416 tCO ₂ e per year per MW
Installed Capacity	3,467 kW
Solar Energy Generated	3,531,082 kWh ²
Benefeciaries Impacted	2,390 Individuals



Outstanding Portfolio as of July 2026 : USD 1,673,318

Target Portfolio Allocation:

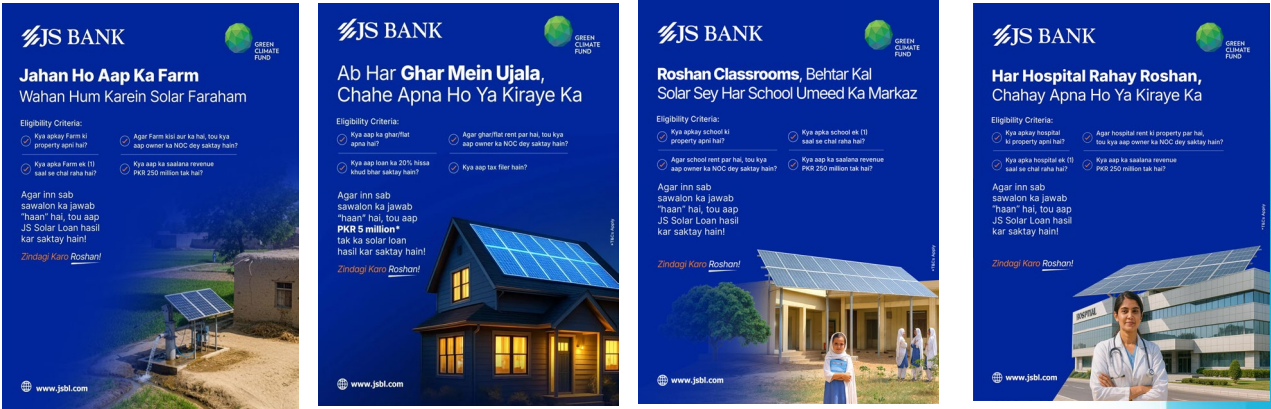
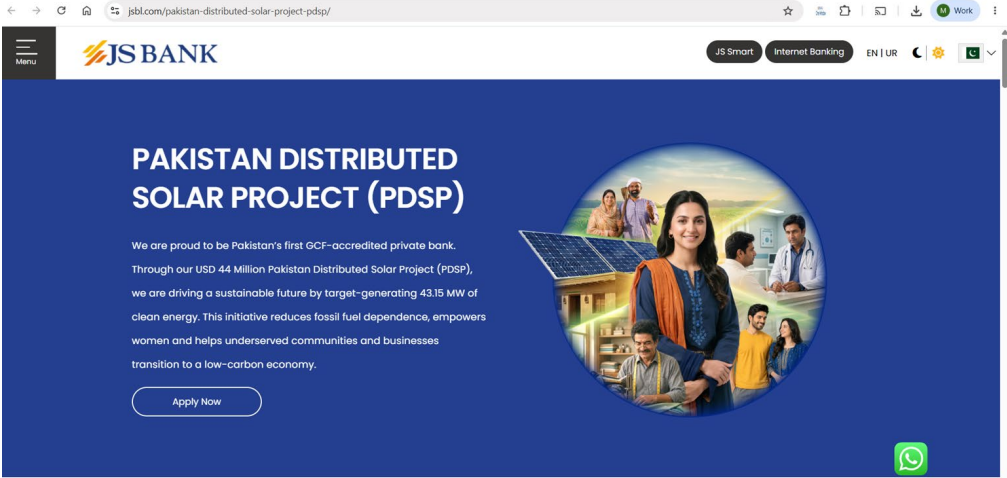
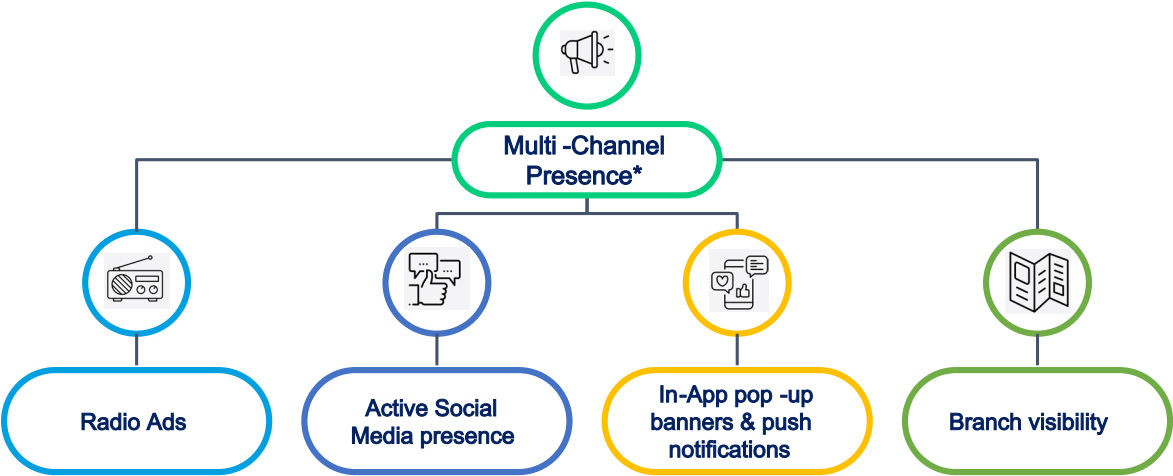
Residential 65% | SME 25% | Agriculture 10%

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¹ To ensure comparability against original project baselines amidst macroeconomic adjustments, a constant baseline rate of 1 USD = 165 PKR is applied as per the submitted budget.

² Data as of 31st December, 2025

Output 1.2 - Strengthened Awareness of climate threats & Importance of sustainable interventions



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* Integrated marketing efforts have driven 13,834 total client leads, validating strong end-user demand and a promising deployment pipeline across Tier 1-3 cities.

Output 2.1 - Improved attractiveness of renewable energy financing solutions

Campaign Core Objective: Drive nationwide adoption of zero and low-collateral solar financing across sectors

Tagline: "Andharay say bahar aao, Zindagi Karo Roshan!" / "Brighter Days, Powered by Solar"



Business Owners

Showcases uninterrupted work for small businesses like tailor shops during power outages



Households

Highlights affordable residential solar solutions to reduce monthly electricity bills for families



Schools

Focuses on keeping educational institutions powered without additional collateral burdens



Hospitals & Clinics

"Behtar Ilaaj, Roshan Mustaqbil" - ensures continuous power for critical life-saving healthcare

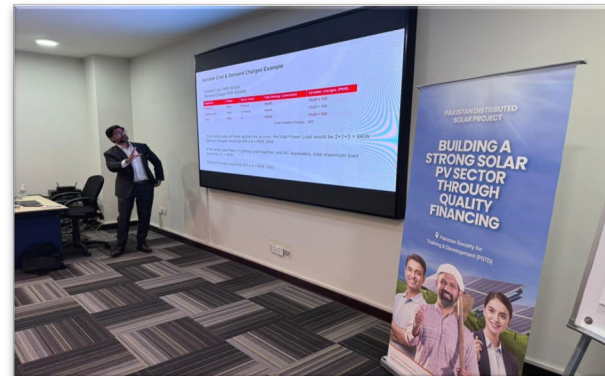
Output 2.2 - Increased capacity for renewable energy solutions

138
Staff Trained
Across 3 sessions

+83%
Score Increase
3.6 → 6.6 Avg. Post- Training Score

7.0
Retention Score
Sustained Long -term Knowledge

- **Target Audience:** Delivered 3 structured capacity-building sessions for JS Bank staff across key lending and risk divisions
- **Comprehensive Reach:** Trained staff across all key bank verticals, including Risk, Product, Credit Administration (CAD), and Sales teams
- **Core Curriculum:** Focused on solar PV fundamentals, system economics, panel efficiency, net metering, and payback drivers relevant to solar lending
- **Practical Application:** Paired theoretical presentations with hands-on Excel financial modeling case studies for real-world application



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Key AE Challenges & Strategic Mitigations

1 Expiration of Concessionary Refinance Windows

The sudden end of SBP's 6% capped refinance rate in June 2024 created immediate market pricing friction, requiring quick pivoting to commercial KIBOR-based structures without losing uptake



Built-in Price Agility & Benchmark Flexibility

Pivoted swiftly to a market-competitive KIBOR-based structure. Facilities must embed flexible benchmark pricing from inception to maintain continuity during policy shifts

2 Balancing Turnaround time with Quality Control

Enforcing Tier-1 equipment mandates & E&S compliance across diverse regions created onboarding bottlenecks in Tier 2/3 cities



Hub-and-Spoke Model & Mandatory E & S Gatekeeping

Exploring a Hub-and-Spoke model to scale regional reach. Vendors must hold Tier-1 certification & mandatory anti-child labor, E&S policies

3 Macroeconomic Shifts and Rigid SME Definitions

High inflation and currency devaluation rendered legacy SME turnover thresholds restrictive, temporarily slowing eligibility for medium enterprises needing solar debt

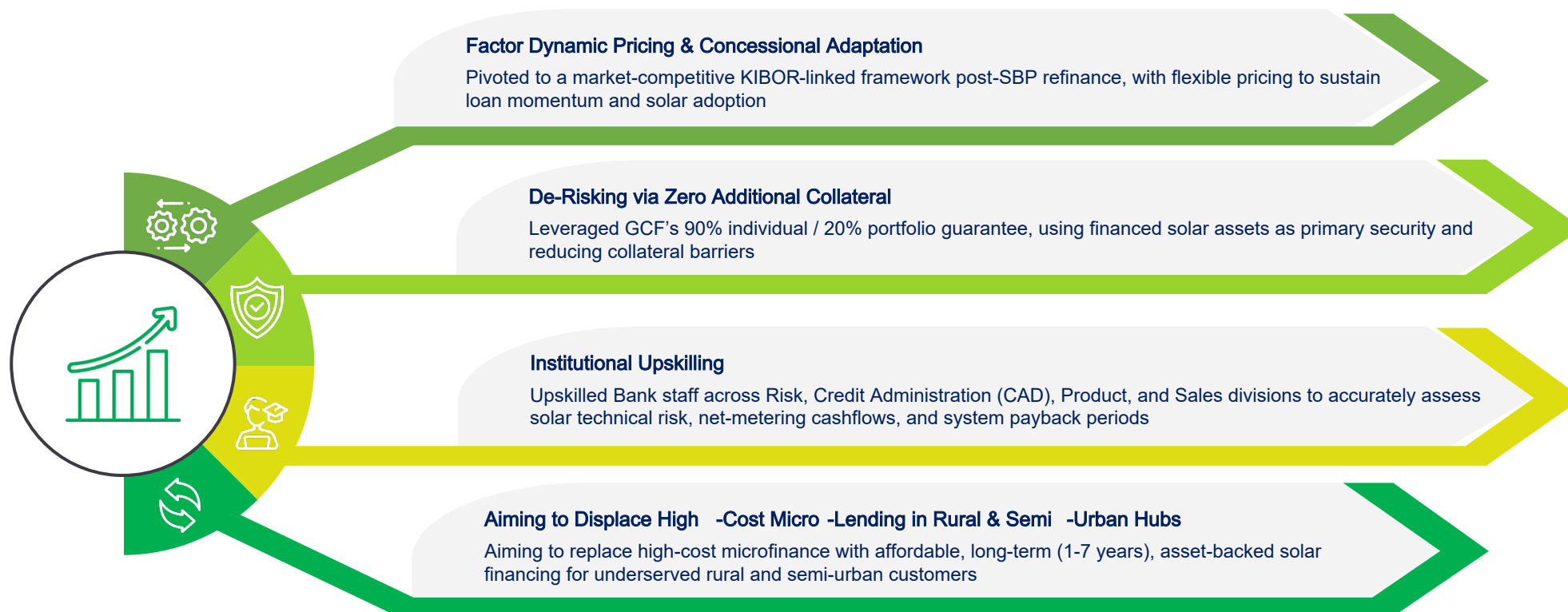


Dynamic Criteria Realignment and Policy Adaptation

Actively engaging with GCF to revise eligibility thresholds. Borrower parameters must feature periodic review mechanisms to automatically adjust for inflation and economic shocks

Core Success Factors of SAP024

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| 10 YEARS OF CLIMATE IMPACT |

Thank you

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