

Fostering the communication between Financial Institutions and SMEs

A roundtable to enable the access to finance for energy and resource efficiency in Pakistani SMEs

INTRODUCTION

The Sustainable and Cleaner Production in the manufacturing industries of Pakistan – **SCI-Pak** project in cooperation with the State Bank of Pakistan and the International Finance Corporation (IFC) proudly invite you to take part at the roundtable that **aims** to identify strategies that contribute to foster the communication and interaction between Financial Institutions and small and medium sized enterprises (**SMEs**), in order to promote the access to finance (**A2F**) for the upgrade to energy and resource efficient production (**E&RE**).

Participants of the roundtable will be:

- **Financial institutions**, *who can facilitate the access to SMES by developing strategies to approach and make a better offer of financial products and services to SMEs that meet their E&RE needs.*
- **Business Associations**, *who can support SMEs to understand financial institutions' rationality and therefore approach them better to successfully A2F for E&RE.*

Energy and resource efficient production (E&RE) is a measure to reduce the consumption of energy & resources and to minimize the creation of waste and Greenhouse Gas emissions while at the same time strengthening their economic performance and competitiveness through cost reductions. Thus E&RE highlights a „win-win situation“ for both sides: the enterprise & the environment. Additionally E&RE production enables the access to new global market opportunities - due to a rising demand (in developing countries) for products produced in an environmentally responsible manner.

		The Informational booklet is handed out beforehand, so that participants are aware of the topic, participants roles and expectations.	
Session	Time	Programme	Notes
1	09:00-09:15	Presentation of the SCI-Pak project and the Roundtable	Lead by IHT
2	09:15-10:00	How can financial be more involved in supporting E&RE initiatives among Pakistani SMEs?	<p>Panel Discussion:</p> <ul style="list-style-type: none"> • State Bank of Pakistan • Representative of Financial Institution Commercial Bank • Representative of Business Association • Representative of IHT International Financial Cooperation <p>Facilitated by Ms Sadia Kahn</p>
3	10:00-10:30	Presentation of business cases on E&RE uptake in selected Pakistani SMEs	Lead by IHT
4	10:30-12:00	Discussion: What kinds of actions could financial institutions undertake, in order to approach better SMEs with the offering of financial products and services?	World Café Methodology Summary: Ms Sadia Kahn
5	12:00-12:15	Coffee break	
6	12:15-12:30	Presentation of the E&RE Network	Lead by IHT
7	12:30-14:00	Discussion: How could financial institutions directly support the development and maintenance of the E&RE Network? (e.g. human resources/experts, financial resources, time)	Facilitation: Ms Sadia Kahn

8	14:00-15:30	Lunch –closing- and final words	SBP and IHT
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AGENDA

METHODS

1. Presentation of the SCI-Pak Project and the Roundtable

Time: 15 minutes

Welcoming by Ms Sadia Kahn (5 minutes)

Presentaiton of the SCI-Pak project: IHT (10 minutes)

2. Panel Discussion: How can financial be more active in supporting E&RE initiatives among Pakistani SMEs?

Time: 45 minutes

Lead: Ms Sadia Kahn

The activity will gather a representative from a comercial bank, one from one Business Association, one from the State Bank of Pakistan and one from a Consultancy Company (IHT) in a panel discussion. The idea is to encourage these participants to discuss on opportunities and alternatives –regarding the financial sector- to supporting E&RE initiatives among Pakistani SMEs. The discussion will have a MACRO-level focus (e.g. economic environment, generation of partnerships, market opportunities)¹. In order to foster an interesting debate, the facilitator can guide the discussion by asking the following questions to all representatives²:

- Is E&RE a promising business for SMEs and banks? Why? (recommended to the comercial bank, the BIAs representative and IHT).

¹ MICRO-level aspects such as the specific role of financial institutions or strategies to fostr the communion between SMEs and financial isntitutions will be discussed in session 4.

² Of course these questions are suggestions. The facilitator may improvise the questions, since during the dialogue interesting quotes given by the panelists that would give chance to conduct the discussion in another way, without losing its scope and focus.

- Does the Access to Finance gap lies in a lack of financial resources or the lack of instruments to channel financial resources to SMEs? (recommended to the SBP, the commercial bank and the BIAs representative).
- What kinds of support, partnerships or measures are necessary to support the interaction between banks and SMEs? (recommended to all participants)

3. Presentation of business cases on energy and resource efficiency uptake in selected Pakistani SMEs

Time: 30 minutes

Lead by IHT

4. Identifcation of concrete actions to foster the A2F for E&RE in SMEs (World Café)

Time: 90 minutes

Lead CSCP, IHT

Summary of the reporting: Ms Sadia Kahn

Introduction:

Participators' task is to come up with a selection of actions that they could undertake, in order to develop and communicate better to SMEs the offering of financial products and services.

Participants will discuss on concrete ideas to develop concrete actions. The actions found are first going to be collected and put into an 'idea store', regardless of their implementation process.

The session provides opportunities for people to move in several rounds of conversation, to encourage ideas and themes, which should be linked and connected to each other. The rotation creates possibility to exchange thoughts and ideas – which might engage other people to think from other perspectives and come up with innovative solutions.

The World Café tool is well suited to develop new ideas and to discuss them comfortably in small groups of about 4-6 persons.

Materials:

- 6 group tables tapped with Flip-chart paper
- Sheets for each table highlighting the key questions discussion should move around (table below)
- Flip charts/ Facility to pin up the charts for the presentations
- Enough pens for everyone (thick ones – to be able to read what has been written down during the presentations)

Procedure:

Part I – 10 min – Introducing the following methods

Part II – 60 min – Conducting a World Café

The participants are encouraged to have a seat on one of the 3 group tables. As described above their task will be to develop and to discuss on actions to enhance the A2F for E&RE in SMEs.

Participants are encouraged to both listen and talk, and not edit their thinking or to worry about saying the 'correct' thing. There are two kinds of persons sitting together:

Travellers swap tables, taking ideas to a new group. They link and connect ideas coming from their previous table conversations—listening carefully and building on each other's contributions.

Permanent Table hosts remains at each table when others leave and welcome new guests from other tables and briefly share the main ideas, themes and questions of the initial conversation. (Should be selected in advance)

Each table session should last 20 minutes. As the ideas move about the room, they bear fruit in unexpected ways and networks are both bolstered or established and knowledge is shared.

Each group is supposed to create a flip-chart that visualizes their findings – they should try to write down as much suggestions as possible – not yet focusing on implementation.

Content of the world cafés

During the **first world café** participants will deal with the following question: What kinds of innovative financial products and services could be improved or developed to meet the E&RE needs in SMEs?

The second world café will flow around the following question: What kind of technical assistance can be offered to SMEs in order to help them increase the likelihood of accessing to financial resources?

The third world café will deal with the following question: How can be better communicated the offering of financial products and services to SMEs, in order to increase their awareness?

[The fourth world café will deal with the following question: What sort of regulatory and procedural impediments have you faced in accessing finance through formal channels?](#)

Part III – 20 min – Presenting the results (5 min for each table)

This session should enable participants to share results, opinions and open questions. After every traveller has at least set at every table, discoveries and insights will be shared. The people sitting at the table when the session closes will present their **key findings** with the help of the drawn flip chart. The facilitator collected the outcome from this session and put all results into an 'idea store'.

5. Presentation of the E&RE Network

Time: 15 minutes

Lead by IHT

6. How to support the E&RE Network?

Time: 90 minutes

Lead by Ms Sdia Khan

Introduction:

This is an open discussion among participants. Participants are going to be encouraged to come up with actions during a group discussion. (e.g. the SMART principle can be applied making sure, that each action is Specific, Measurable, Attainable, Realistic, and Time-based (SMART))

Materials:

Small pieces of Paper

4 Flip charts

Procedures:

The facilitator divides the group in four sub-groups. Each subgroup will be integrated by at least one representative from the business associations, banks and SBP. In each corner of the room will be posted four flip charts like this:

Flip chart 1) What can financial institutions (individually and as sector) do in order to support the E&RE-Network?

Flip chart 2) What kinds of resources are needed to support the E&RE Network?

Flip chart 3) What kind(s) of extra support is demanded from other stakeholders to enhance the effectiveness of financial institutions involvement? (e.g. what kind of support is needed from business associations, universities, policy makers, NGOs, etc?)

Flip chart 4) What kind of compromise can be agreed to support the E&RE Network?

Each sub-group works on one flip chart during 20 minutes and brainstorm. They can post their findings in small charts and post them on the flip chart. Afterwards they move to the next one (to the right) and so on until have finalized the four flip charts.

The facilitator presents all the results of each flip chart at the end.