

# Interest Free Loans Driving Sustainable Pathways Out of Poverty



For thousands of low-income households across Pakistan, access to capital can mean the difference between survival and stability. This understanding was at the heart of ceremony hosted by the Ministry of Poverty Alleviation and Social Safety (MoPASS) recently marking the successful closure of the National Poverty Graduation Programme (NPGP).

The Programme has lifted 370,000 households out of poverty through asset transfers, skills training, and interest free loans. Chief Guest Federal Minister of Poverty Alleviation & Social Safety, Syed Imran Ahmad Shah praised the initiative as a landmark government effort that has strengthened economic resilience among Pakistan’s most vulnerable families.

Representing PPAF, CEO Mr Nadir Gul Barech highlighted the role of the Prime Minister’s Interest Free Loan (PMIFL) Programme a key component of NPGP and implemented nationwide by PPAF. He reiterated that poverty graduation requires a clear and practical exit strategy, one that empowers families to build sustainable livelihoods. Interest free loans, he stressed, fills a vital gap left by traditional microfinance, offering capital to those typically excluded from formal financial systems.

Under NPGP, PPAF has disbursed over 300,000 interest free loans worth PKR 13,765 million across 21 districts, enabling thousands to stabilise incomes and grow micro-enterprises. Citing preliminary findings from the C4ED assessment of the PMIFL initiative, Mr. Barech shared that 85% of the IFL beneficiaries improved their Poverty Scorecard scores, and 90% invested directly in income-generating activities, resulting in a 62% rise in business income after the first loan cycle. Women beneficiaries also reported greater economic participation and household decision-making power.

The event brought together development partners, diplomats, civil society, government officials, and media representatives including Ms Fernanda Thomaz Da Rocha (IFAD Country Director), Mr Navid Ahmed Shaikh (Secretary MoPASS), and Dr Rashid Bajwa (CEO NRSP) who highlighted NPGP’s holistic achievements reinforcing a shared belief that with right tools and trust communities can move beyond poverty sustainably.



## PPAF–Sindh CVE hold Dialogue to Advance Peace and Development



Recognising the interconnectivity between peace and development, PPAF convened a consultative dialogue in collaboration with the Sindh Centre for Violent Extremism (CVE) in Karachi. Bringing together stakeholders from government, academia, and civil society the discussion explored how alleviating poverty and creating opportunities for growth can strengthen efforts to counter violent extremism in Sindh. The event served as a platform to highlight expertise in livelihoods, skills development, and social inclusion, thereby providing practical pathways for aligning development interventions with CVE efforts in Sindh.

PPAF CEO Mr Nadir Gul Barech reiterated that economic security and social cohesion are critical to reducing vulnerabilities linked to radicalisation, especially among youth. He emphasised that through focused collaboration with CVE stakeholders, stronger district coordination, and joint data systems, PPAF can design youth-centric initiatives that foster lasting peace and progress.

Secretary Home Department, Mr Iqbal Ahmed Memon, highlighted how CVE's goals align with PPAF's poverty reduction mandate and reaffirmed government's commitment to strengthening collaboration with PPAF for inclusive, peaceful, and empowered communities.

Home Minister Sindh Mr Zia ul Hassan Lanjar, who graced the ceremony as Chief Guest, stressed that deprivation and injustice fuel crime and radicalisation. He underlined the importance of community-level dispute resolution and local ownership for sustaining stability and enabling economic progress.

The dialogue concluded with a unified commitment to advance peace, inclusion, and socio-economic resilience across Sindh.



# Setting the Foundation for Resilient Recovery in Balochistan



In flood-affected areas of Balochistan, rebuilding livelihoods is not an option but a priority. With this focus, PPAF is implementing the EU-funded Post-Flood Resilient Recovery and Strengthening of the Livestock Sector in Balochistan Project to support MSMEs working across the livestock sector.

During the project's initial phase, groundwork has been laid to mobilise field teams and identify the most vulnerable households across 120 flood-affected Union Councils in 6 districts comprising Pishin, Loralai, Zhob, Lasbela, Khuzdar and Jaffarabad. Baseline surveys have also been completed in 384 villages, laying the foundation for the formation of 386 Livestock Farmer/Producer Groups (LFPGs). These groups have brought together more than 7,000 registered farmers, helping them plan, manage and rebuild their livelihoods collectively, while enhancing their competitiveness within the livestock value chain.

To ensure that the rebuilding process remains inclusive, women's economic inclusion has been central at every step. Targeted information sessions, household-level outreach, and the formation of mixed and women-only LFPGs have enabled women to participate more actively in livestock management, financial planning and income-generating activities ensuring recovery efforts remain both inclusive and gender-responsive.

As implementation progresses, these early foundations are helping flood-affected communities move from recovery towards resilience and sustainable livelihoods.



# Inauguration of Deaf Reach Centre Nowshera



For millions of deaf children in Pakistan, access to education remains severely limited. With fewer than 5% enrolled in formal schooling, many grow up without exposure to Pakistan Sign Language (PSL), trained teachers, or inclusive learning environments, especially in Khyber Pakhtunkhwa, where specialised facilities are scarce.

Addressing this gap, PPAF and FESF have launched a Deaf Reach Centre in Nowshera. This transformative initiative involves establishing a purpose-built, inclusive campus that offers PSL-based academic education, along with the recruitment and training of teachers, provision of transport facilities, and learning supplies. The centre is established at the existing Deaf Reach School operated by the Social Welfare Department, Government of Khyber Pakhtunkhwa (KP).

The launch ceremony was attended by MPA Mr Umer Khan, Additional Secretary Social Welfare KP Ms Omara Khan, senior district administration officials, and other government representatives. Speakers reaffirmed their collective commitment to ensuring that every child, regardless of hearing ability, has the opportunity to learn, grow, and thrive.

Following the inauguration, representatives from PPAF and FESF met the Honourable Chief Minister of Khyber Pakhtunkhwa, Mr Muhammad Sohail Afridi, who appreciated the initiative and directed the Principal Secretary to expedite the approval and release of funds to ensure continuity of services for deaf learners.

With a similar facility already serving children in Quetta, the initiative reflects PPAF's growing commitment to expanding inclusive and accessible education for deaf children across Pakistan.



# Closing a Chapter, Carrying the Learning Forward

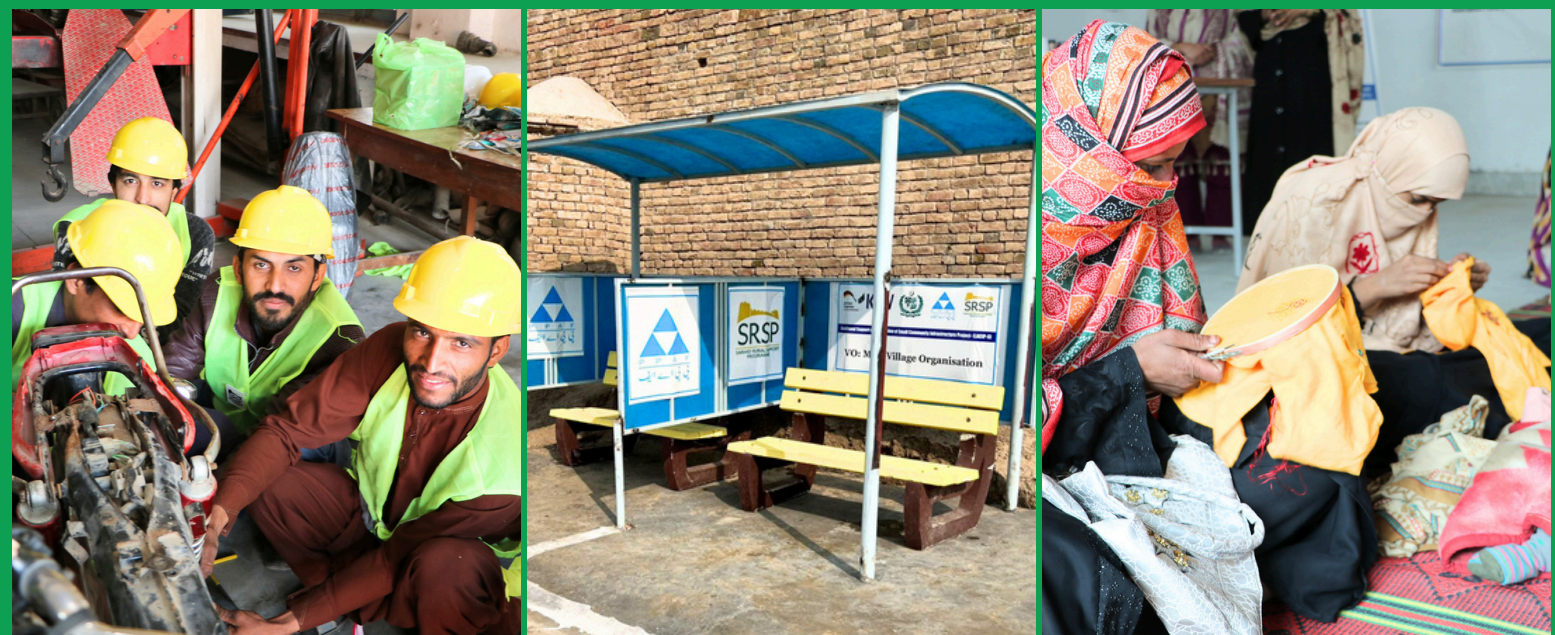
The completion of the EU-funded GRASP project was marked through a Lessons Learned and Project Closure Workshop, bringing together partners to reflect on the project's journey, achievements and lessons for the future. Representatives from ITC, FAO Pakistan, SMEDA, and partner organisations shared insights on key successes, evolving approaches, and lessons to guide future interventions, while Oxford Policy Management shared insights on impact assessment.

For the external audience, the project's close-out was celebrated at the International Food & Agriculture Exhibition in Karachi. A dedicated GRASP pavilion showcased the work of 32 SMEs from Sindh and Balochistan supported over project life. The SMEs used the platform to display their products, engage directly with buyers and explore new market opportunities translating years of support into tangible business prospects.

The pavilion was visited by several high-level dignitaries, including the Sindh Minister for Planning and Development and Irrigation, Mr Jam Khan Shoro, who attended as Chief Guest. The presence of the EU Ambassador to Pakistan, Mr Raimundas Karoblis, ITC Chief Mr Robert Skidmore and PPAF CEO Mr Nadir Gul further underscored confidence in the SMEs and recognition of their growth.



## LACIP-II Ex-post Evaluation Demonstrates Sustainable Community-Led Impact



PPAF has recently completed a third-party ex-post evaluation of the Livelihood Support and Promotion of Small Community Infrastructure Programme – Phase II (LACIP-II), funded by BMZ through KfW and implemented between 2018 and 2023 in 12 Union Councils of Buner, Shangla, and Lakki Marwat (Khyber Pakhtunkhwa). The programme adopted an integrated approach combining livelihoods, skills development, community infrastructure, and institutional strengthening.

The evaluation, conducted by the Innovative Development Consultants using OECD-DAC criteria, confirms strong and measurable results. Overall, 62 percent of households improved their Poverty Scorecard scores, while the proportion of ultra-poor households declined from 33 percent to 17 percent. Average monthly household income nearly doubled, increasing from PKR 18,043 to PKR 35,100.

Livelihood interventions were highly effective: 84 percent of productive asset recipients reported income gains, and 63 percent of trained individuals applied new skills for income generation. Community infrastructure investments improved access to drinking water, sanitation, roads, and disaster preparedness, contributing to a 74 percent reduction in disease occurrence and better access to education, health, and markets.

Sustainability and ownership were strong, with 82 percent of infrastructure schemes actively maintained and high beneficiary satisfaction ( 98 percent for livelihood assets and 100 percent for skills training).

The evaluation reaffirms that LACIP-II's integrated, community-driven model delivered sustainable improvements in livelihoods, resilience, and social inclusion, providing clear lessons for scaling future programming.

## PPAF's Flood Relief Efforts Successfully Completed

Following the devastating floods in Pakistan in August 2025, PPAF swiftly launched its Emergency Flood Response, which has been successfully completed across 45 flood-affected districts, reaching nearly 50,000 households with the active support of PPAF's on-ground partner organisations.

The response delivered critical relief to communities, including 2,260 metric tons of dry ration, non-food items, and hygiene kits, 124 Free Medical Camps providing essential healthcare, and 138 Free Veterinary Camps safeguarding livestock and livelihoods.

In Buner and Swat, where floodwaters severely disrupted access to safe drinking water, six solar-powered water filtration plants have been installed, each producing up to 6,000 gallons of clean water daily, and serving over 10,560 people. Designed for remote, off-grid areas, the plants operate entirely on renewable energy and are built to withstand future shocks. Community ownership has been central to their sustainability, with local Water Management Committees, supported by authorities and the Public Health Engineering Department, managing daily operations and maintenance.

Across Buner, Swat, and other affected districts, PPAF's comprehensive flood response has not only restored access to essential services but also strengthened community resilience, reinstated dignity, and brought renewed hope to thousands of families.



## Strengthening Digital Awareness and Women's Rights



As digital spaces increasingly shape social and economic participation, PPAF marked the 16 Days of Activism Against Gender-Based Violence through special episodes of its Development Dialogue Podcast Series strengthening the conversation on digital safety and women's rights. Bringing together leading voices from policy, cybersecurity, and digital rights, the initiative unpacked critical challenges including cyberstalking, online hate speech, unsafe data sharing, and the misuse of emerging technologies. The discussions also examined AI-driven risks such as impersonation, deepfakes, and the non-consensual use of digital content—issues that disproportionately affect women and girls.

Featuring expert insights from **Ms Humaira Zia Mufti**, Secretary, National Commission on the Status of Women; **Mr Ammar Jaffri**, a specialist in digital forensics and information security; and **Ms Zaheema Iqbal**, cybersecurity expert and Assistant Director at NCERT, the episodes offered practical guidance on navigating online spaces safely in an increasingly AI-powered world.

A key strength of the initiative was the inclusion of Pakistan Sign Language interpretation, ensuring accessibility and extending these critical conversations to deaf and hard-of-hearing audiences.

The podcasts were disseminated across PPAF's digital platforms and generated strong audience engagement and interest.

Watch the full episodes at:

- <https://youtu.be/P7088rJXyWg>
- <https://youtu.be/i8FO48zZOY0>
- <https://youtu.be/SUWgkzKKbsk>

## PPAF's Development Impact Spotlighted

PPAF has once again been prominently featured in the October–November 2025 edition of Economic Affairs Magazine, marking its second appearance and reaffirming PPAF's position as a key partner of the Ministry of Poverty Alleviation and Social Safety (MoPASS). The coverage highlights the government's renewed commitment to poverty reduction, showcases PPAF's Emergency Flood Response 2025, and captures how national day commemorations were transformed into a movement for unity, resilience, and grassroots development through the Resilient and Rising Pakistan campaign. It also features inspiring stories of women and youth whose lives have been uplifted through the Ba-Ikhtiar project, a joint initiative of PPAF and PTCL.

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INTERVIEW

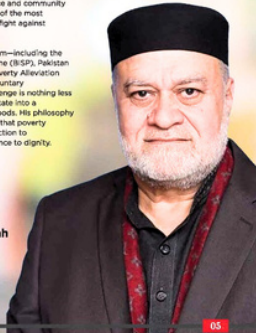
### Pakistan's War on Poverty

Pakistan's poverty strategy is shifting decisively toward a "Cash Plus" model—combining financial assistance with asset creation, skills development, and access to finance.

Interview: Sohail Chaudhry

In a political landscape where short-term relief often eclipses long-term reform, Syed Imran Ahmad Shah, Federal Minister for Poverty Alleviation and Social Safety, stands out for his quiet resolve and structural vision. A reform-minded policymaker with a background in development finance and community welfare, Shah has emerged as one of the most consequential voices in Pakistan's fight against entrenched poverty.

At the helm of a complex ecosystem—including the Benazir Income Support Programme (BISP), Pakistan Bail-ul-Mal (PBM), the Pakistan Poverty Alleviation Fund (PPAF), and the Trust for Voluntary Organizations (TVO)—Shah's challenge is nothing less than transforming the safety-net state into a springboard for sustainable livelihoods. His philosophy is built around a single conviction: that poverty alleviation must evolve from protection to empowerment, and from dependence to dignity.



Federal Minister for Poverty Alleviation and Social Safety  
**Syed Imran Ahmad Shah**

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RESILIENCE

### From Relief to Resilience

## PPAF's Emergency Flood Response 2025

In the face of this colossal crisis, the Pakistan Poverty Alleviation Fund (PPAF) once again rose to the challenge—demonstrating speed, scale, and system-driven precision in its emergency response.

Kashif Rizwan

When relentless monsoon rains and cloudburst swept across Pakistan in mid-2025, they unleashed one of the most devastating floods in recent history. The National Disaster Management Authority (NDMA) reported widespread destruction across 37 districts, with Punjab and Sindh facing their worst flooding in decades. Over 1.037 lives were lost, 1,057 injured, and 228,783 houses damaged. 22,841 livestock perished, while 2.81 kilometers of roads were washed away. An estimated 6.9 million people were affected, 3 million evacuated, and 150,000 individuals still housed in relief camps months later.

In the face of this colossal crisis, the Pakistan Poverty Alleviation Fund (PPAF) once again rose to the challenge—demonstrating speed, scale, and system-driven precision in its emergency response. Drawing on its two-decade legacy of disaster management, PPAF launched a nationwide relief effort that blended humanitarian urgency with institutional discipline, reaffirming its position as one of Pakistan's most trusted and capable relief organizations.

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FINANCIAL INCLUSION

### Ba-Ikhtiar Weaving Dreams, Building Futures

The Ba-Ikhtiar program aims to transform socioeconomic landscape for young women artisans, unlocking the potential that had remained hidden in their homes and villages.

Shahzada Irfan Ahmed

In Pakistan's journey toward inclusive growth, women are increasingly stepping forward as the torchbearers of resilience and innovation. Yet, countless women, especially those in rural and underserved communities, have long struggled to translate their skills into sustainable livelihoods. Their challenge has not been a lack of ambition or talent, but a lack of opportunity, infrastructure, and institutional support.

The Ba-Ikhtiar Program, a flagship women's empowerment initiative of PPAF in collaboration with the PTCL Group, is a bold response to this gap. Launched as a pilot in Haripur, Khyber Pakhtunkhwa, the program aimed to transform the socioeconomic landscape for young women artisans, unlocking the potential that had remained hidden in their homes and villages.



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RESILIENT & RISING PAKISTAN

### Turning Pride into Power

PPAF collaborated with Ministry of Poverty Alleviation and Social Safety (MoPASS) and Paghama-e-Pakistan (PeP) to redefine commemoration of national days through its campaign "Resilient and Rising Pakistan."

Raza Hussain Qazi

Every nation has moments that renew its collective spirit and reaffirm its unity. For Pakistan, Independence and Defence days stand as enduring symbols of resilience, sacrifice, and shared identity.

This year, the Pakistan Poverty Alleviation Fund (PPAF), in partnership with the Ministry of Poverty Alleviation and Social Safety (MoPASS) and Paghama-e-Pakistan (PeP), redefined the commemoration of these national days through its campaign "Resilient and Rising Pakistan."

What began as patriotic celebration evolved into a nationwide movement—uniting communities across provinces, strengthening social bonds, and translating the spirit of independence into action for inclusion and resilience.

**A Symbolic Beginning of a National Movement**

In a significant move to blend national pride with grassroots impact, the Ministry of Poverty Alleviation and Social Safety (MoPASS), in partnership with the Pakistan Poverty Alleviation Fund (PPAF) and Paghama-e-Pakistan (PeP), launched the "Resilient and Rising Pakistan" campaign to commemorate Independence Day and Defence Day 2025.



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# Stories from the Field

## From Tradition to Transformation

In the flood-prone village of Muhammad Horra in Union Council Noorpur Manjhuwala, in District Rajanpur, opportunities for women are rare. Recurrent floods, limited services, and deep-rooted social norms have long confined women to the margins of economic life. For Ganhwar Mai, this was once an unquestioned reality until targeted training opened a new path.

Nearly ten months ago, under the Restoring Social Services and Climate Resilience (RSS&CR) Project, PPAF's local implementing partner, the Food Security and Agriculture Centre of Excellence (FACE) initiated a series of capacity-building trainings in the village. Ganhwar Mai and her husband were among the participants. The sessions went beyond technical knowledge, introducing concepts of women's rights, leadership, household savings, and small-scale livelihood development. More importantly, they reshaped how women like Ganhwar Mai viewed herself—instilling confidence, purpose, and the belief that they could become an economic contributor.

Motivated by the training and supported by her husband, Ganhwar Mai took her first entrepreneurial step by starting a small goat-rearing enterprise at home. With the purchase of a single goat, she translated learning into action. Today, the goat has produced two kids and provides milk that improves her children's nutrition while strengthening household savings. This modest enterprise has become a reliable source of resilience, particularly during flood seasons when traditional income sources often collapse.

This transformation has been equally social and economic. Ganhwar Mai now participates more confidently in household decision-making and is recognised by her family as a key contributor to their wellbeing. Her journey has also inspired other women in the village to consider home-based livelihood activities, gradually challenging long-held norms and planting the seeds of collective change.



# Stories from the Field

## Sowing Knowledge, Reaping Change

Untapped land is often not a question of availability, but of access to the right knowledge. In Village Bhrore, UC Sena Daman, District Hattian Bala (AJK), Abdul Waheed owned cultivable land yet struggled to unlock its true potential due to limited technical expertise.

This changed with his participation in agricultural capacity-building training under the Local Area Development Programme (LADP). Exposed to modern, practical farming techniques, Abdul Waheed wasted no time in applying what he learned. He transformed his land into a productive vegetable farm by following scientific cultivation methods, improved soil management practices, and recommended crop protocols.

As part of the LADP, farmers were encouraged to translate learning into practice through demonstration farms. Seizing this opportunity, Abdul Waheed, with the community's consent, allocated land for this purpose under a mutually agreed community arrangement. By dedicating a portion of his land, he ensured that the project's knowledge would benefit not only him but the wider farming community.

Today, his fields have become a living classroom where farmers witness firsthand how informed practices lead to higher yields and sustainable outcomes. By turning knowledge into action and success into a shared resource, Abdul Waheed is not only improving his own livelihood but also driving a culture of sustainable agriculture across his village.



# Stories from the Field

## Alla Bachai Story of Strength and Self-Reliance

In Village Tourband, UC Gaheja, Taluka Garhi Yasin, District Shikarpur, lives Alla Bachai, a young widow and mother of four whose journey reflects remarkable resilience. After losing her husband in 2020 to kidney failure, she faced severe emotional and financial hardship, struggling to meet basic needs and keep her children in school.

Determined to rebuild her life, Alla Bachai accessed support through the Prime Minister's Interest Free Loan (PMIFL) Programme, a flagship initiative of the Government of Pakistan led by PPAF and implemented on the ground by its partner, SRSO, in Shikarpur. After completing the required documentation, Ala Bachai received an initial loan of PKR 30,000, which enabled her to purchase a sewing machine and start tailoring from home. Her commitment and timely repayments qualified her for two further interest free loans of PKR 35,000 and PKR 40,000, helping her steadily expand her enterprise.

Alla Bachai diversified her business by adding embroidery items, decorative laces, and women's beauty products, increasing her income to around PKR 1,000 per day. This steady earning now supports her children's education which is her greatest priority while providing financial stability for her family. Alla Bachai dreams of seeing her daughters become doctors and her son join the Police Service of Pakistan.

"This loan was not just money; it was hope," she says. Today, Alla Bacahi stands as a confident entrepreneur and a source of inspiration for other women in her community.

