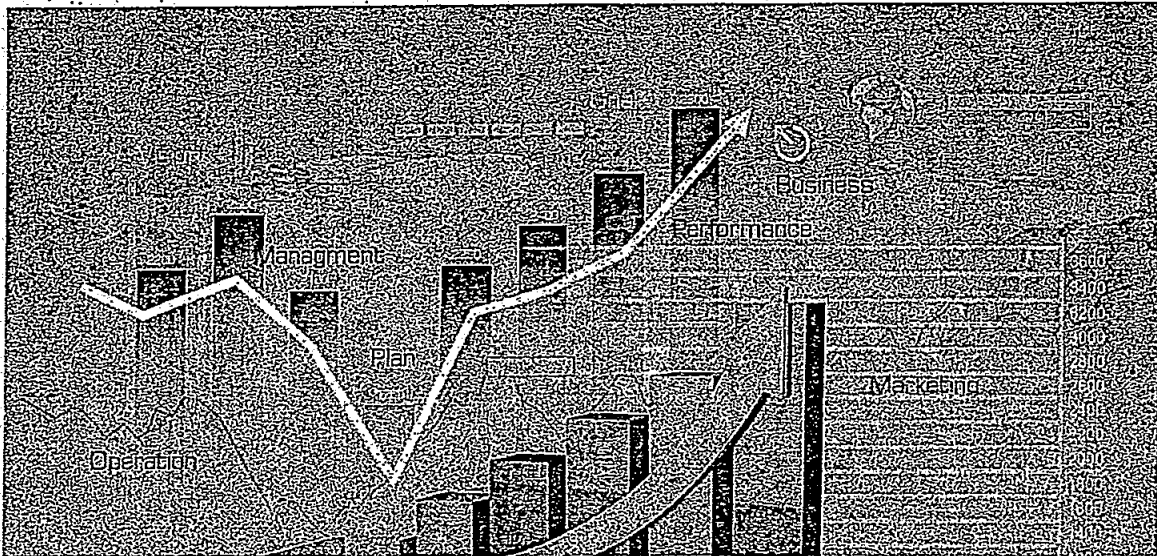


SENATE OF PAKISTAN



REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE



REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE
AND REVENUE ON THE PROPOSED BUDGETARY ALLOCATIONS
TO PUBLIC SECTOR DEVELOPMENT PROGRAM (PSDP) OF
FINANCE DIVISION FOR THE FINANCIAL YEAR 2026-27

PRESENTED BY
SENATOR SALEEM MANDVIWALLA
CHAIRMAN

SENATE SECRETARIAT

PROPOSED BUDGETARY ALLOCATIONS TO PUBLIC SECTOR DEVELOPMENT PROGRAM (PSDP) OF THE MINISTRY OF FINANCE FOR THE FINANCIAL YEAR 2026-27

I, Senator Saleem Mandviwalla, Chairman, Senate Standing Committee on Finance and Revenue have the honour to submit, on behalf of the Committee, this report on the budgetary allocations to Public Sector Development Program (PSDP) of the Ministry of Finance for the financial year (FY) 2026-27 in terms of Rule 166(7) of the Rules of Procedure and Conduct of Business in Senate, 2012.

2. The composition of the Committee is as under:

1. Senator Saleem Mandviwalla	Chairman
2. Senator Farooq Hamid Naek	Member
3. Senator Sherry Rehman	Member
4. Senator Mohsin Aziz	Member
5. Senator Anusha Rahman Ahmad Khan	Member
6. Senator Muhammad Talha Mahmood	Member
7. Senator Shahzaib Durrani	Member
8. Senator Fesal Vawda	Member
9. Senator Ahmed Khan	Member
10. Senator Manzoor Ahmed	Member
11. Senator Syed Faisal Ali Subzwari	Member
12. Senator Muhammad Abdul Qadir	Member
13. Senator Dilawar Khan	Member
14. Senator Zeeshan Khanzada	Member
15. Minister for Finance and Revenue	Ex-Officio Member
16. Minister of State for Finance and Revenue	Ex-Officio Member

3. The Committee reviewed the budgetary/PSDP allocations and proposals for FY-2026-27 in its meetings held on 4th February and 4th March, 2026. The following Members attended the meeting held on 4th February, 2026.

1. Senator Saleem Mandviwalla	Chairman
2. Senator Sherry Rehman	Member
3. Senator Muhammad Abdul Qadir	Member
4. Minister for Finance	Ex-officio Member

4. The following Members attended the meeting held on 4th March, 2026.

1. Senator Saleem Mandviwalla	Chairman
2. Senator Anusha Rahman Ahmad Khan	Member
3. Senator Muhammad Talha Mahmood	Member
4. Senator Shahzaib Durrani	Member
5. Minister for Finance and Revenue	Ex-Officio Member
6. Minister of State for Finance and Revenue	Ex-Officio Member

5. In the meeting of the Senate Standing Committee held on 4th February, 2026, the Additional Secretary, Finance Ministry, Ms. Saima Saeed, briefed the Committee that six development projects were under the Finance Ministry with a total allocation of Rs. 851.58 million for FY 2025-2026.

6. The Deputy Auditor General, Mr. Arif Hussain, briefed the Committee on the implementation and mainstreaming of the Audit Management Information System (AIMS). He stated that the PC-I had been approved in 2021 with an original completion timeline of June 2024; however, the project had been extended until June 2026 because the procured software did not fully align with existing audit processes, requiring complex adjustments and integration.

7. The Secretary, Finance Ministry, stated that the project formed part of the PSDP and that re-appropriations and savings were under review. He informed the Committee that a formal request would be made to the Ministry of Planning for special allocation to ensure completion by 30 June 2026, adding that once operational the system would improve the quality of audit paras through MIS-based review and accountability mechanisms. The Committee emphasized the importance of completing the project within the revised timeline.

8. The Committee was also briefed on the Capacity Building of Finance Division for implementation of the Public Financial Management (PFM) Policy in the Federal Government and expressed satisfaction over the briefing.

9. The Committee was further briefed on the modernization and upgradation of Pakistan Mint, Lahore. The total project cost was stated to be Rs. 2,479 million, of which Rs. 961 million had been expended in the previous year. For the current year, Rs. 1,517 million was expected; however, only Rs. 150 million had been released and fully utilized. An additional requirement of approximately Rs. 989 million remained outstanding, including Rs. 346 million for civil works. Nine out of fifteen machines of German and Chinese origin had been ordered, three of which had been received. The completion target was 30 June 2026, subject

to availability of funds. The Committee was informed that coins of Re.1, Rs.2, Rs.5 and Rs.10 denominations, including commemorative coins, remained in circulation and production was ongoing. The Committee stressed that necessary funds be pursued to avoid further delay.

10. The Senate Standing Committee on Finance and Revenue met on 4th March 2026, where the Committee was briefed by the Ministry of Finance on the Women Inclusive Finance Sector Development Program. The Ministry informed the Committee that the Program is a USD 505.5 million initiative supported by the Asian Development Bank (ADB), comprising a USD 500 million loan and a USD 5.5 million grant.

11. The Program aims to promote women's economic empowerment by improving access to financial services and supporting entrepreneurship, while easing liquidity constraints in the microfinance sector and facilitating market-based funding for women-owned businesses and female borrowers. The Program combines policy-based reforms to reduce the gender gap, credit line and guarantee facilities for women-led businesses, and capacity-building initiatives for financial institutions.

12. The Committee was informed that the program structure includes a USD 400 million Policy-Based Loan, a USD 100 million Financial Intermediation Loan, and a USD 5.5 million grant. Under the Financial Intermediation Loan, USD 70 million has been allocated for a Credit Line Facility (CLF) for women borrowers through microfinance providers, including microfinance banks (MFBs), non-bank microfinance companies (NBMFCs), and the Pakistan Microfinance Investment Company (PMIC). As of 31 December 2025, the rupee equivalent of USD 50 million under CLF-I (PKR 14,576 million) was disbursed in June 2024, while the rupee equivalent of USD 20 million under CLF-II (PKR 5,600 million) was disbursed in June 2025. A total of PKR 20,176 million has been disbursed, including small enterprise loans (58%), general loans (21%), agriculture loans (18%), and other loans (3%).

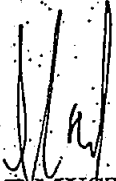
13. The Ministry further briefed the Committee that USD 30 million under the Financial Intermediation Loan has been earmarked for a Credit Guarantee Facility (CGF), equivalent to approximately PKR 8.4 billion. The facility will provide first-loss guarantees of up to 25% to commercial banks and development finance institutions (DFIs) to enable financing to eligible non-bank microfinance companies and PMIC for onward lending to women borrowers. Funds for the CGF were received from ADB on 28 January 2026, and the facility will be operationalized after finalization of its rules with the Ministry of Finance and ADB.

14. Regarding the USD 5.5 million grant component, the Committee was informed that the funds are allocated for the State Bank of Pakistan (SBP), the Small and Medium Enterprises Development Authority (SMEDA), and the Securities and Exchange Commission of Pakistan (SECP). A PSDP allocation of PKR 100 million is currently available for SBP for FY26, while allocations for SECP and SMEDA will be made in FY27. SBP has also launched a Challenge Fund under this component, through which 14 proposals amounting to PKR 750 million from microfinance banks, financial institutions, and fintech companies have been shortlisted. These proposals focus on promoting entrepreneurship, digital onboarding approaches, digital financial literacy, customer-centric financial products, digital markets and ecosystems, climate-resilient agricultural finance, and Islamic finance. Budget estimates of PKR 300 million for FY27 have been shared with the Ministry of Finance.

15. Following the briefing, the Committee decided that women's financial inclusion would be taken up as a regular agenda item in upcoming meetings to ensure focused and detailed parliamentary input on the issue.

16. After the detail deliberations, the Committee directed the Ministry of Finance to take all possible steps for smooth execution of projects. The Committee has showed satisfaction regarding PSDP proposed by the Ministry of Finance for the financial year 2026-27.

17. The Committee also gave approval for presentation of this report to the House.


(IFFAT MUSTAFA)
Secretary Committee


(SENATOR SALEEM MANDVIWALLA)
Chairman Committee