



Government of Pakistan
Cabinet Secretariat
Poverty Alleviation and Social Safety Division

BRIEFING NOTE
Launch of National Poverty Graduation Initiative (NPGI)

From Poverty to Prosperity
A Comprehensive Programme on Asset Transfers, Interest Free Loans and Skills Trainings
5th July, 2019

The **National Poverty Graduation Initiative (NPGI)** is part of the *Ehsaas* strategy. It aims to graduate the poorest households out of poverty and set them on a course of economic and social prosperity.

Its components include **(i)** asset transfers; **(ii)** interest free loans and; **(iii)** vocational and skills training to make assets productive.

The graduation initiative aims to reduce dependence of the population at the bottom of the economic pyramid on government-led social safety nets (BISP, Zakat and Baitul Mal programmes) and helps to bring this population into the mainstream of economic development and financial inclusion.

The government, in addition to its own funding, is partnering with the International Fund for Agricultural Development (IFAD) and the Asian Development Bank (ADB) in this initiative.

Total projected cost of the initiative is Rs. 42.65 billion.

	Funds Rs. Billion	Year of Approval & Initiation
National Poverty Graduation Initiative		
IFAD Funded PPAF Graduation Programme (Federal government)	13.00	2019-20
ADB Funded BISP Graduation Programme (Federal government)	6.30	2018-19
Interest Free Loans by the Federal and Provincial Governments of KP and Punjab	23.35	Rs. 5 billion from Federal Government in 2019
Total	42.65	

Implementation Arrangements

The initiative will be executed by Pakistan Poverty Alleviation Fund (PPAF) and BISP. More than forty partnering NGOs will be involved in executing this initiative including the Rural Support Programs and Akhuwat.

Targeting, Selection and Impact

This initiative is being rolled out in over 100 districts and will impact 16.28 million people with 50% women. The initiative also includes youth, persons with disabilities, transgender people, minorities and marginalized communities in lagging districts. **Selection of beneficiaries is based on the Poverty Score Card used by the government and donors.**

Components of the National Poverty Graduation Initiative

i. Asset transfer: 225,000 assets will be provided to the poorest of the poor to start their small businesses along with skills training and business planning. The average cost of the asset which will be given as a grant is Rs. 50,000. Furthermore, they will have access to interest free loans (see component ii below). In total 1.45 million people¹ will benefit from this component.

Recipients of asset transfers is determined by the partner organizations using the Poverty Score Card.

ii. Interest Free Loan Programme: This is a major component of the Initiative. From July 2019 onwards, 80,000 interest free loans will be disbursed every month. The range of the interest free loans is Rs. 20,000 – Rs. 75,000. As many as 3.8 million interest free loans will be provided (80,000 loans a month for the next 4 years) to 2.28 million households. In total, 14.7 million people² will benefit from this component.

Interest free loans are being accessed through existing 1110 loan centers operated by partner organization. As additional districts are added, new loan centers will be established. Information will soon be available on the website of Poverty Alleviation and Social Safety Division. Meanwhile, please visit of PPAF for list of loan centers and eligibility criteria (www.ppaf.org.pk/NPGI.html).

iii. Vocational and Skills Training: Recipients of asset transfer and interest free loans will be provided skills and business development training as needed to ensure sustainable livelihoods. Furthermore, an additional 20,000 youth will be provided special skills to develop innovative businesses. This additional training will benefit 129,000 people³. Certified training courses will be conducted by NAVTTC.

¹225,000 households x 6.45 persons (average household size is 6.45 persons)

²2.28 million households x 6.45 persons (average household size is 6.45 persons)

³20,000 households x 6.45 persons (average household size is 6.45 persons)