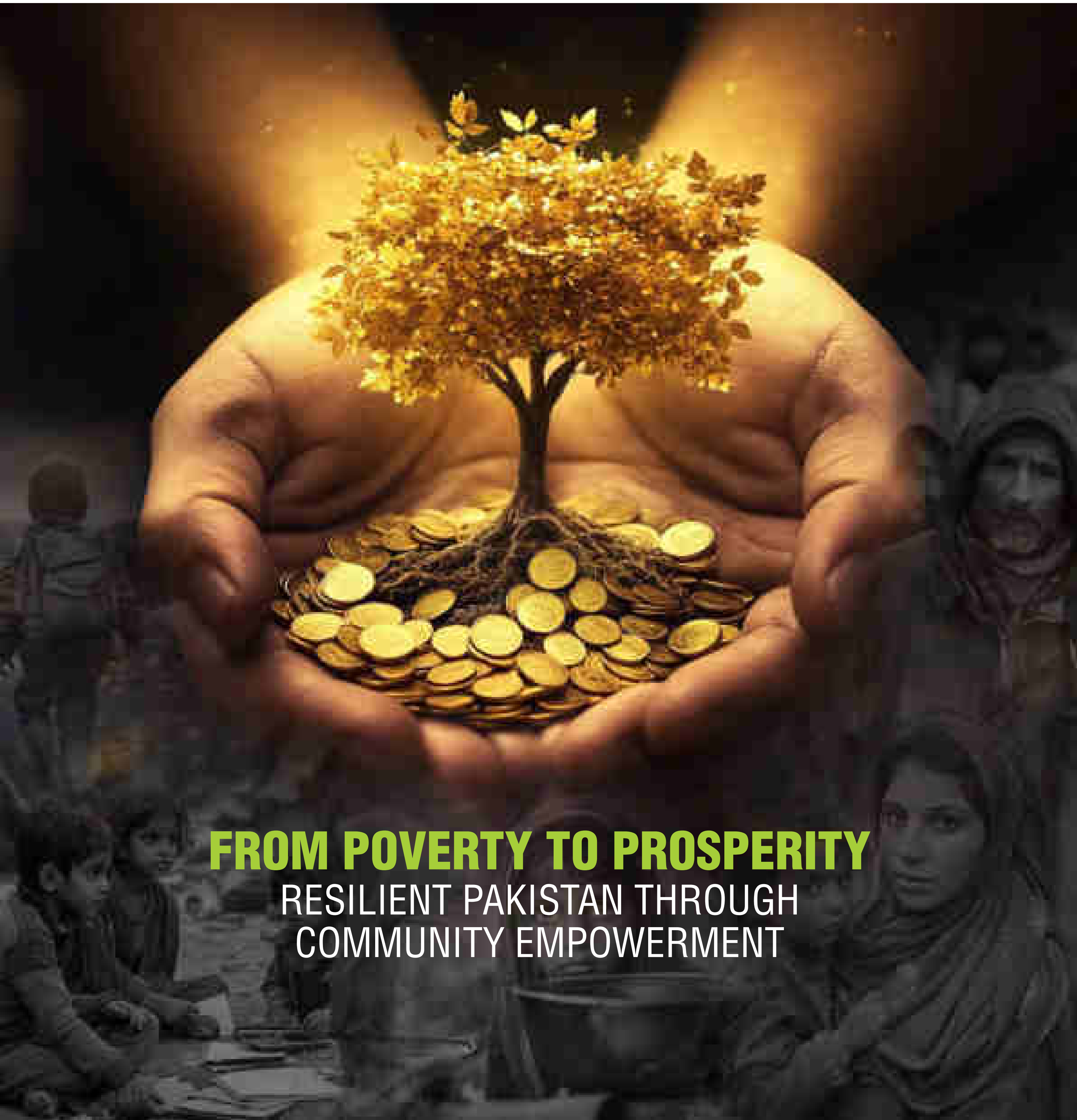
MONTHLY ABC CERTIFIED
Volume 14 - Issue 10-11
OCTOBER - NOVEMBER, 2025

ECONOMIC Affairs



FROM POVERTY TO PROSPERITY

RESILIENT PAKISTAN THROUGH COMMUNITY EMPOWERMENT


27 OCTOBER
یوم سیاہ
Kashmir belongs to Pakistan
Kashmir and Pakistan-One Heart, One Soul
کشمیر
#KashmirBlackDay
FIELD MARSHAL
SYED ASIM MUNIR,
NI (M), HJ, CHIEF OF ARMY STAFF
"Our stance the government's stance on Kashmir is absolutely clear. It was our jugular vein, it remains our jugular vein. We will not forget it, nor will we abandon our Kashmiri brethren in the just struggle they are waging against Indian occupation."
15 April 2025
PRIME MINISTER
MUHAMMAD
SHEHBAZ SHARIF
"I wish to assure the Kashmiri people that I stand with them, the people of Pakistan stands with them and one day soon In Sha Allah, India's tyranny in Kashmir will come to a grinding halt."
26 September 2025
Ministry of Information and Broadcasting
Government of Pakistan
URAAN PAKISTAN
PID(I)3436-D/25

MONTHLY ECONOMIC Affairs ABC CERTIFIED

CONTENTS

DISCLAIMER

MONTHLY
ECONOMIC Affairs

Address: Office#9, Irfan Mansion 1st Floor
F/10 Markaz, Islamabad. **Cell: +92 348 - 550 0000**
Email: **theeconomicaffairs@gmail.com**
editortmagazine@gmail.com
www.economicaffairs.com.pk

Publisher: **Mrs. Rabia Tabassam**
Printers: **Rohanni Art Press Islamabad.**

Price:

Pakistan:	**Rs. 2000**	**Middle East:**	**SAR 50**
UK:	**£ 8**	**Schengen State:**	**€ 10**
Chinese Yuan:	**75**	**Canada:**	**$ 15**
USA:	**$ 12**		

EDITORIAL

Banking on Resilience

For much of the past decade, Pakistan's economy has been defined by crisis: spiralling inflation, dwindling foreign reserves, and an almost ritual dependence on IMF bailouts. Yet beneath the noise of political upheavals, a quieter transformation is underway—one that could finally move the country from the margins of global finance toward a more sustainable growth path. The signs are tentative, but if sustained, they could herald the most meaningful improvement in Pakistan's economic fundamentals in years.

At the heart of this shift lies a concerted effort to make the economy more inclusive, digital, and entrepreneurial. The government's renewed focus on financial inclusion is beginning to bear fruit. According to the State Bank of Pakistan, the number of active digital bank accounts—especially under the Roshan Digital Account initiative—has surged, bringing millions of previously unbanked citizens, particularly women and youth, into the formal economy. Each new account represents a potential entrepreneur, saver, or taxpayer—a small but crucial step toward a more documented and resilient economy.

The rapid expansion of branchless banking services like Easypaisa and JazzCash, coupled with the central bank's push for interoperable digital payment systems, is changing that. Digital payments grew by more than 60 percent last year—a remarkable leap for a country that only recently lagged behind its South Asian peers. Small traders, freelancers, and even rural households are embracing QR-based payments and mobile wallets. In the long run, a cashless economy could increase transparency, reduce transaction costs, and foster a culture of accountability.

True resilience requires fostering entrepreneurship—and here, too, the signs are encouraging. Despite a global downturn in venture funding, Pakistan's startup ecosystem continues to show grit. Young entrepreneurs are innovating in fintech, logistics, agritech, and renewable energy, often addressing local challenges with global potential. Public–private collaborations under the National Incubation Centers and schemes like the Prime Minister's Youth Business and Agriculture Loan Programme are nurturing innovation over rent-seeking. For a country where nearly 65 percent of the population is under 30, this shift toward self-employment and creativity may prove more consequential than any bailout package.

Still, inclusion and entrepreneurship cannot thrive without fixing Pakistan's most vital sector—agriculture. Agriculture employs nearly 37 percent of the workforce yet contributes barely 19 percent to GDP. Productivity has stagnated, and climate shocks—from floods to heatwaves—have deepened vulnerabilities. But change is stirring. Precision agriculture, climate-smart irrigation, and drone-assisted crop monitoring are finding their way into pilot projects from Punjab to Sindh. Startups are linking farmers to digital marketplaces, while the government's "Kissan Package" is shifting from subsidy-heavy interventions to technology-driven productivity. The goal is to turn agriculture from a low-yield safety net into a high-value engine of exports and food security.

Pakistan's recent floods devastated millions of acres of farmland, forcing policymakers to rethink dependence on traditional crops like wheat and sugarcane. Research institutions and private investors are promoting drought-resistant varieties, alternative proteins, and better storage infrastructure to curb post-harvest losses. If these efforts continue, Pakistan could not only meet domestic needs but also re-emerge as a competitive food exporter to the Middle East and Africa.

The Benazir Income Support Programme (BISP) has expanded its graduation model, helping beneficiaries launch small enterprises or gain vocational skills. Microfinance institutions such as the Rural Community Development Programme (RCDP) are blending financial literacy with entrepreneurship training, turning passive aid recipients into active participants in the economy.

Similarly, the Pakistan Poverty Alleviation Fund (PPAF)—which has long played a leading role in poverty alleviation through microfinance—is now focusing on its new model of Poverty Graduation. Given PPAF's institutional strength and experience, this strategy holds immense promise for sustainable poverty eradication. The government and international donors should step forward to give PPAF a lead role in implementing this approach nationwide.

However, energy shortages, inconsistent taxation, and governance bottlenecks deter investment. The informal economy—nearly 40 percent of GDP—undermines fiscal discipline. And while external accounts have stabilised somewhat. However, to sustain progress, Islamabad must pursue structural reforms that go beyond crisis management: widen the tax base, cut non-development spending, and privatise loss-making state enterprises.

Too often, reforms have been derailed by political turnover or populist reversals. Digitalisation, agricultural modernisation, and entrepreneurship require a long horizon—five to ten years of steady policy, not six months of experimentation. Encouragingly, a growing consensus across institutions now recognises that revival cannot depend on foreign loans or austerity alone; it must rest on productivity, innovation, and inclusion.

Pakistan's economic indicators are improving—reserves are inching up, exports are diversifying, and inflation has moderated—but the real story is less about numbers than direction. For the first time in years, Pakistan seems to be investing in systems rather than short-term fixes: a digital payments backbone instead of another subsidy, vocational training instead of patronage, sustainable agriculture instead of procurement schemes.

This transition could mark Pakistan's long-awaited departure from survival economics toward genuine resilience, for which the foundations are being laid to ensure progress worth noting.

- Editor

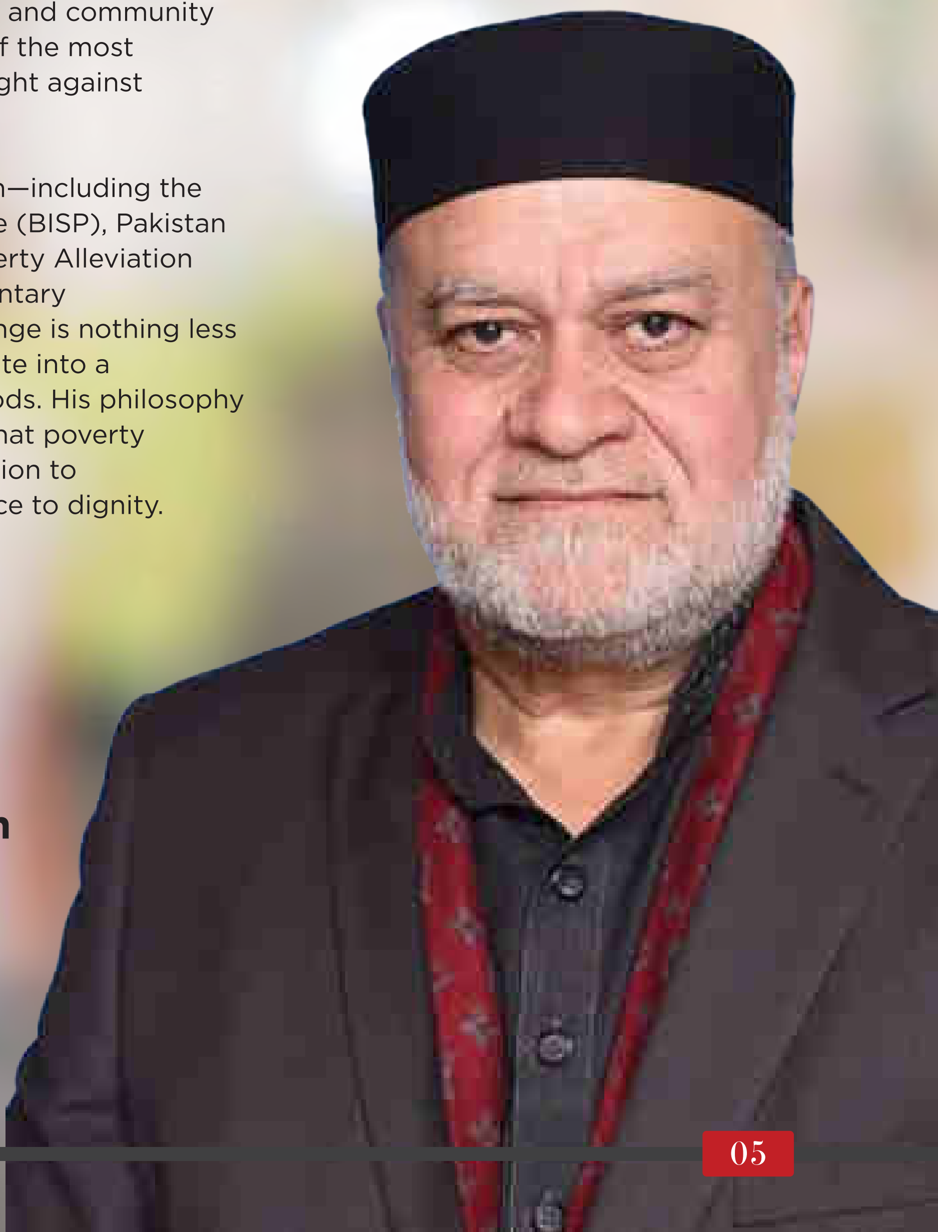
Pakistan's War on Poverty

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 Ahmed 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 Bait-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

Under his stewardship, Pakistan's poverty strategy is shifting decisively toward a "Cash Plus" model—combining financial assistance with asset creation, skills development, and access to finance. His ministry's focus on women-led households, climate-resilient livelihoods, and digital inclusion reflects a reform agenda rooted in both empathy and evidence.

Widely respected among international donors and local partners alike, Shah is steering the Ministry toward measurable impact through data-driven coordination, transparent governance, and blended financing with private investors. His pragmatic approach—marrying compassion with systems thinking—signals a new maturity in Pakistan's social protection architecture: one that seeks not to manage poverty, but to end it.

Here are the excerpts of an interview of Mr. Imran Ahmed Shah with the Economic Affairs;

Economic Affairs: Economic Affairs: What is the core mandate of your Ministry in the national poverty fight?

Imran Ahmed Shah: Our ministry's mission is simple yet profound, to break the cycle of poverty and vulnerability so that no family remains trapped in dependence. We approach poverty not just as a lack of income but as a deprivation of opportunity, dignity, and resilience. The ministry works on three levels: providing immediate social protection through programs like BISP, building human and economic capital through PPAF's social capital, poverty graduation and livelihood initiatives, and empowering communities, and through institutions such as TVO and PBM.

At the heart of our mandate is the idea of graduation from poverty, transforming social protection beneficiaries into self-reliant citizens. We aim for a Pakistan where every family has access to education, health, livelihood opportunities, and financial inclusion, a Pakistan of resilience, not just relief.

Economic Affairs: What is the specific role of PPAF, PBM, TVO, and BISP, and how do you ensure they work together?

Imran Ahmed Shah: Each of our organizations has a unique yet complementary role in Pakistan's poverty alleviation landscape, collectively ensuring that social protection evolves into sustainable poverty graduation and community empowerment.

- **BISP** provides the foundation of social protection through unconditional and conditional cash transfers under the Kafaalat and Nashonuma initiatives. It identifies the poorest

Under the National Poverty Graduation Programme (NPGP) over 26,000 households have already crossed the poverty line, while tens of thousands more are on track through ongoing interventions in 95 tehsils across 22 districts.

households using the National Socio-Economic Registry (NSER) and ensures women remain at the centre of financial inclusion by transferring stipends directly into their bank accounts. Its mobile registration vans and tehsil-level centers are helping bring previously unregistered, remote households into the national safety net.

- **PBM** extends these efforts by focusing on social welfare and human development. It supports treatment for major illnesses, offers stipends to persons with disabilities, funds higher education for poor students, and equips women with employable skills through 165 Women Empowerment Centres.

- **PPAF,** established in 1997 as an autonomous, not-for-profit company under Section 42, serves as the country's apex institution for community-driven development. PPAF functions as a Special Purpose Vehicle (SPV) leveraging public grants, soft loans, and private investments to drive sustainable poverty reduction. PPAF has mobilized over USD 1 billion from global partners, including the World Bank, IFAD, EU, KfW, AICS, and USAID. Having an outreach in 150 districts through 163 partner organizations, PPAF translates social protection into poverty graduation by empowering communities through asset transfers, interest-free loans, skill development, financial inclusion, and climate-resilient infrastructure.

- **TVO** acts as the link between government and civil society, channeling public and private resources to grassroots NGOs that deliver education, health, and livelihood services in underserved areas, thereby strengthening the outreach and ownership of local communities.

Together, these institutions form an integrated ecosystem, BISP identifies and supports the poorest through unconditional cash transfer, PBM and TVO address welfare and service delivery gaps, and PPAF builds sustainable pathways out of poverty. Their coordination through shared targeting systems, NSER data exchange, and ministry-led oversight ensures every stage of the poverty cycle is addressed, from protection to empowerment and from relief to resilience.

Economic Affairs: What is your primary strategy to move people from cash transfers to sustainable livelihoods?

Imran Ahmed Shah: Our approach is what we call "Cash Plus" combining immediate support with opportunity. The cash is essential for survival, but what changes lives are the assets, skills, and access to finance that follow.

BISP and PBM are engaging private partners to enhance service delivery through digital innovations, financial literacy programmes, and certified vocational training for women beneficiaries, improving efficiency, transparency, and empowerment.

For Example, PPAF's Poverty Graduation Model, validated globally by the Science journal, is our cornerstone. It builds a structured pathway: starting from consumption support, followed by asset transfer and skills, then access to credit and markets. A recent analysis of 334,596 common PPAF–BISP beneficiaries revealed that 108,043 (32%) are ready to graduate from BISP NSER.

On top of that, through the National Poverty Graduation Programme (NPGP), designed by PPAF and co-financed by IFAD and the Government of Pakistan, over 165,000 households, 90% of them women-led have received support in this manner. Graduation is not charity, it's investment in people's capacity to thrive.

Economic Affairs: How are you addressing regional disparities in poverty, particularly in Balochistan?

Imran Ahmed Shah: Balochistan holds a very special place in my heart and in our national poverty alleviation agenda. During my recent visit to the province, I met with communities in remote districts to see conditions on the ground and listen directly to people's concerns from access to education and health to livelihood opportunities. I was deeply inspired by the resilience and determination of the people, especially women striving to uplift their families despite limited resources. In recognition of their potential, I announced scholarships, under the umbrella of our Ministry's Organization, Pakistan Bait ul Mal (PBM), exclusively for women, to help young girls continue their education and contribute meaningfully to Balochistan's progress.

Our Organization, PPAF's work in Balochistan reflects this complexity. Through projects like Growth for Rural Advancement and Sustainable Progress (GRASP), Post-Flood

Livestock Recovery, and Restoring Social Services through Climate Resilient Approaches, PPAF is investing billions of rupees in the province. The ultimate goal is to transition resilience into prosperity, ensuring that every district, no matter how remote, has a fair chance to progress.

Economic Affairs: How are you ensuring that women and youth are at the centre of your poverty alleviation strategy, not just passive recipients?

Imran Ahmed Shah: Women and youth are not just passive beneficiaries in our system; they are the drivers of change. Our four organizations are working tirelessly to empower youth of our society.

Recently, to support the Prime Minister's Youth Programme (PMYP) by engaging youth in policy discourse, in developing the National Adolescent and Youth Policy (NAYP), PPAF led consultations across rural Pakistan, engaging over 11,000 marginalized young people, including out-of-school, unemployed, minority, and informally educated youth ensuring their voices inform national policy. This collaboration shows how development and policy can be shaped from the bottom-up. PPAF has also transferred 63% of productive assets to women and trained nearly half a million individuals in fostering enterprises, 45% of them female. Under PPAF, young people are supported through entrepreneurship initiatives, renewable energy cooperatives, and MSME programmes that nurture local innovation.

Additionally, through BISP, women are the direct recipients of financial assistance under the Kafaalat and Nashonuma initiatives, giving them not just income security but also financial identity through personal bank accounts and mobile wallets.

Women head 90% of households under the National Poverty Graduation Programme, and over 56% of interest-free loans are taken by women entrepreneurs. At the same time, PBM operates 165 Women Empowerment Centres, while TVO funds youth-led local organizations in education and skills development.

Together, these initiatives make women and youth the core architects of Pakistan's poverty-to-prosperity transition, empowered economically through BISP's safety nets, equipped through PPAF's graduation model, and mobilized through PBM and TVO to lead the nation's inclusive development.

Economic Affairs: Regarding the World Bank's report of poverty increasing by ~7% over three years, do you believe a cohesive national strategy is imperative?

Imran Ahmed Shah: Yes. The recent data are alarming: rising inflation, climate shocks, economic instability have reversed gains in poverty alleviation. This is not the time for fragmented responses. Pakistan needs a cohesive, well-funded national strategy that brings

> On top of that, through the National Poverty Graduation Programme (NPGP), designed by PPAF and co-financed by IFAD and the Government of Pakistan, over 165,000 households, 90% of them women-led have received support in this manner. Graduation is not charity, it's investment in people's capacity to thrive.

Local government is essentially a provincial subject, and its management and empowerment primarily rest with provincial governments. However, the Ministry through PPAF and its other programmes actively supplements and strengthens local poverty alleviation efforts by anchoring them in community-led structures closely linked with local administrations.

together federal leadership, provincial participation, donor support, private sector, and civil society. Only then can we protect those at risk, and push back the 7% rise through concrete measurable actions.

Economic Affairs: Given the recent devastating floods, what are your short-term and long-term strategies?

Imran Ahmed Shah: The recent floods affected millions of families across Pakistan, exposing deep vulnerabilities but also demonstrating strong community resilience. Our strategy is two-fold, providing immediate relief while investing in long-term climate resilience.

In short term, our focus has been on saving lives and restoring livelihoods through cash assistance, food, shelter, medical services, and cash-for-work programmes to rebuild damaged infrastructure, restore irrigation channels, and replace lost livestock, seeds, and tools. For instance, in the immediate aftermath of the 2025 floods, PPAF reaffirmed its commitment to stand alongside the state by launching one of the largest community-driven humanitarian operations in its history, the Emergency Relief Assistance for Flood-Affected Communities 2025. Utilizing its civil society partners' network, PPAF led relief operations across 40 districts in KP, Punjab, Gilgit–Baltistan, and AJK, reaching out to around 50,000 families through the distribution of 150,000 food, non-food, and hygiene packages. Medical camps treated thousands of patients, while veterinary services protected livestock and hence livelihoods. Through prudent targeting, transparency remained central to this effort, with 46 government dignitaries, including 10 Federal/Provincial Ministers and 20 Senior District Officials participated in distribution events and also inspected the beneficiaries identification process, underscoring public confidence in PPAF's transparency, governance and operational credibility.

In long term, we are embedding climate adaptation across all programmes, ensuring that infrastructure is flood-resilient, livelihoods are climate-smart (e.g., crop diversification, resilient seed varieties, and sustainable land use), and social protection systems include pre-designed shock triggers that enable swift, effective responses in future emergencies.

For example, in long run, moving from relief to recovery, PPAF's Restoring Social Services through Climate Resilient Approaches Programme is not only rebuilding schools, water systems, roads, and renewable energy facilities in 19 flood-affected districts, designed to endure future shocks, but also building resilience at community and services provision facilities levels through adaptation and mitigation measures

Moreover, the upcoming project of my Ministry, Poverty Graduation for the Extremely Poor (PGEP), co-developed with the Islamic Development Bank, will integrate climate resilience into our poverty graduation model, linking adaptation, livelihood diversification, and financial inclusion at the household level.

In essence, our strategy connects immediate relief with long-term resilience, ensuring that communities are not only protected in times of crisis but equipped to withstand and recover from future climate-induced challenges with greater strength and self-reliance.

Economic Affairs: How do you ensure that the four organizations under your Ministry work together to avoid overlap?

Imran Ahmed Shah: We manage poverty as a continuum, not a collection of projects. The Ministry ensures synergy through shared databases, aligned targeting, and coordinated planning. For instance, BISP's National Socio-Economic Registry identifies the poorest households; PPAF then provides the tools: assets, training, and loans to graduate them out of poverty; PPAF's community validation process further ensures transparency and inclusion. PBM delivers social welfare support; and TVO mobilizes local NGOs for outreach.

The Ministry's coordination platforms, supported by GIZ under Lead the Change, enable federal and provincial departments to collaborate effectively. Duplication is avoided because each agency knows its lane, yet all lanes lead to the same goal.

Economic Affairs: How do you ensure that your organizations reach the most vulnerable and excluded communities?

Imran Ahmed Shah: The Ministry ensures that its programs reach the most vulnerable and excluded populations through a coordinated system of complementary institutions: BISP, PBM, PPAF, and TVO each addressing a distinct stage of poverty alleviation, from identification and social protection to empowerment and long-term inclusion.

BISP serves as the national gateway for identifying poverty and vulnerability through the National Socio-

Economic Registry (NSER) and Proxy Means Test (PMT). Households with PMT scores up to 32 are enrolled for income support under Kafaalat and Nashonuma. To expand coverage in remote and underserved regions, BISP, in collaboration with NADRA and GIZ, has deployed 25 Mobile Registration Vans (MRVs) across Balochistan, Sindh, and Khyber Pakhtunkhwa,

registering 191,000 households to date, with a target of 500,000 by June 2027. These mechanisms ensure that the poorest, particularly women-headed families, are not left outside the safety net.
PBM complements this by extending district-level welfare and social services, identifying beneficiaries through NSER data and local validation. It provides financial assistance for treatment of major illnesses, supports education for underprivileged students through MoUs with public universities, and operates 165 Women Empowerment Centres offering vocational and digital skills.

PPAF, ensures that inclusion goes beyond identification, transforming poor households into self-reliant, organized, and empowered communities being part of their own development process for local economic development. Its area and beneficiary selection methodology combines data-driven targeting with participatory validation, ensuring outreach to the most excluded, women, minorities, youth, and persons with disabilities. PPAF prioritizes the lowest-ranked districts on the Multidimensional Poverty Index (MPI), as well as disaster-affected and climate-vulnerable regions, aligning closely with national and provincial poverty maps. At the community level, PPAF's model of social mobilization is key to reaching the last mile though BISP's Poverty Scorecard. Through an extensive network of 171,000 community institutions, PPAF has built a foundation of 2.67 million organized households across the country. These institutions are not merely beneficiaries but partners, identifying deserving households, managing resources, and sustaining development gains at the grassroots. This community-led approach ensures inclusion, transparency, and accountability that top-down systems often lack.

TVO further reinforces this ecosystem by channeling public and private resources to grassroots NGOs and community-based organizations, particularly in underserved and rural areas, to deliver education, health, and livelihood services.

Together, BISP, PBM, PPAF, and TVO form a continuum of support, BISP identifies and protects the poor; PBM and TVO address welfare and service delivery gaps; and PPAF organizes, empowers, and connects communities to sustainable livelihoods. This integrated, data-informed and community-driven model ensures that no household, however, remote, poor, or marginalized, is left behind in Pakistan's poverty alleviation agenda.

Economic Affairs: How is the Ministry leveraging private investments to supplement public funds?

Imran Ahmed Shah: Public funds alone cannot end poverty; sustainable progress depends on strategic partnerships that blend public purpose with private capital and innovation. The Ministry is actively engaging corporate and philanthropic partners to complement government resources and scale impact across all its organizations.

For instance, through PPAF, a strong model of blended finance and corporate collaboration has been established. PPAF has partnered with leading private sector entities such as Engro, Shell, PepsiCo, and Citi, who co-invest in livelihoods, renewable energy, education, and youth entrepreneurship initiatives. These partnerships reflect confidence in PPAF's governance, transparency, and ability to deliver measurable social and economic impact.

At the same time, PBM continues to attract philanthropic and CSR contributions for its social welfare and education initiatives, while TVO channels corporate social responsibility (CSR) funds to grassroots NGOs delivering projects in health, skills, and livelihoods.

In parallel, BISP and PBM are engaging private partners to enhance service delivery through digital innovations, financial literacy programmes, and certified vocational training for women beneficiaries, improving efficiency, transparency, and empowerment.

Collectively, these partnerships demonstrate the Ministry's vision of combining compassion with capital, using private investment, innovation, and community engagement to strengthen the national poverty alleviation agenda and create sustainable opportunities for vulnerable communities.

Collectively, these partnerships demonstrate the Ministry's vision of combining compassion with capital, using private investment, innovation, and community engagement to strengthen the national poverty alleviation agenda and create sustainable opportunities for vulnerable communities.

Economic Affairs: What is your top mechanism for defining a household's successful graduation from poverty?

Imran Ahmed Shah: The Ministry, through its ancillary organizations, and projects like NPGP, and the upcoming PGEP, implements a range of integrated interventions designed to help vulnerable households move from dependency to self-reliance. These multi-sectoral programmes combine productive asset transfers (such as livestock and

enterprise tools) with skills training, financial inclusion through interest-free loans, and market linkages, enabling families to build sustainable livelihoods rather than rely on one-time assistance.

A household is officially recognized as having graduated out of poverty when it achieves a Poverty Scorecard (PSC) score above 32 and maintains or improves this score for at least three consecutive years. This reflects both income stability and resilience against external shocks. The Ministry ensures credibility in this process through annual PSC surveys, independent third-party outcome evaluations, and systematic data exchange with BISP to verify long-term progress and prevent regression into poverty.

This rigorous and evidence-based graduation mechanism ensures that poverty reduction is measurable, sustainable, and transformative, turning short-term support into lasting socioeconomic empowerment.

Economic Affairs: How is the Ministry improving coordination between federal and provincial social protection programs to reduce duplication?

Imran Ahmed Shah: Coordination is the missing piece in many public programs, and we're fixing that. My Ministry is working on different levels to improve coordination between Federal and Provincial Governments. We intend to further integrate the various federal and provincial social protection & poverty graduation initiatives and has drafted a National Policy Framework for Poverty Alleviation and Social Protection. This, once approved by the competent forum, would help minimize duplication / overlapping of efforts and will ensure coherence. While formulating this framework, all stakeholders across the country, including the four provinces, AJK and GB, vulnerable groups (PWDs, farmers etc.), development partners, non-government organizations etc. were taken on board. Once approved by the appropriate forum, the framework will be put in action.

Ministry in partnership with GIZ under the 'Lead the Change' initiative, also offers a platform for building synergy and collaborations among the various social protection, poverty graduation, climate / disaster management agencies and planning & development departments of federal and provincial governments

Economic Affairs: Are there methods like poverty graduation that you consider ready to scale up with global or bilateral development partners?

Imran Ahmed Shah: Yes, the Poverty Graduation Model developed and implemented by PPAF is a proven, scalable approach that has positioned Pakistan among global leaders in evidence-based poverty reduction. Built on decades of field experience, the model provides a structured pathway from social protection to self-reliance, combining productive asset transfers, skills training, financial inclusion, and market linkages, enabling poor households to move sustainably out of poverty.

The model's effectiveness has been validated internationally, including through the IFAD–PPAF pilot featured in The Science Magazine, which confirmed significant, sustained improvements in income, consumption, and food security among participating households. A recent analysis of 334,596 common PPAF–BISP beneficiaries demonstrated that 108,043 households (32%) are now eligible to graduate from BISP support, clear evidence of how social protection, when paired with livelihoods and financial inclusion, creates durable impact.

Under the National Poverty Graduation Programme (NPGP) over 26,000 households have already crossed the poverty line, while tens of thousands more are on track through ongoing interventions in 95 tehsils across 22 districts. Building on this success, the Government is now scaling up the approach through the Poverty Graduation for the Extremely Poor (PGEP) project, co-developed with the Islamic Development Bank, which integrates climate resilience and financial inclusion into the graduation framework, ensuring that households not only escape poverty but remain resilient to future economic and environmental shocks.

This model exemplifies Pakistan's shift from one-time assistance to sustainable, data-driven, and scalable poverty solutions, ready to be expanded nationally and shared internationally as a best practice for inclusive and climate-resilient development.

Economic Affairs: What is your plan to empower local governments to lead their poverty efforts?

Imran Ahmed Shah: Local government is essentially a provincial subject, and its management and empowerment primarily rest with provincial governments. However, the Ministry through PPAF and its other programmes actively supplements and strengthens local poverty alleviation efforts by anchoring them in community-led structures closely linked with local administrations.

For example, through its extensive outreach across 150 districts, PPAF has facilitated the formation of over 171,000 Community Institutions (CIs), Village Organizations (VOs), and Local Support Organizations (LSOs), representing 2.6 million organized households. These community structures act as the foundation for participatory local governance, identifying local priorities, managing resources, and collaborating with district and tehsil administrations in planning and service delivery. By investing in capacity-building and institutional strengthening, PPAF ensures that these organizations become credible and self-sustaining partners, many now formally registered and independently managing local development.

In addition, our poverty graduation initiatives such as the National Poverty Graduation Programme (NPGP) and the Poverty Graduation for the Extremely Poor (PGEP) are designed to work through and strengthen these community institutions, linking them with local government systems for resource allocation, infrastructure rehabilitation, and livelihood development.

Blueprint for Stunting Prevention

Global studies show that every $1 invested in nutrition yields $23 in economic returns. Few investments match such profound impact.

Senator Rubina Khalid and Coco Ushiyama

With the Benazir Nashonuma Programme, Pakistan has developed one of the largest and most internationally recognized models for stunting prevention. An independent impact evaluation shows that the programme is achieving some of the strongest results ever documented globally for a large-scale nutrition initiative with a 6.4 percent reduction in stunting among children under five.

In Pakistan, nearly four out of every ten children under five are stunted, shorter than average for their age due to chronic undernutrition during the most critical years of growth. Stunting not only weakens the body; it dulls the spark of potential that defines every child's right to a fair start in life. It constrains brain development, limits educational attainment, and perpetuates cycles of poor health and lost opportunity. Once the first 1,000 days, from conception to a child's second birthday, have passed, stunting becomes largely irreversible.

The cost of inaction is staggering. Malnutrition robs children of their promise and costs Pakistan an estimated US$17 billion annually, 6.4 percent of its GNI. For a nation striving toward the Sustainable Development Goals and a more prosperous tomorrow, the moral and economic case for prevention is undeniable.

Global studies show that every $1 invested in nutrition yields $23 in economic returns. Few investments match such profound impact. The returns are highest when resources are channelled early, during those precious first 1,000 days when the brain and body grow at lightning speed and when the foundations for a nation's future productivity and stability are quietly laid in the cradles of its youngest citizens.

The cost of inaction is staggering. Malnutrition robs children of their promise and costs Pakistan an estimated US$17 billion annually, 6.4 percent of its GNI. For a nation striving toward the Sustainable Development Goals and a more prosperous tomorrow, the moral and economic case for prevention is undeniable.

Against this backdrop, the Government of Pakistan launched the Benazir Nashonuma Programme in 2020, in partnership with United Nations agencies. Designed to break the intergenerational cycle of malnutrition, it safeguards the health and nutrition of mothers and children during the critical 1,000-day window, the time when futures are built. To date, the Programme has reached 3.5 million women and children across the country, each number representing a life with renewed possibility.

Through Pakistan's primary healthcare network, Nashonuma identifies and supports pregnant and breastfeeding women already enrolled in the Benazir Income Support Programme (BISP), one of South Asia's largest social protection platforms, reaching over 10 million of the poorest households. This synergy ensures that those most vulnerable are not left behind.

The Programme ties conditional cash transfers to essential health services: mothers receive stipends for attending antenatal and child growth monitoring visits. At 542 facilitation centres nationwide, mothers are provided with a fortified chickpea-based paste, while children under two receive nutrient-rich supplements that fill the dietary gaps regular meals cannot. Alongside this, awareness sessions on breastfeeding, complementary feeding, and hygiene empower mothers with knowledge because

> The road ahead is one of opportunity. Challenges persist, ensuring access to nutritious diets, confronting climate and economic shocks, yet the path is now illuminated by evidence and experience.

empowered mothers raise empowered generations. The principle is simple yet revolutionary: combine financial support, nutrition, and education and transformation follows.

The success of this model is now rippling beyond Pakistan's borders. More than seven countries from Asia and Africa have visited to learn from this integrated approach. Later this year, a delegation from the Global Alliance Against Hunger and Poverty will visit to explore how Pakistan's success can inform their own policies. What began as a national commitment has evolved into a global movement.

Recently, the Institute for Global Health and Development at Aga Khan University, supported by the Gates Foundation, shared the independent impact evaluation of the Programme. The midline results are nothing short of inspiring

- **6.4 percentage points lower prevalence of stunting among children under 2** who participated in Nashonuma
- The **prevalence of low birth weight had declined by 5.6 percentage points** compared to non-intervention districts.
- **7 percent less small vulnerable newborn births to these mothers,** an unprecedented early gain, also very important for child survival.
- Most remarkably, **the prevalence of stunting at 6 months of age was 20 percent lower** among children whose mother had joined the program early in pregnancy (1st or 2nd trimester).

Behind these figures are real people, mothers who now breastfeed confidently, children completing immunization schedules, families walking into clinics with hope rather than hesitation. Each data point tells a human story of resilience, dignity, and renewed possibility.

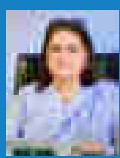
The road ahead is one of opportunity. Challenges persist, ensuring access to nutritious diets, confronting climate and economic

shocks, yet the path is now illuminated by evidence and experience. The Nashonuma Programme has shown that when political will, financing, and partnerships align, progress is not only possible, it is rapid, measurable, and transformative.

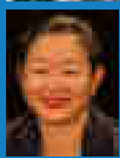
The message is clear: ***Pakistan can, and has, led the way.***

To sustain this momentum, we must preserve what works, conditional cash support, specialized nutritious foods, maternal and child health services, and behavior change communication, while strengthening delivery as responsibilities shift to provincial governments.

At stake is not just the health of today's children, but the promise of generations yet unborn. By investing in the first 1,000 days, Pakistan is investing in its own future, one healthy child, one empowered mother, and one stronger nation at a time.



The writer is a Senator and Chairperson of the Benazir Income Support Programme.



Co-author: Coco Ushiyama, Country Director and Representative, World Food Programme (WFP).

Financial Inclusion to TACKLE POVERTY

There is need to combine financial inclusion with social protection. The latter consists primarily of cash transfers to families identified as poor through household surveys.

Dr. Hafiz A. Pasha

The incidence of poverty has been rising rapidly in Pakistan since 2018-19. Initially, it was the impact of COVID-19 and subsequently due to the devastating floods in 2022-23 and in recent weeks.

Overall, there has been no increase in real per capita income with a low GDP growth rate of only 2.6% between 2018-19 and 2024-25. There has been higher inflation in food prices than in the overall consumer price index, especially in 2022-23 and now. The unemployment rate has reached the unprecedented high level of 22%, according to the Population Census of 2023.

Consequently, the incidence of poverty is estimated to have risen from 31% in 2018-19 to 41% in 2024-25. Following the impact of the recent floods we are likely to see rapid escalation in food prices, raising thereby the poverty line, and leading to the incidence of poverty rising to over 45%. Unfortunately, over 112 million people in Pakistan are likely to be living below the poverty line.

The impact of economic shocks and lack of growth is not even across the genders. Women make up 23% of the labor force and their engagement is concentrated in low-paying, agricultural labor (68%) and information sectors (21%). Displacement due to climate induced events, coupled with care responsibilities further exacerbates the impact due to delays in access to income generating opportunities. As incomes decline, families cut essential spending; they reduce food intake, delay healthcare, and pull children, especially girls, out of school. Currently Pakistan is home to 25.3 million out of school children, 53% of whom are girls.

There is need to combine financial inclusion with social protection. The latter consists primarily of cash transfers to families identified as poor through household surveys. Pakistan today has one of the best targeted programs in the form of the Benazir Income Support Program (BISP). The targeting has been effective and the subvention has increased in size to Rs 13,500 per quarter to a recipient household. There are many as 10 million beneficiaries, implying a coverage of almost 60% of the poor households in the country. The total spending under the BISP was Rs 608 billion in 2024-25 and the expenditure allocation for the Program in 2025-26 is Rs 727 billion.

However, the BISP does not fully cover the 'poverty gap' in the country. This is the difference between the poverty line and the actual income of the poor households in the country. The poverty gap is estimated at Rs 1100 billion currently, net of BISP cash transfers.

The appropriate strategy is for mechanisms of financial inclusion to contribute to the elimination the poverty gap in the country. This has the merit that these measures will help take families out of the poverty trap and obviate the continued dependence on cash transfers.

The appropriate strategy is for mechanisms of financial inclusion to contribute to the elimination the poverty gap in the country. This has the merit that these measures will help take families out of the poverty trap and obviate the continued dependence on cash transfers.

The normal capital to income ratio in informal and small-scale activities is low at close to 2. Continuing access to credit for financing investment and the consequential up-scaling of activities could take families out of poverty. Therefore, the case of microfinance to low-income families is very strong.

Currently, the scale of microfinance in Pakistan has been reported by the Pakistan Economic Survey at 12.37 million borrowers. The Gross Loan Portfolio (GLP)is estimated at Rs 592 billion, while the amount actually disbursed in Rs 250 billion. There are 13 Micro Finance Banks and 24 Microfinance Institutions. The good news is these institutions have also emerged as a location for deposits of savings. They are currently 64 million deposits of Rs 700 billion. However, the microfinance system is still very small today in comparison to commercial banking in the country.

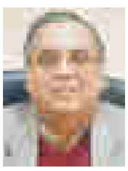
Given Pakistan's high vulnerability to climate, poverty alleviation efforts must also focus on climate resilience. Microfinance institutions have a crucial role in this regard. By designing climate-smart financial products, such as micro-insurance, green credit, and savings instruments, financial institutions can help households and small businesses manage environmental risks.

Given Pakistan's high vulnerability to climate, poverty alleviation efforts must also focus on climate resilience. Microfinance institutions have a crucial role in this regard.

Regulators should adopt an outcome-driven approach, fostering public-private partnerships and creating an enabling environment for innovation. This includes supporting financial institutions to reach vulnerable and climate-affected communities, prioritizing long-term resilience over short-term gains. By aligning financial inclusion, education, entrepreneurship, and climate resilience, Pakistan can build a more inclusive financial system that actively supports the poor in escaping poverty and securing sustainable livelihoods.

Clearly, there is need for supporting the development of microfinance in the country. Special credit lines need to be established by local and international agencies, including the SBP and the commercial banks. A fiscal incentive of tax credit may be provided on the lending to microfinance banks and institutions.

The tax rate on profits of the microfinance banks and institutions may be fixed at a substantially lower rate than on commercial banks in view of their role in supporting the poor households in the country.



The writer is Professor Emeritus in the BNU and former Federal Minister.

Pakistan Inches Towards Cashless Future

At the heart of this transformation lies the deployment and greater usage of SAP, a world-class enterprise resource planning platform that now powers government sites nationwide—integrating payroll, pensions, payments, budgeting, and reporting into a single digital backbone.

Maqbool Ahmad Gondal - Auditor General of Pakistan

Last few years have marked a decisive shift in Pakistan's journey toward financial transparency and digital governance. The decision to leverage and expand on the existing IT platform was conclusively taken at the office of the Controller General of Accounts. Subsequent to it was a massive drive at greater role and more controls-based IT interventions across the PFM domain.

It entailed focusing key areas of End to End Digitization of Government to Persons (G2P) payments, automations in works related payments, enhanced internal controls on deployed systems and self & electronic services to citizens.

These interventions received a fillip under the Cashless Economy Initiative launched by Prime Minister Muhammad Shehbaz Sharif. The Government of Pakistan vigorously started pursuing a bold agenda to eliminate paper-based, manual financial processes and transition toward a secure, efficient, and fully digital public finance ecosystem.

At its core, this vision is not merely technological—it is social, aiming to promote financial inclusion by connecting every citizen, employee, pensioner and vendor to formal, traceable, and accessible financial channels.

All of this was steered by a number of key figures which include strategic direction by Mr. Aurangzeb, Minister for Finance, and Mr. Imdad Ullah Bosal, Secretary Finance, and executed under the leadership of Mr. Maqbool Ahmed Gondal, Controller General of Accounts (CGA), who led these reforms to bring about deep structural transformation across federal, provincial, and district tiers of government in multiple functional areas. These efforts were ably supported and executed by CGA's Financial Accounting Budgeting System (FABS) team.

The CGA has ensured transparency and accountability in government payments, proper, timely, and accurate accounting of public spending, and the establishment of a reliable technological system serving government employees, pensioners, and the public. This leadership has laid the foundation of a robust public financial management system built on automation, accountability, and citizen service that was unparalleled previously.

At the heart of this transformation lies the deployment and greater usage of SAP, a world-class enterprise resource planning platform that now powers government sites nationwide—integrating payroll, pensions, payments, budgeting, and reporting into a single digital backbone.

Digital Bill Processing – From Tokens to Computer Terminals

The Online Bill Submission System (OLBS) has replaced the old manual system of token-based bill processing. Developed under the CGA's Financial Accounting and Budgeting System (FABS), SEHAL project for OLBS allows Drawing and Disbursing Officers (DDOs) to submit bills online with full electronic workflow and audit traceability. Over 5000 DDOs now use this facility, processing bills worth hundreds of billions annually, saving large magnitude of money from bill printing and eliminating the need for physical visits to AG offices.

Green Channel facility- Paid as you Submit

The Green Channel Facility complementing OLBS fast-tracks day to day expenditure processing especially introduced for small utility and recurring payments up to Rs. 25,000, ensures one-day electronic clearance. This prevents backlogs, processes timely payments avoiding penalties and embedding digital audit trails. It permits better usage of time and human resources to material nature cases having greater impact.

Smart Pensions and Digital Pay – Serving Citizens, Not Paper

The Anticipatory Pension Program ensures retirees receive 65% of their pension immediately upon retirement, implemented federally and across multiple provinces. This is supplemented with biometric verification through NADRA for proof of life and issuance of E-Salary and E-Pension Slips which now reach over 2 million government employees and pensioners each month, saving millions annually and reducing paper usage by 80%.

Moreover, Online Pension Case Submission has been piloted in the Establishment Division, halving processing time, while FRC linkage with NADRA data which is about complete ensures pension payments are made only to legitimate beneficiaries.

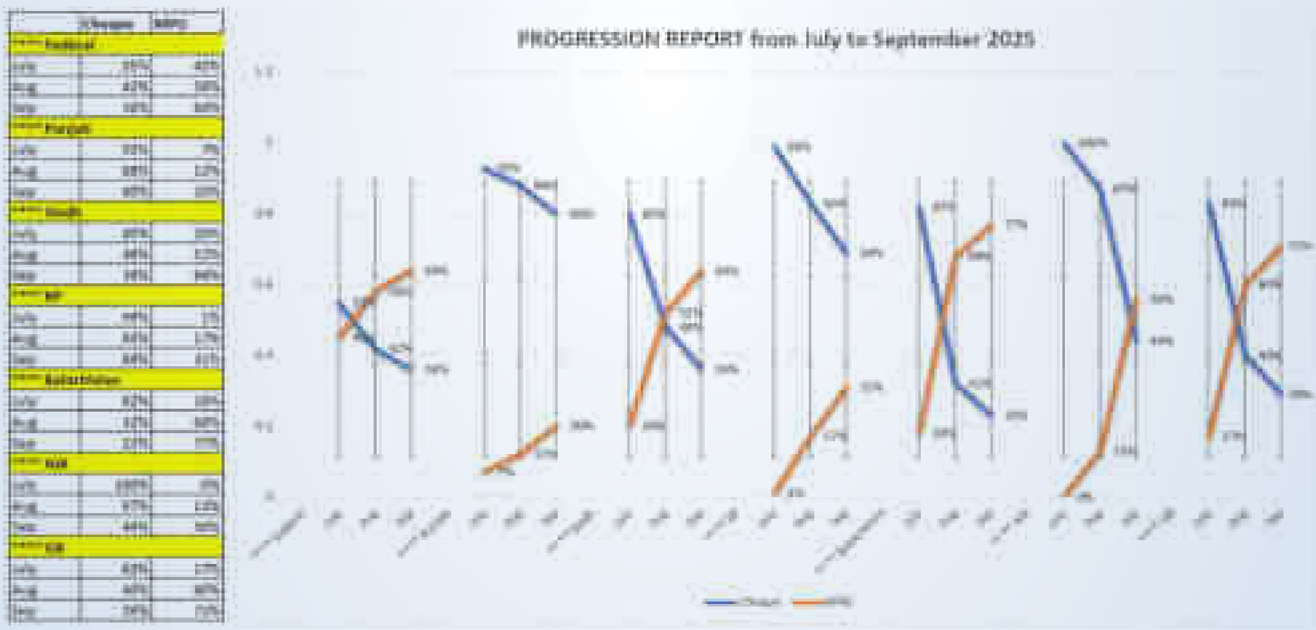
Digital Tax Deduction – Linking the Accountant and the Taxman

Integration of the national accounting system with FBR's PRAL and provincial revenue authorities enables real-time tax deduction, verification, and deposit at source. Automated tax deduction through the SAP-PRAL link ensures 100% compliance with income and sales tax laws. As a result, provincial sales tax revenue has increased by 62% across Sindh, KP, and Balochistan, with yearly deductions rising from Rs. 171 billion in FY 2022–23 to Rs. 305 billion in FY 2024–25. Soon to launch is linking of main treasuries of FBR with SAP system of CGA for real-time accounting and reconciliation of tax figures.

Micro Payment Gateway – The End of Cheque Culture

The Micro Payment Gateway (MPG) enables direct electronic transfers from the State Bank of Pakistan to beneficiaries' IBAN accounts, fully replacing paper cheques. In FY 2024–25, the MPG processed payments exceeding Rs. 460 billion, reducing clearance time from three days to two hours and saving Rs. 200 million annually in cheque printing. The system now covers Federal domain Punjab, Balochistan, KP, Sindh, Gilgit-Baltistan, and AJ&K.
In September 2025, an amount of PKR 113 billion was processed under payroll through MPG all over the country for 87% beneficiaries of the total. Similarly amounts processed through MPG under Pension were PKR 27 billion, under GP Fund PKR 3 billion and as vendor payments PKR 52 billion, which represent 52%, 86% and 71% respectively. The figures of September 2025 highlight a monumental rise of 31% as compared to July 2025 figures. It is pertinent to mention that the execution of MPG took place in 24 districts of Sindh, 15 districts of Punjab, 34 Districts of KPK, 10 of GB, 10 of AJK and 35 of Balochistan.

The table represent a flow from cheque mode to MPG mode for all provinces. (source SAP data)



Deepening Financial Inclusion - Digital Payments Enablement

The transition to digital payments has been a key enabler of financial inclusion. Integration with banks and NADRA has brought millions of previously unbanked citizens—particularly pensioners, contractual employees, and local government staff—into the formal financial system. This shift enhances trust in public service delivery and expands citizens' access to banking, savings, and credit.

Fiscal Dashboards – Real-Time Governance at a Glance

The CGA, in collaboration with the Finance Division, has developed Real-Time Fiscal Dashboards providing policymakers instant access to receipts, expenditures, and debt data. Specialized Climate Finance Dashboards support Pakistan's global sustainability reporting and climate financing goals. Through SAP-CDNS integration, real-time debt tracking now covers Rs. 1.617 trillion in transactions, strengthening fiscal oversight.

Built-In Controls, Not Manual Checks – Governance by Design

Using SAP's embedded control architecture, the CGA has embedded accountability within every process. Modules for Loans and Advances, GPF Workflow, Organizational Management, and e-LPC ensure multi-tier digital approvals. Computer-based controls in AGPR and AG offices have virtually eliminated manual errors and frauds, while change alerts via email ensure transparency. The mandatory multi-step approval chain is the cornerstone. It prevents fraud and errors by ensuring no single individual controls a transaction end-to-end. Fixed roles enforce accountability and compliance.

Users only see and can act on what their role permits, reducing accidental or malicious misuse. The system embeds business rules (e.g., approval thresholds, validation checks). Humans cannot bypass these rules, ensuring consistent application of policies across all offices.

Fiscal Reporting – From Month-End to Real-Time

Monthly Civil Accounts are now auto-generated from SAP, providing a single source of truth for fiscal performance. More than 150 CGA formations reconcile accounts with 32,000 DDOs monthly, while centralized servers for federal and provincial governments have reduced IT costs and enabled synchronized, real-time reporting nationwide. Similarly, year-end statements are automated and get readily available as per schedule for further scrutiny, audit and reporting with complete authenticity and accuracy.

Decentralized Development Financing – Empowering Principal Accounting Officers

The decentralization of PSDP releases through SAP has empowered PAOs to manage development funds within approved limits. The devolution of PSDP (Public Sector Development Programme) fund releases to Ministries/Divisions via SAP represents a transformational shift in development finance governance, with profound impacts with elimination of Central Bottlenecks and Ministries/Divisions no longer wait for Finance Division approvals for every release.

Authorization within ministries cuts release

timelines from weeks to days, accelerating project implementation. Empowered PAOs (Principal Accounting Officers) become directly responsible for project funds. Pre-defined workflows ensure every release undergoes mandatory checks (e.g., budget availability, project scope alignment).

Every authorization is digitally logged (who released funds, when, and against which project). Planning Ministry/Finance Division can monitor releases across all projects live via SAP dashboards.

Workflow for Works - Development with System

Integration of Public Works and Security Deposit Management Modules ensures financial discipline across 931 divisions, including 148 KP Works Divisions, with Punjab, Sindh, Balochistan, and CDA integration underway. PSDP/ADP Public Works module /Security Deposit for End-to-end digital tracking and uniform rules across provinces/divisions, and accountability of public works projects in Pakistan ensures better management of security deposits and contractor payments. It streamlined contractor payments and refunds with automated clearing and auto-validations ensure efficient and accurate transactions. Attached documentation and system controls enable transparency and accountability.

Extending Digital Governance to Local Governments – Automation at Lowest Tier

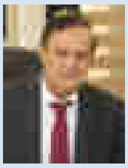
Collaboration between the CGA and provincial finance departments has expanded SAP coverage to local councils and municipal entities in Sindh, Punjab, and Balochistan. Local governments in Karachi (KMC), Lahore, and Quetta and CDA at Islamabad are now using CGA systems to disburse salaries transparently to 150,000 employees, reducing fraud and ensuring timely payments.

SAP S/4HANA, Data Centre and e-Office – The Next-Generation Leap

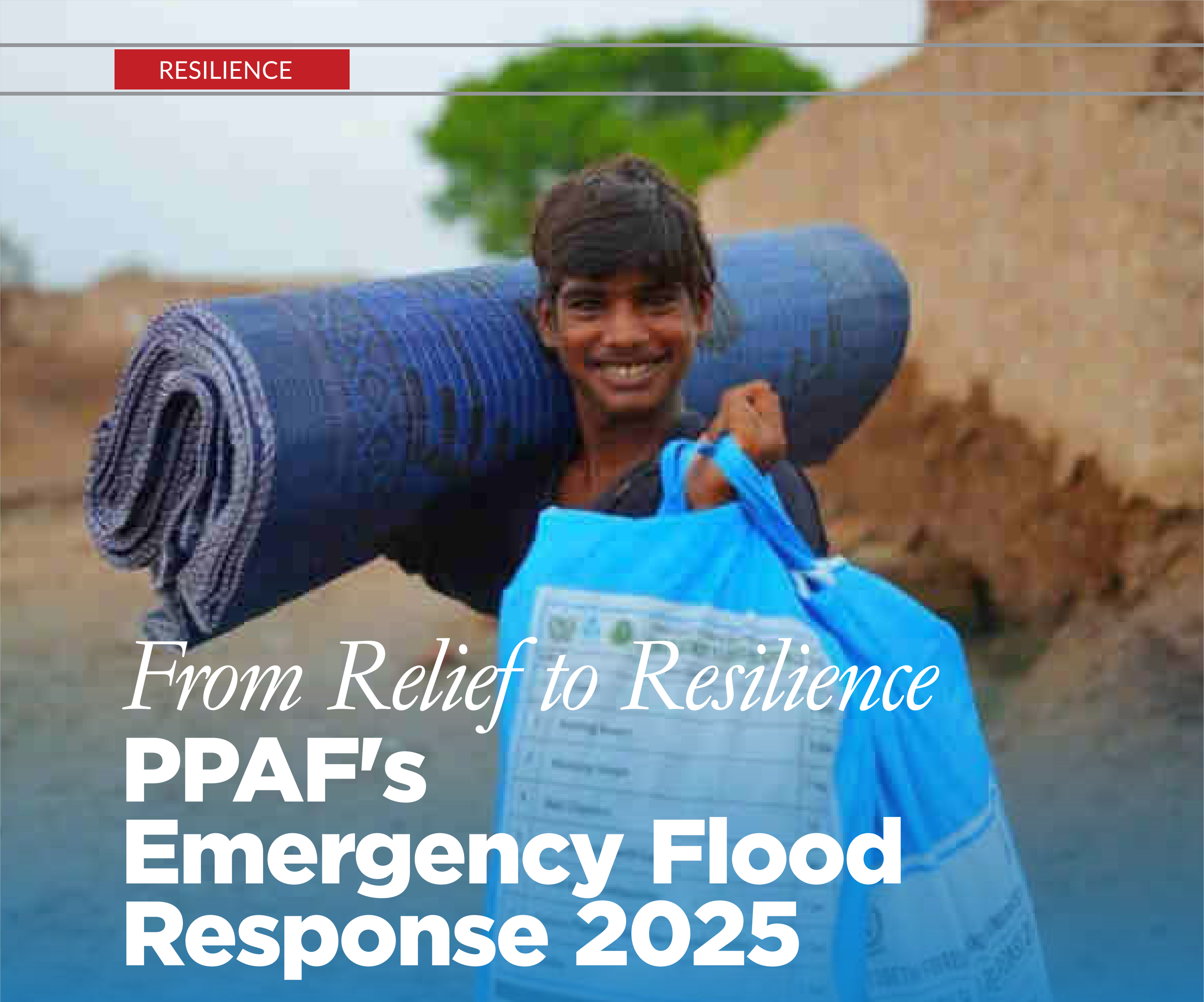
The migration to SAP S/4HANA, coupled with rollout of E-Office at CGA and AG offices, has created a fully paperless workflow for noting, approvals, and correspondence. The next-generation upgrade to S/4HANA and data centre will reduce data center costs by 30% while improving analytical capability. With latest technology, maximization of functionalities for commitment accounting, asset recording, fund management, budget workflow and integration with EPADS is a reality.

The Cashless Future of Governance

The reform journey of the Controller General of Accounts stands as a national success story. Pakistan has built the foundations of a cashless, transparent, and accountable financial system. Each initiative reflects a transformation in governance—from paperwork to performance, opacity to openness, and manual control to digital confidence. Most importantly, these reforms have advanced financial inclusion—ensuring that every rupee disbursed by the government reaches citizens directly, securely, and transparently—while laying the groundwork for a more equitable and participatory economy.



The writer is the Auditor General of Pakistan.



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 137 districts, with Punjab and Khyber Pakhtunkhwa facing their worst flooding in decades. Over 1,037 lives were lost, 1,067 injured, and 229,763 houses damaged; 22,841 livestock perished, while 2,811 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.

PPAF's Historical Response to Disasters and Emergencies

Before delving into the 2025 flood response, it is essential to understand the depth of PPAF's experience in disaster management, a legacy built over two decades of serving vulnerable communities across Pakistan. Since its inception, PPAF has played a pivotal role in every major national emergency, combining community engagement with robust coordination and accountability.

Through the Drought Mitigation and Preparedness Programs, PPAF implemented large-scale irrigation, dam construction, and water conservation schemes across 40 districts, benefiting more than 250,000 households. After the 2005 earthquake, it led one of Pakistan's largest reconstruction drives: rebuilding 120,000 seismically safe homes and restoring livelihoods for 141,000 households through participatory recovery models that became international best practices.

In subsequent disasters, PPAF's footprint expanded. It reached around one million families during the 2010–2023 floods, assisted 13,000 internally displaced families in Swat (2009–10), extended shelter and recovery aid to 36,000 households in the 2013 Balochistan earthquake, and supported 66,000 families during the COVID-19 pandemic through livelihood and enterprise support.

Before delving into the 2025 flood response, it is essential to understand the depth of PPAF's experience in disaster management, a legacy built over two decades of serving vulnerable communities across Pakistan.

Altogether, PPAF has supported around one million flood-affected families nationwide each intervention refining its systems for rapid mobilization, transparent monitoring, and equitable service delivery. These cumulative experiences underpin the 2025 response, making it not an isolated act of relief but part of an enduring institutional strength rooted in resilience and trust.

A Nation in Crisis – PPAF's Swift and Scalable Response

The 2025 floods tested Pakistan's resilience at every level. Farmland was submerged, livestock perished, and food security was imperiled. Against this backdrop, PPAF launched an initial PKR 700 million emergency relief response in 13 districts, quickly scaling it up by an additional PKR 600 million to reach 45 districts nationwide from Sindh's floodplains to the highlands of Gilgit–Baltistan and the valleys of Azad Jammu & Kashmir.

This emergency operation, implemented through PPAF's network of 18 trusted partner organizations, targeted 49,127 families (343,859 individuals) with 147,381 relief packs comprising food, non-food, and hygiene items; 126 health camps; 118 veterinary camps; and the installation of six water filtration plants, based on rapid needs assessments validated by the NDMA, PDMAs, and local administrations. The efforts reflected not only a swift response but also a data-driven targeting strategy that ensured equitable distribution and minimized overlap.

This multi-sectoral effort combined immediate relief with preventive healthcare, livelihood protection, and community mobilisation for resilience demonstrating how PPAF's humanitarian model bridges emergency aid and sustainable recovery.

Political and Administrative Leadership Participation: A Unified National Front

PPAF's flood response was not a solitary effort; it was a national collaboration. Recognizing that effective humanitarian response requires alignment between the state and civil society, PPAF actively engaged with political leadership, government agencies, and local administrations.

To ensure transparency and accountability in its Flood Emergency Response, PPAF engaged 46 government dignitaries in distribution events across Khyber Pakhtunkhwa, Gilgit–Baltistan, Azad Jammu & Kashmir, and Punjab. Notable among them were Syed Yousuf Raza Gilani, Chairman Senate, Raja Pervaiz Ashraf, Former Prime Minister and currently MNA, Syed Imran Ahmad Shah, Federal Minister for Poverty Alleviation and Social Safety, Prof. Dr. Ahsan Iqbal, Federal Minister for Planning, Development and Special Initiatives, Mr. Muhammad Raza Hayat Harraj, Federal Minister for Defence Production, Malik Rasheed Ahmad Khan, Minister of State for National Food Security & Research, Sardar Ramesh Singh Arora, Provincial Minister for Minorities Affairs, Mr. Sohail Shaukat Butt, Provincial Minister for Social Welfare and Bait-ul-Maal, Mr. Rahmat Khaliq, Minister for Excise & Taxation, GB, and Engineer Muhammad Ismail, Minister for Finance, GB.

The dignitaries also included four Members of the National Assembly, one Senator, and eleven Members of the Provincial Assembly (Punjab), including four former members.

Their active participation enhanced the visibility and credibility of PPAF's response, demonstrating a unified national effort to alleviate suffering. District administrations, including Deputy Commissioners and Assistant Commissioners, played a pivotal role in operational execution, identifying high-impact areas and verifying household data to ensure fairness and transparency.

During a visit to flood-hit communities, Federal Minister for Poverty

Alleviation and Social Safety, Syed Imran Ahmad Shah, commended PPAF's swift, structured, and transparent response:

"PPAF was among the first responders to reach the flood-affected communities. Its well-coordinated and systematic efforts have set a new benchmark for humanitarian effectiveness. PPAF's presence on the ground, its strong partnerships, and the transparency reflect what effective national response should look like."

His words resonated deeply with both the communities and officials present, capturing the spirit of collaboration that defined this nationwide relief effort.

At the district level, Deputy Commissioners and Assistant Commissioners worked alongside PPAF and its civil society partner organizations' teams to verify data, identify the most affected areas, and oversee relief distribution. This coordination ensured fairness, reduced duplication, and maintained public trust. Together, these partnerships demonstrated how institutional synergy between government leadership, community networks, and PPAF's operational systems can transform response into recovery.

PPAF Leadership's Oversight: Leading from the Front

Leading from the Front at the heart of PPAF's operational excellence lies its leadership ethos leading by example. The 2025 Emergency Flood Response was designed and executed under the direct guidance of CEO Mr. Nadir Gul Barech, ensuring strategic coherence and operational discipline. Supported by the senior management team, Mr. Barech personally visited flood-affected areas to oversee the operations. These visits were critical for field validation, community engagement, and problem-solving.

Such visible, hands-on leadership reinforced PPAF's accountability framework and inspired confidence among partners and beneficiaries alike.

From Relief to Recovery: Building Long-Term Climate Resilience

While relief was the immediate priority, PPAF's vision extended beyond emergency support. The 2025 floods reaffirmed what the organization has long understood that poverty alleviation and climate resilience are inseparable goals.

Under its PKR 3.4 billion "Restoring Social Services and Building Climate Resilience (RSS&CR)" project, PPAF is rehabilitating damaged schools, health units, and water infrastructure across 61 union councils in 19 flood-affected districts. The initiative integrates disaster-resistant construction with livelihood restoration, promoting innovations in climate-smart agriculture, modern livestock management, and laser land levelling. To institutionalize preparedness, 169 Community Emergency

Response Teams (CERTs) have been trained, linking grassroots action with national disaster management frameworks. Additional initiatives, including the PKR 250 million renewable energy and ecosystem restoration programs in GB and AJK, the EUR 9.5 million KfW-funded climate-resilient infrastructure initiative in KP, and the EUR 14.83 million EU-funded Post-Floods Resilient Recovery and Strengthening of the Livestock Sector project in Balochistan underscore PPAF's long-term commitment to sustainable recovery.

In essence, PPAF's post-flood strategy embodies the principle of “building back better” transforming vulnerability into opportunity through resilience, innovation, and inclusion.

Accountability, Inclusion, and Data-Driven Action

Transparency and inclusion remain cornerstones of PPAF's approach. A state-of-the-art Management Information System (MIS) ensures real-time tracking of aid delivery, providing verifiable data on every household reached.

PPAF's relief efforts accord priority to women-headed households, persons with disabilities, and marginalized groups, aligning with SPHERE Standards and ensuring dignity, fairness, and accessibility for all.

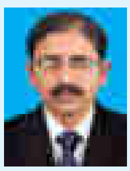
By integrating technology, community participation, and rigorous monitoring, PPAF guarantees that every rupee spent yields measurable impact - a benchmark for institutional credibility in Pakistan's development landscape.

A National Model for Humanitarian Effectiveness

The 2025 Emergency Flood Response reaffirmed PPAF's reputation as Pakistan's most effective and trusted institution for coordinated disaster management. By combining rapid mobilization, data-backed targeting, government collaboration, and strong leadership oversight, PPAF sets a national standard for humanitarian action.

PPAF's approach demonstrated that relief and development are not separate pursuits, but sequential steps on a shared continuum of resilience. As Pakistan confronts the accelerating threat of climate change, PPAF's model offers a roadmap for localization of Climate Action and disaster governance: a partnership-driven, evidence-based, and inclusive framework for national resilience.

Through its 2025 Emergency Flood Response, the Pakistan Poverty Alleviation Fund has once again proven that institutional empathy, foresight, and integrity can turn crisis into opportunity. Rooted in two decades of experience and reinforced by public trust, PPAF's approach exemplifies the evolution of humanitarianism in Pakistan from reactive relief to proactive resilience, where compassion meets competence, and recovery paves the path toward lasting prosperity.



The writer is the Development Sector Journalist & Editor of The Economic Affairs.

Turning Pride into Power

PPAF collaborated with Ministry of Poverty Alleviation and Social Safety (MoPA&SS) and Paigham-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 (MoPA&SS) and Paigham-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 (MoPA&SS), in partnership with the Pakistan Poverty Alleviation Fund (PPAF) and Paigham-e-Pakistan (PeP), launched the "Resilient and Rising Pakistan" campaign to commemorate Independence Day and Defence Day 2025.

Through partnerships with 66 civil society organizations, PPAF and its collaborators organized 1,411 local events, transforming traditional celebrations into platforms for civic engagement and social development.

Spanning August and September, the campaign features thousands of events across all provinces and regions, including Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit-Baltistan, Azad Jammu & Kashmir, and the Islamabad Capital Territory. Designed to go beyond ceremonial celebrations, it aimed to directly engage marginalized and vulnerable communities through initiatives promoting education, health, environment, and economic inclusion.

The launch ceremony, held on 31st July 2025 in Quetta, Balochistan, was attended by Federal Minister for Poverty Alleviation and Social Safety, Syed Imran Ahmad Shah; Minister of State for Federal Education and Professional Training, Ms. Wajiha Qamar; Balochistan's Minister for Education, Ms. Raheela Hameed Khan Durrani; Secretary of the Women Development Department, Ms. Saira Atta; and PPAF CEO, Mr. Nadir Gul Barech.

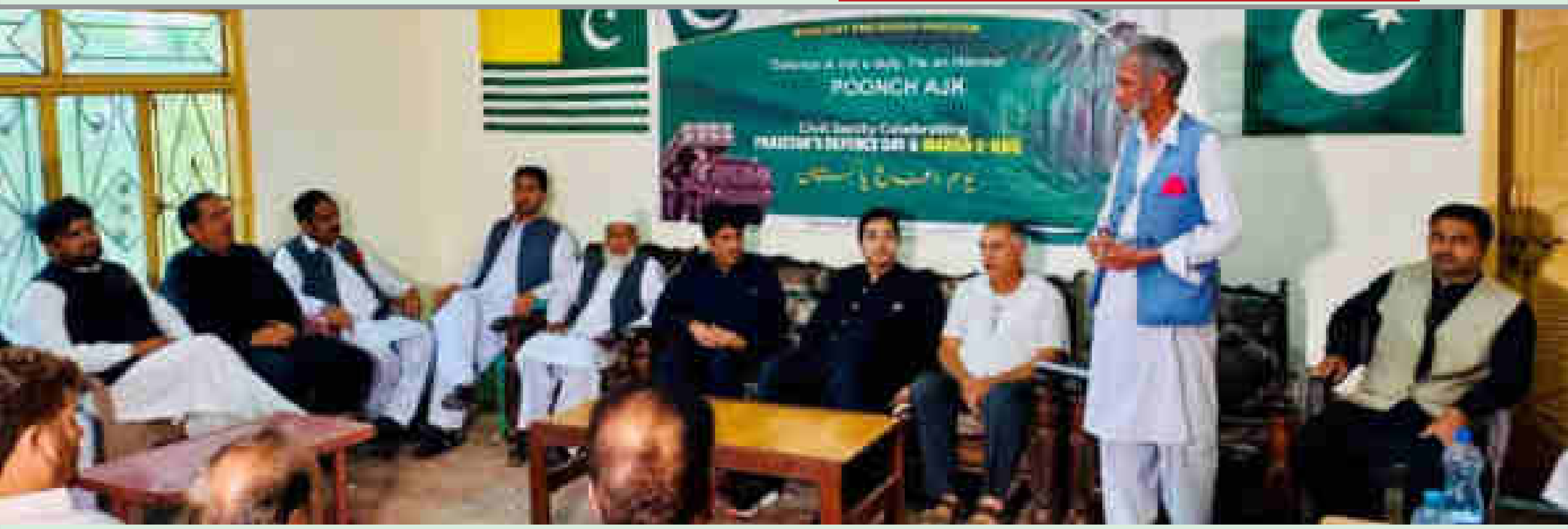
Addressing the gathering, Federal Minister Syed Imran Ahmad Shah said:

"This initiative reflects the government's unwavering commitment to reach every corner of Pakistan with dignity, opportunity, and progress. It is our collective responsibility to ensure that our national celebrations not only honor the sacrifices of the past but also shape a more inclusive and empowered future for all."

Minister of State Ms. Wajiha Qamar highlighted the importance of collective effort in national development and the symbolic significance of launching the campaign from Quetta, stating:

"This campaign is a testament to the power of unity when government, communities, and development partners come together, real and lasting change becomes possible. Launching it from Quetta signals our strong resolve to place Balochistan at the center of the national development agenda, ensuring greater visibility, investment, and opportunity for the region."

The campaign includes awareness sessions, tree plantation drives, community mobilization events, cheque distribution ceremonies, and outreach programs focusing on health, youth engagement, and social protection. The launch in Quetta set the tone for the campaign, reaffirming a shared national vision of resilience, inclusivity, and progress.



A Nationwide Movement for Unity and Inclusion

The campaign spanned all provinces and regions, including Gilgit-Baltistan,

Azad Jammu & Kashmir, and Islamabad Capital Territory, covering 88 districts, 103 tehsils, and 394 union councils. Through partnerships with 66 civil society organizations, PPAF and its collaborators organized 1,411 local events, transforming traditional celebrations into platforms for civic engagement and social development.

Over 134,000 citizens, including women, men, transgender persons, persons with disabilities, and members of minority communities, participated. This diversity mirrored PPAF's inclusive development philosophy, ensuring that national pride is shared by all segments of society.

Linking Celebration with Development

While infused with patriotic symbolism, the campaign was underpinned by a clear development strategy. Each activity aligned with PPAF's thematic pillars: livelihoods, social protection, climate resilience, and community participation - bridging national celebration with long-term sustainability. Under this initiative:

- 5,828 cheques worth PKR 314.6 million were distributed under the Prime Minister's Interest-Free Loan and the EU-funded Growth for Rural Advancement and Sustainable Progress (GRASP) programs.
- 11,393 trees were planted across Pakistan, linking patriotism with environmental stewardship.
- 57 community infrastructure schemes were inaugurated, expanding access to essential social services.
- 88 training and activity completion certificates were awarded, recognizing skill development, community engagement, and capacity-building efforts.

Beyond financial assistance, the campaign also featured health and nutrition camps, gender and disaster preparedness sessions, and community gatherings that emphasized inclusion, civic responsibility, and collective resilience.

Partnership, Participation, and Leadership

The campaign's success rested on multi-level and multi-stakeholders collaboration. Events were attended by federal and provincial dignitaries, commissioners, deputy commissioners, assistant commissioners, and local government officials, whose presence symbolized the synergy between governance and grassroots action. Their active involvement enhanced visibility and underscored shared ownership of the national cause.

PPAF's partner organizations played a critical role in ensuring local ownership. Through their extensive community networks, they brought the celebration to every corner of the country i.e. from the remote valleys of

Gilgit-Baltistan to the coastal plains of Sindh, transforming symbolic observances into catalysts for empowerment and unity.

> The campaign spanned all provinces and regions, including Gilgit-Baltistan, Azad Jammu & Kashmir, and Islamabad Capital Territory, covering 88 districts, 103 tehsils, and 394 union councils.

Communicating Pride and Progress

The “Resilient and Rising Pakistan” campaign achieved 42.3% coverage in mainstream media and 70.9% engagement across social media platforms, with Facebook

(88.8%), LinkedIn (95%), and Instagram (94.1%) serving as the most active channels. This strong digital footprint reflected PPAF's evolving capacity for development communication and its ability to connect national narratives with local realities through inclusive storytelling.

The Power of Collaboration

The campaign stood as a testament to the strength of partnerships: MoPA&SS provided strategic direction and policy linkage with the national social protection agenda, PPAF mobilized its vast grassroots network and institutional expertise, and Paigham-e-Pakistan infused

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

the initiative with messages of peace, tolerance, and unity.

Together, they shaped a model of participatory nation-building that merged policy, practice, and public engagement, transforming commemoration into collective action.

Celebrating the Spirit of a Resilient Nation

From students in Balochistan launching local green drives to women entrepreneurs in Gilgit-Baltistan receiving interest-free loans, every event embodied a single message: Pakistan's strength lies in its people's collective will to rise.

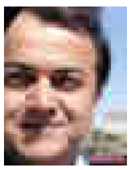
The campaign turned celebration into civic engagement, reminding all that Independence and Defence Days are not only moments of remembrance but opportunities to reinforce solidarity, inclusion, and resilience.

A Model for Participatory Nation-Building

"Resilient and Rising Pakistan" reimagined how patriotism can serve development. Every planted tree, every distributed cheque, and every community gathering became a symbol of progress through unity. For a country balancing growth with equity, this initiative offered a replicable model where national pride fuels sustainable action, and unity becomes the foundation for resilience.

As the campaign concluded, one truth stood clear: resilience thrives in unity. By linking national celebrations to grassroots empowerment, PPAF and its partners have demonstrated that Pakistan's rise depends on its people's participation - each citizen a partner in shaping a stronger, more inclusive nation.

"Resilient and Rising Pakistan embodies the spirit of togetherness," said Mr. Nadir Gul Barech, CEO PPAF, adding that "When citizens celebrate with inclusion and intent, they don't just honour the past, they help shape the future."



The writer is a seasoned development sector professional.

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.

Empowering Women Through Digital & Financial Access

The program began by identifying 100 semi-skilled women aged 18–26 who were informally engaged in stitching and embroidery but unable to market their skills. Over 15 days of intensive training at TEVTA Haripur, these women refined their craftsmanship, learned advanced techniques, and began to see their work not merely as "handicrafts" but as viable businesses.

PTCL Group equipped every participant with free smartphones, Ufone 4G SIMs, a year of free internet, and activated UPaisa mobile wallets. For many, this was their first step into the digital and financial realm. U Microfinance Bank (U Bank) provided digital literacy sessions and microfinance loans, while Daraz trained them in e-commerce, from creating seller accounts to managing online stores.

The results have been remarkable. These women now run online businesses, market their products nationwide, and enjoy financial independence once unthinkable. Their success stories have travelled far beyond Haripur: two Ba-Ikhtiar stars represented Pakistan at GITEX Global, the world's largest tech expo in Dubai, where they shared their journeys and showcased their work to international acclaim. Back home, their presence at Lok Mela, Pakistan's largest cultural festival, proved equally powerful, winning hearts, customers, and recognition.

But Ba-Ikhtiar is not merely a story of individual empowerment. It is a proof of concept that when women are given tools, training, and platforms, they can lead enterprises that add value to families, communities, and the national economy, as they are an almost equal part of the entire population.

The Way Forward: From Pilot to National Movement

The journey has only begun. PPAF & PTCL Group are now working to scale the program far beyond Haripur, to more than 20 cities, many of them flood-affected, where communities continue to rebuild their lives. In this next phase, there will be 2,100 skilled / semiskilled women entrepreneurs across 21 targeted districts across Pakistan to be trained in one year. Ba-Ikhtiar is embracing the richness of Pakistan's social fabric by extending

> Ba-Ikhtiar is not charity; it is empowerment, digital inclusion, and entrepreneurship in action. It demonstrates that when women are given access to finance, markets, and mentorship, they not only transform their own lives but uplift their families and communities.

opportunities to Christian women, women from the Kalash community, Hindu women from Thar, and women with disabilities, ensuring that empowerment truly reaches every corner of society.

The scope is also expanding beyond apparel and embroidery. Honey farming, pottery, candle-making, and other value chains are being introduced to showcase the diverse talents of Pakistani women. The Startup of the first graduated cohort will be supported through seed funding, workspace at PTCL Haripur Staff College, and exposure visits to industries

such as textile factories in Faisalabad.

Perhaps the most ambitious step yet is the development of Pakistan's first women-exclusive e-commerce website. This platform will host more than 2,100 women sellers across the country, each with her own online store, offering products that reflect the creativity, resilience, and diversity of Pakistan.

A Vision of Resilience and Inclusion

Ba-Ikhtiar is not charity; it is empowerment, digital inclusion, and entrepreneurship in action. It demonstrates that when women are given access to finance, markets, and mentorship, they not only transform their own lives but uplift their families and communities. It is the classic wisdom of teaching a person to fish rather than feeding them daily, building skills and systems that last a lifetime.

From the valleys of Haripur to the deserts of Thar and the mountains of Chitral, Ba-Ikhtiar is weaving a future of dignity, independence, and opportunity. It is more than a program; it is a model that can scale nationally, bridging divides and proving that economic resilience and social inclusion go hand in hand. Its ultimate ambition is to move the needle on Pakistan's economic indicators through enterprise.

Equally important, Ba-Ikhtiar stands as a testament to what private sector and development sector partnerships can achieve when they go beyond brand-building and come together for a larger purpose. The vision is not limited to creating entrepreneurs; it is about uplifting entire communities, enabling them to afford better healthcare, better education, and a better quality of life. With each woman entrepreneur who takes her business online, Pakistan takes a step closer to becoming a more inclusive, sustainable, and resilient economy, one in which women are not bystanders but leaders shaping the nation's future.

Shahzada Irfan Ahmed is a veteran journalist with extensive experience in investigative reporting, human rights, and social issues.

Harvesting Hope in the Age of Uncertainity

Pakistan's Quiet Agricultural Revolution

Federal Minister for National Food Security & Research Rana Tanvir Hussain's stewardship reflects a broader vision: to build a food system that sustains both farmers and consumers, protects the environment, and ensures that Pakistan's agricultural future is resilient, competitive, and secure.

Interview: Ghulam Haider

Pakistan's twin challenge is feeding a growing population under intensifying climate stress. Our response is to scale up sustainable farming and technological innovation.

Federal Minister for National Food Security & Research Rana Tanvir Hussain stands at the forefront of Pakistan's national effort to achieve food self-sufficiency in an era defined by climate disruption, demographic pressure, and economic uncertainty. A seasoned Pakistan Muslim League (Nawaz) parliamentarian and cabinet veteran, he brings decades of governance experience and a pragmatic approach to agricultural reform. His tenure as Federal Minister for National Food Security & Research has been marked by an emphasis on resilience, technology-driven modernization, and inclusive growth—recognizing that food security is not only a matter of production but also of equity, sustainability, and governance.

Under his leadership, the Ministry has advanced partnerships with international organizations such as FAO, WFP, IFAD, and the World Bank, translating policy coordination into tangible on-ground results. From climate-smart agriculture and water-efficient irrigation to seed quality enhancement and post-harvest management, his agenda fuses innovation with grassroots empowerment. He has also been a vocal advocate of Pakistan's call for fair climate finance—urging global recognition of the disproportionate burden faced by developing agrarian economies amid climate shocks.

Equally important is his focus on inclusion. Hussain's reforms seek to empower women and youth through credit access, skills training, and agripreneurship, while simultaneously driving digital transformation in agriculture. His stewardship reflects a broader vision: to build a food system that sustains both farmers and consumers, protects the environment, and ensures that Pakistan's agricultural future is resilient, competitive, and secure.

In an exclusive interview with the Economic Affairs, Rana Tanvir Hussain explains how Pakistan is reinventing its food systems and resilience amid climate shocks and economic strain. He delves deep on how policies, partnerships, and reforms are redefining and reshaping farming and agriculture the country through innovation and inclusion to fighting hunger, empowering farmers, and preparing for a warmer world. He explains as to why Pakistan's food future depends on resilience, not routine.

Following are the excerpts of the interview;

Economic Affairs: What steps are being taken to make safe and healthy food more affordable, especially for vulnerable groups?

Rana Tanvir Hussain: Access to safe and healthy food is a fundamental right, and we are addressing affordability with practical, community-focused measures. We're promoting the consumption of local, nutrient-dense foods—pulses, fruits, vegetables, and eggs—as cost-effective alternatives to expensive imported items. At the same time, the government is tightening food safety regulations, improving markets, and cutting post-harvest losses to stabilize prices.

For vulnerable populations, targeted social protection programs are expanding access to healthy diets. Initiatives under BISP and provincial schemes are ensuring that no one has to choose between affordability and nutrition. The goal is simple but vital: to make balanced, safe, and healthy food accessible to every citizen.

Economic Affairs: How can climate-smart farming and new technologies reach more small farmers while also protecting the environment?

Rana Tanvir Hussain: Pakistan's twin challenge is feeding a growing population under intensifying climate stress. Our response is to scale up sustainable farming and technological innovation. The Ministry is promoting drought-tolerant seeds, precision irrigation, regenerative agriculture, and integrated pest management—practices that boost yields while conserving water and soil health.

Digital advisory services, mobile-based weather alerts, and improved market linkages are empowering farmers to make informed decisions and secure fairer returns. At COP29, Pakistan launched its first private-sector climate adaptation fund for agriculture, aimed at supporting millions of smallholders. And at the UN General Assembly, our Prime Minister reiterated that equitable climate finance is essential if vulnerable countries like ours are to adapt at the pace required. This blend of sustainability and innovation is the path forward—for thriving farmers, affordable food, and a protected environment.

Economic Affairs: What policies or programmes are helping women and youth gain better access to land, finance, training, and markets?

Rana Tanvir Hussain: Women and youth are the driving force of agricultural renewal in Pakistan, and empowering them is at the heart of our policy agenda.

First, the current budget was designed as a farmer-friendly framework, offering subsidies, interest-free loans, and access to certified seeds, fertilizers, and modern machinery—ensuring that women and young farmers are not left behind.

Second, the Ministry has sponsored overseas training for more than fifty agricultural scientists and officers, strengthening our research base and creating a multiplier effect through local training for women and youth.

Third, reforms are underway to improve women's access to credit, markets, and skills development. Several small-farmer support programs now include women explicitly, providing them with inputs and technical assistance.

Fourth, the National Food Security Policy (2018) remains a guiding document, emphasizing value-chain diversification, microfinance, and the mainstreaming of women's contributions to agriculture and family nutrition.

Finally, we're promoting agripreneurship—equipping young Pakistanis with digital agriculture tools, agribusiness training, and opportunities in value addition. A forthcoming National Agri-Innovation Plan will further expand this ecosystem, turning youth into active stakeholders in agricultural transformation.

Digital advisory services, mobile-based weather alerts, and improved market linkages are empowering farmers to make informed decisions and secure fairer returns.

Economic Affairs: What systems and investments are needed to make Pakistan's food systems stronger against future crises and shocks?

Rana Tanvir Hussain: Resilience must begin before disaster strikes. We are strengthening early-warning and disaster-preparedness systems under the National Resilience Plan, ensuring that communities receive timely alerts and anticipatory support before floods or heatwaves hit.

Working with UN partners, we're scaling up climate-resilient farming through programs like FAO's BRAVE initiative, which builds community capacity and promotes adaptive practices. Social protection acts as a safety net: digitized cash-transfer systems like BISP safeguard food access when prices rise or incomes fall.

We're also mobilizing finance—through public, private, and climate funds—to expand crop insurance, resilient seeds, and water-efficient irrigation. Post-disaster recovery now emphasizes “building back better” to minimize future risk.

But coordination is key. NDMA, provincial departments, the Ministry of Food Security, and our international partners must operate in sync—linking early warnings with local preparedness and long-term resilience. That integrated approach is how Pakistan can shield its most vulnerable citizens from the cascading shocks of climate change and global crises.

Ray of Hope

Pakistan's Microfinance Architect Speaks

Mr. Muhammad Murtaza Khokhar's journey is a testament to how visionary leadership, community engagement, and financial inclusion can come together to drive a sustainable change at the grassroots level.

Interview: Rashid Ahmad

Muhammad Murtaza Khokhar
CEO - RCDP

Long before microfinance became a recognized force for economic inclusion in Pakistan, **Mr. Muhammad Murtaza Khokhar** was already planting its seeds. In the mid-1990s, driven by a clear vision to empower marginalized rural communities, he founded the **Rural Community Development Society (RCDS).** His mission was simple yet profound: to provide communities with the tools and opportunities to build sustainable livelihoods on their own terms.

This vision expanded nearly two decades later with the establishment of the **Rural Community Development Programme (RCDP)** in 2015. Founded as a dedicated microfinance institution, RCDP was designed to systematically address the financial exclusion of Punjab's unbanked populations.

Today, RCDP stands as a testament to his leadership, serving **over 2 million clients** through a network of more than **200 branch offices across 32 districts of Punjab.** Under Mr. Khokhar's stewardship, RCDP has become a cornerstone of inclusive finance in Pakistan, renowned for its unique blend of social development and financial innovation.

In this in-depth conversation with Economic Affairs, Mr. Muhammad Murtaza Khokhar reflects on his remarkable journey, shares his insights on the evolving regulatory landscape, explains the philosophy behind his leadership, and outlines his bold vision for the future of microfinance in Pakistan.

Economic Affairs: What inspired you to establish RCDS?

Muhammad Murtaza Khokhar: The inspiration came from witnessing a profound disconnect in the development landscape of that era. While working with rural communities across Punjab, I observed hardworking farmers, artisans, and women entrepreneurs possessing remarkable resilience and potential, yet remaining trapped in cyclical poverty due to one critical gap: the absence of institutional financial inclusion.

At that time, rural development operated largely through donor-driven projects where communities remained passive beneficiaries. This approach failed to address the root cause – the lack of sustainable systems enabling self-determination.

We founded RCDS with a fundamentally different philosophy: to create community-owned institutions where people could become architects of their own progress.

Economic Affairs: How did RCDP come into existence, and how is it different from RCDS?

Muhammad Murtaza Khokhar: The evolution from RCDS to RCDP was a natural response to the changing needs of the communities we served. Through RCDS, we had built strong, organized communities and witnessed their growing entrepreneurial confidence. However, a critical gap remained: the lack of formal, scalable financial services. Traditional banking was absent or inaccessible, leaving hardworking individuals without the capital needed to grow their small businesses or manage household cash flows.

This realization led us to establish the Rural Community Development Programme (RCDP) in November 2015 as a dedicated, regulated financial institution. In April 2016, we formally transitioned all microfinance operations to RCDP, and a significant milestone was achieved in October 2016 when we received our Non-Banking Microfinance Company (NBMFC) license from the SECP. This transformed our ability to serve clients professionally and on a scale.

Today, RCDS and RCDP are sister organizations with a powerful, synergistic relationship. RCDS focuses on social empowerment—building capacity, raising awareness, and strengthening community institutions. RCDP, in turn, provides the economic engine—offering tailored loans, savings, and insurance products that allow these empowered individuals to sustainably improve their livelihoods.

Economic Affairs: RCDP has grown remarkably over the past decade. What are the key milestones that you are most proud of?

Muhammad Murtaza Khokhar: While the

quantitative achievements are visible, the milestones that truly matter are those that reflect depth of impact, not just scale.

Of course, serving over 2 million customers is a significant marker, but what makes me proud is that each number represents a restored dream, a family that has secured its nutrition, or a woman who has become a decision-maker in her household.

Establishing over 200 branches across 32 districts is another key milestone—not merely as an expansion strategy, but as a commitment to reaching the last mile. We've built branches in areas where formal financial institutions were absent, making us not just a service provider, but a catalyst for local economic ecosystems.

Operationally, the complete digitization of our processes has been transformative. It has reduced loan approval times from weeks to hours, minimized human error, and brought transparency that strengthens client trust.

Yet, if I were to choose one milestone that encapsulates our mission, it is this: enabling a generation of women entrepreneurs. When a woman tells us she sent her daughter to college because her tailoring business grew, or a farmer shares how he bought a tractor through our loan—that is the real milestone. We haven't just disbursed loans; we've helped build resilient, self-reliant communities.

Economic Affairs: What is your leadership philosophy in guiding such a large and impactful organization?

Muhammad Murtaza Khokhar: My leadership philosophy rests on three pillars: purpose, people, and proximity.

I've always believed that true leadership isn't about commanding from the top—it's about serving from the center. My role is to set a clear, compelling vision and then create an environment

where every team member feels empowered to contribute to that vision.

At RCDP, we've cultivated a culture where Trust replaces micromanagement, Innovation is encouraged, not feared, and Ownership extends from the boardroom to the field.

This means actively investing in our people—from the loan officer in a remote village to the department heads at headquarters. When our teams feel valued and heard, they naturally deliver their best work.

Economic Affairs: RCDP's team plays a critical role in its success. How would you describe the RCDP team?

Muhammad Murtaza Khokhar: The RCDP team is the very heartbeat of our organization—a unique blend of professional excellence and profound community empathy. What makes them extraordinary is that many of our team members are from the very communities we serve. This isn't just a job for them; it's a personal mission. They speak the local dialects, understand unspoken cultural nuances, and have earned the trust that no outsider could easily gain.

Through continuous capacity building—from immersive induction programs to advanced leadership development—we ensure our team grows both technically and ethically, staying aligned with our core values of integrity and service.

Economic Affairs: The microfinance sector is heavily regulated. What are your views on current regulations, and how can the environment be improved?

Muhammad Murtaza Khokhar: Regulation is the bedrock upon which client trust and institutional credibility are built. The collaborative efforts of the Securities and Exchange Commission of Pakistan (SECP), with support from the Pakistan Microfinance Network (PMN), have been instrumental in establishing standards that protect clients and ensure the sector's stability. There is also an urgent need to accelerate the digital transformation of the sector.

Economic Affairs: How do you ensure responsible lending and protect clients from over-indebtedness?

Muhammad Murtaza Khokhar: Responsible lending is the moral compass of our operations. We've embedded multiple safeguards into our system including Dynamic Credit Assessment, Client Education as Priority, Active Credit Bureau Integration, and Product-Credit Alignment. Our philosophy is clear: A successful loan is one that improves a client's financial health, not one that merely boosts our portfolio.

Economic Affairs: What is your vision for RCDP in the next 5 to 10 years?

Muhammad Murtaza Khokhar: My vision is to transform RCDP from a national microfinance institution into Pakistan's leading platform for inclusive resilience.

In practical terms, this means Geographic Expansion, Digital Integration, Climate-Responsive Products, and Strategic Partnerships. Ultimately, I envision RCDP as an institution that measures its success not just in financial returns, but in generations lifted out of poverty, communities made climate-resilient, and women empowered as economic leaders.

Economic Affairs: What challenges do you foresee for the microfinance sector in Pakistan?

Muhammad Murtaza Khokhar: The sector faces a convergence of challenges that require both resilience and innovation. Macroeconomic instability—particularly high inflation and interest rate volatility—directly impacts our clients' repayment capacity and our institution's cost of funds. Simultaneously, climate vulnerability has become a stark reality, with smallholder farmers and rural entrepreneurs bearing the brunt of floods and droughts.

We also operate in an environment where policy continuity can be disrupted, slowing crucial regulatory evolution. And as we embrace digital solutions, we must navigate the dual imperatives of financial

inclusion and cybersecurity, ensuring client data and trust are never compromised.

Yet, I see these challenges as catalysts. They push us to develop climate-resilient products, advocate for stable policies, build robust digital infrastructure, and strengthen our risk management frameworks—ultimately making the sector more responsive and resilient.

Economic Affairs: You have led RCDS and RCDP for nearly three decades. What keeps you motivated?

Muhammad Murtaza Khokhar: My motivation comes from the living proof of change I witness in the field. It's in the eyes of a woman who now speaks with confidence as she manages her enterprise, or a family that has broken the cycle of poverty through successive generations. These aren't abstract successes—they are human stories of dignity and self-reliance.

We've built institutions that communities consider their own. This trust is both our legacy and our responsibility—one that demands we keep pushing forward, no matter the obstacles. Every challenge overcome translates into another life touched, another community transformed.

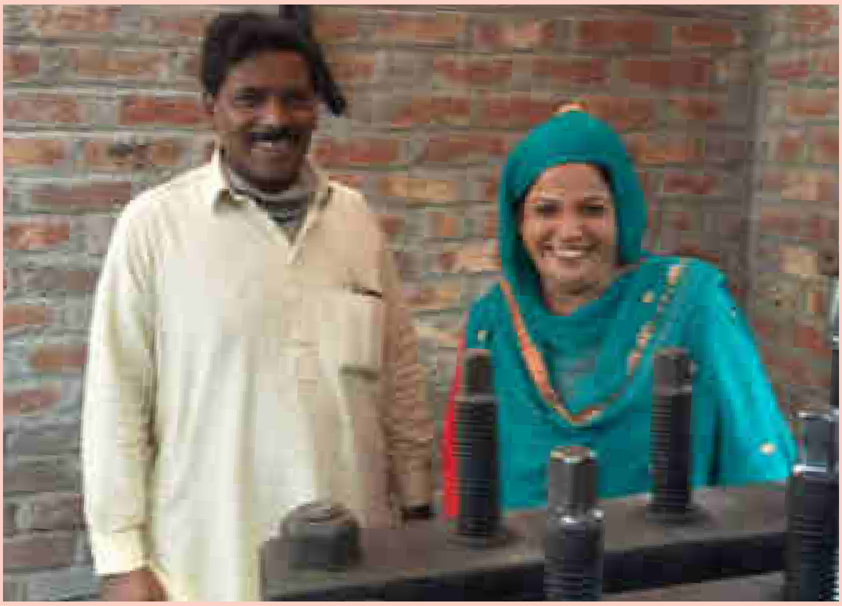
Economic Affairs: Finally, what message would you like to give to young leaders and professionals entering the development and microfinance sector?

Muhammad Murtaza Khokhar: To the next generation of change-makers: Lead with empathy and innovate with humility. This field is not a career, it's a calling. You will measure success not in quarterly reports but in generations uplifted.

Remember: **Listen more than you prescribe, Embrace technology, but never lose the human touch, Let purpose be your compass.**

The road is long, but each step changes lives. You have the opportunity to build a Pakistan where finance becomes a tool for justice, not just profit. That is the most meaningful work any leader could undertake.

Pakistan's development journey needs committed, visionary professionals who can bridge the gap between policy and practice. I encourage young people to embrace this challenge.



RCDP Shines at 9th Annual Microfinance Conference

Breaking Barriers, Building Futures

How RCDP is reshaping the country's microfinance landscape from the ground up.

Shamim Haider

In Pakistan's crowded microfinance sector—often dominated by commercial banks and urban-focused lenders—real transformation rarely makes the headlines. But this year, at the 9th Annual Microfinance Conference (AMC-9) in Karachi, a quiet revolution took center stage.

The Rural Community Development Programme (RCDP), a rising force in the country's financial inclusion ecosystem, received the Pakistan Microfinance Award 2025 in the coveted category of “Support to Peer Organizations.” Organized by the Pakistan Microfinance Network (PMN), this award is more than a ceremonial accolade. It is a signal—perhaps even a turning point—that peer-led collaboration may offer a more sustainable model for financial inclusion in a country where over 100 million people remain outside the formal financial net.

For Muhammad Murtaza Khokhar, RCDP's CEO, Founder, and Vice Chairman of PMN, the moment was not about personal triumph. It was about a vision that has quietly but steadily been reshaping Pakistan's rural finance ecosystem for over a decade: one where small non-banking financial companies (NBFCs) are no longer sidelined, but empowered.

Adding to the event's significance, Mr. Muhammad Murtaza was honored as a distinguished panelist in the session "Designing Microinsurance Products that Actually Work with Low-Income Communities, Especially in Rural Areas." His insightful contributions offered participants valuable strategies for effectively implementing microinsurance

solutions tailored to the needs of underserved rural populations.

RCDP's recognition and Mr. Murtaza's thought leadership together reaffirm the organization's vision for empowering low-income communities through sustainable financial innovation.

A reformer in a conservative sector

Muhammad Murtaza is not your typical development executive. Over the years, he has earned a reputation as both a strategist and a reformist in Pakistan's financial circles. His presence at AMC-9—a three-day event aptly themed "Renaissance of Microfinance"—was emblematic of this dual role.

While most NBFCs struggle to survive in the shadows of commercial banks, RCDP has thrived by carving out a different path: empowering peer institutions rather than competing with them. Muhammad Murtaza's mantra of "inclusive collaboration over competition" has helped reshape the landscape for smaller, often rural-focused lenders.

Through technical assistance, access to financing tools, and capacity-building programs, RCDP has enabled peer institutions to expand their reach into communities where commercial banks hesitate to tread. These initiatives have given dozens of micro-lenders the visibility and financial muscle needed to sustain their operations in a challenging regulatory and economic environment.

The results speak for themselves. RCDP is now ranked as the third-largest NBFC in Pakistan, a remarkable feat for an organization whose roots lie in rural development rather than corporate banking.

A moment of national recognition

The award ceremony at AMC-9 was a rare moment when the usually fragmented microfinance community rallied around a shared vision. High-profile figures including Sindh Chief Minister Syed Murad Ali Shah and State Bank of Pakistan Governor Jamil Ahmed attended, underscoring the growing strategic importance of inclusive finance.

Adding to the event's significance, Mr. Muhammad Murtaza was honored as a distinguished panelist in the session "Designing Microinsurance Products that Actually Work with Low-Income Communities, Especially in Rural Areas." His insightful contributions offered participants valuable strategies for effectively implementing microinsurance solutions tailored to the needs of underserved rural populations.

RCDP's recognition and Mr. Murtaza's thought leadership together reaffirm the organization's vision for empowering low-income communities through sustainable financial innovation.

But behind the polished ceremonies lay a more profound story: the growing realization among policymakers that top-down financial inclusion strategies are insufficient on their own. In a country with deep geographic, social, and gender divides, peer networks like those fostered by RCDP may hold the key to reaching the "last mile."

From microfinance to micro-resilience

RCDP's role at the conference was not confined to the awards stage. Muhammad Murtaza was a key panelist in a session titled "Micro-Insurance & Microfinance: Building Resilience for the Underserved." His intervention was blunt, informed, and rooted in field experience.

"Generic insurance products do not serve the real needs of our people," he declared, challenging the conventional wisdom of applying one-size-fits-all solutions to vastly different communities.

He advocated for customized micro-insurance products, designed with an intimate understanding of low-income households' vulnerabilities—whether crop failures in Sindh's flood-prone plains or health emergencies in Balochistan's remote villages. His emphasis on integrated risk management systems—that protect both lenders and borrowers—was a subtle yet pointed critique of Pakistan's often siloed financial products.

In a sector where microfinance is too often reduced to lending, RCDP's approach—combining credit with protection—offers a blueprint for financial resilience, not just financial access.

Strategic bridges: local impact, global partnerships

Beyond the panels and plenary sessions, Muhammad Murtaza was busy in private meetings with commercial banks and international investors. These discussions, according to conference insiders, focused on three key areas including expanding access to finance for rural NBFCs, diversifying financial products, including savings and insurance, and leveraging technology to deliver services more efficiently.

For RCDP, these engagements are part of a broader strategy: building strategic bridges between global capital and local financial institutions that understand rural realities. "This is not just about recognition," Muhammad Murtaza said. "This is about responsibility. At RCDP, we are building a financial ecosystem where no institution and no individual is left behind."

The language is ambitious—but not empty. Over the past decade, RCDP has worked with hundreds of rural entrepreneurs, particularly women, providing them with capital, financial literacy, and insurance products that mitigate shocks. Its focus on community-led finance has enabled thousands to move from informal survival economies into structured, scalable livelihoods.

A model of quiet innovation

Pakistan's financial inclusion story has long been dominated by two narratives. The first is the urban-commercial model, where large banks expand outreach through mobile platforms. The second is the NGO-driven model, heavily donor-funded but often limited in scale and sustainability. RCDP's rise hints at a third model: one where mid-sized, mission-driven financial institutions act as both service providers and capacity builders for peers. By filling this niche, RCDP has amplified the sector's collective capacity without becoming a monopoly player itself.
This approach is particularly timely. Pakistan's microfinance sector has faced headwinds in recent years—ranging from macroeconomic instability to natural disasters that disrupt repayment cycles. Many smaller NBFCs lack the buffers to survive these shocks. By pooling resources, sharing expertise, and advocating jointly for policy reforms, networks led by organizations like RCDP can provide a cushion against systemic risks.

Vote of Thanks – AMC-9

On behalf of the organizers of the 9th Annual Microfinance Conference (AMC-9), I extend my deepest gratitude to all participants, partners, and stakeholders whose active engagement has made this conference a true success.

Over the course of AMC-9, we have assessed the current landscape, critically examining sector performance, persistent bottlenecks, and emerging risks. Together, we have driven forward the agenda of innovation and digitization, exploring new technologies, data-driven solutions, and delivery models that will accelerate outreach and reduce costs.

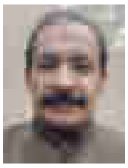
A special milestone was the official unveiling of the Sindh Financial Ecosystem Study, jointly conducted by PAIDAR and PMN, marking a transformative step toward improving access to finance in rural Sindh.

The conference also succeeded in promoting integration and partnerships, bringing together MFPs, commercial banks, DFIs, FinTechs, insurance providers, PAIDAR, government agencies, and donors—building the collaborative ecosystem that inclusive finance demands.

We have also reflected on strategies to enhance resilience and sustainability, addressing climate risks, client financial health, and institutional governance. Equally important, AMC-9 has been a platform to build capacity and knowledge, equipping stakeholders with insights and evidence to adapt responsibly to a fast-changing environment.

Finally, I wish to acknowledge the donor community, whose perspectives and commitment as strategic partners in Pakistan's economic and financial landscape continue to inspire and guide our shared journey.

With renewed commitment and shared purpose, AMC-9 has indeed embodied the theme of a true "Renaissance of Microfinance". Thank you all once again for your contributions and for joining hands to advance financial inclusion in Pakistan.



The writer is the Head of Risk Department at the Rural Community Development Programme (RCDP). He can be reached via email: Shamim.haider@rcdppk.org

Pakistan's Fight Against Poverty

Two main poverty reduction approaches have been tried extensively in the country including Benazir Income Support Programme (BISP), and Community-Driven Development (CDD) programme.

Dr. Talat Anwar

There has been a heated debate that poverty has increased significantly in Pakistan owing to high inflation and decline in economic growth. According to the World Bank's June 2025 report, the latest poverty headcount, percent of population below poverty line is 44.7% which is based on the new international poverty line of $4.20 per person per day. This is a significant increase from the previous 39.8% poverty estimate. There has been a heated debate on poverty estimates in Pakistan. Rather than contesting in this debate, it is important to discuss and evaluate the approaches used for poverty alleviation programmes in Pakistan in order to determine the effectiveness of these approaches.

In Pakistan, two main poverty reduction approaches have been tried extensively: 1) Benazir Income Support Programme (BISP) and 2) Community-Driven Development (CDD) rogramme. In this context, it would be critically important to make a comparison of both of these approaches so as to draw a conclusion about a cost effective poverty reduction approach.

Benazir Income Support Programme (BISP) was established in 2008 and is now Pakistan's largest social protection program with Rs716 billion in the current fiscal year 2025-26. BISP currently provides a quarterly income support payment of Rs13,500 to eligible poor families. The programme appears to have improved household consumption and empowered women via direct payments to female beneficiaries.

However, there remains issues with BISP approach and its formulation because of its limited productive graduation as a large pool of the poor beneficiaries remained dependent upon income support for a longer period of time leading to a dependency syndrome.

So the poor will always remain poor. Further, there remain concerns relating to fiscal sustainability of the programme as every year government has to allocate a substantial chunk of resources (Rs716 billion in 2025-26) despite lower fiscal space and constraints under IMF programme. In addition, the BISP has weak integration with labor market or microenterprise programs leaving poor dependent on cash support.

Community-Driven Development (CDD) is another approach to poverty reduction that has been implemented by Agha Khan Rural Support Programme (AKRSP) since 1980s, National Rural Support Programme, RSPN, provincial RSPs (e.g. Punjab RSP, Sindh RSP, KP RSP and Balochistan RSP).

Unlike provision of cash or income support under BISP, Community-Driven Development programme is based on provision of small but productive interest-free loan for income generating activities especially to women to empower them economically for long-term sustainability. Small loans help the poor households and women engage in buying seeds, livestock, or agri inputs; setting up home-based businesses; meeting emergencies, health and education costs. Evidence shows that these

The Community-Driven Development approach targeting the poorest better because community members know which households are genuinely poor. Social mobilization and targeting tool (like poverty scorecards used by NRSP and RSPN) help ensure the poorest get priority access.

programmes have raised income of the poor, enabled them to pay back their loans rather than depending continuously on cash assistance under BISP approach.

Under the above CDD approach, Community Investment Funds (CIFs) is managed by local community organizations (COs) which has been the more cost effective poverty reduction model in Pakistan. The question now arises how and why CIF is more effective poverty reduction model than income support model like BISP in Pakistan?

BISP currently provides a quarterly income support payment of Rs13,500 to eligible poor families. The programme appears to have improved household consumption and empowered women via direct payments to female beneficiaries.

Community Investment Fund (CIF):

CIF is a pool of funds provided to community organizations (COs) at the village or neighborhood level. The CO, usually formed under rural support programs (RSPs), and manages the fund. CO members mostly the poor women borrow from this fund for income-generating activities, emergencies, or social needs with the repayment conditions to pay back within a given period of time.

Women's Empowerment:

This is central theme of Community-Driven Development approach. In many RSP models (e.g., in Sindh Rural Support Program (SRSO), CIFs are managed by women's community organizations

. Women borrow for livestock, handicrafts, small shops, or children's education. It gives women direct control over resources for the first time. This enhances the impact on household welfare, and breaks intergenerational poverty.

The community-driven approach works better because of local ownership & accountability. Funds are controlled by the community itself, not external agents; decisions on who gets loans, for what purpose, and repayment terms are made collectively; and local monitoring reduces misuse of funds and improves repayment of loans. Evidence shows a high loan repayment rate of 95-97% under these programmes. The local ownership and accountability lead to stronger trust and higher sustainability and greater impact on reduction in poverty.

The CDD approach targeting the poorest better because community members know which households are genuinely poor. Social mobilization and targeting tool (like poverty scorecards used by NRSP and RSPN) help ensure the poorest get priority access. The impact is higher because CIF loans and grants reach those most in need, reducing exclusion of the poor.

Small but Productive Loans:

It is noteworthy that unlike cash or income support like BISP, CDD is based on provision of small but productive loans via CIF. Unlike high interest rate loans by microfinance banks that require collateral, CIF loans are interest-free or very low-cost. Small loans help the poor engage in buying seeds, livestock, or agri inputs; setting up home-based businesses; and meeting emergency health/education costs.

This raises income of the poor recipients of loan rather than depending on income or cash assistance like BISP whose beneficiaries wait for the next installment for their consumption.

Building Social Capital:

Through community organizations people learn to organize, save collectively, and manage resources. Over time, this builds community capacity to demand better services (health, education, infrastructure). This enhances the long-term women empowerment impact beyond income.
Evidence in Pakistan: Agha Khan Rural Support Programme (AKRSP) pioneered CIFs in Gilgit-Baltistan and Chitral in the 1980s. Results showed increased incomes of the poor households reduced poverty via women's participation and improved resilience in Gilgit-Baltistan and Chitral in the 1980s.

Sindh Rural Support Organization (SRSO):

Under the Union Council Based Poverty Reduction Programme (UCBPRP), CIFs targeted ultra-poor women, helping them invest in livestock and home enterprises. Independent evaluations showed significant poverty reduction and women empowerment.

Pakistan Poverty Alleviation Fund (PPAF) has also used community-driven models, scaling CIFs via RSPs across Pakistan.

How CIF reduces poverty reduction programme cost more effectively than income support?

Clearly, CIF directly reaches to poor households bypassing middlemen and banks. Low transaction costs (funds revolve within the community). CIF is sustainable as loans are repaid, funds recycle for other members. Unlike BISP, recycling of funds makes the same funds available for others for next lending. Extra annual allocation of money each year is not needed like BISP.

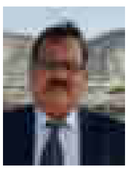
For example, if the government allocates initially Rs100 billion this year for CIF, almost the same amount of money would be available for the next year because of recycling of funds. Consequently, after five years recycling this initial Rs100 billion fund will be tantamount to Rs500 billion lending in five years. This is not possible under BISP income support approach as every year government allocated fund are consumed and vanished.

The government will need to allocate Rs100 billion annually and over the five years the government will be needed Rs500 billion under BISP cash support approach. Thus, poverty reduction programme cost is five times cheaper under CIF approach than BISP cash support. Additionally, empowerment of the poor especially the women builds confidence, decision-making, and raise collective voice.

The CIF also creates resilience since access to emergency loans prevents families from selling assets or falling deeper into poverty. Given the low cost solution provided by CIF compared with BISP, it is imperative to adopt the community development driven approach via CIF in the national poverty reduction strategy. Cash support under BISP should only be allowed in emergency situations for a short period of time. This would not only enable the government to use scarce fund more efficiently but will also have higher poverty reduction impact at the national level via income generating and employment creating activities.

Cash support under BISP should only be allowed in emergency situations for a short period of time. This would not only enable the government to use scarce fund more efficiently but will also have higher poverty reduction impact at the national level via income generating and employment creating activities.

From the above analysis, the following policy lessons can be learnt for Pakistan: Strengthen Rural Support Programmes (RSPs) that build and mentor community organizations. Expand women-managed CIFs nationwide. Combine CIFs with financial literacy, skills training, and market linkages. Integrate CIFs into provincial poverty reduction strategies alongside BISP for sustainable poverty exit and link CIFs with formal financial institutions for long-term sustainability.



The writer has worked as Economic Advisor in various national and international institutions.
Email:talat.anwar2016@gmail.com

From Cash to Code

Instant payment systems in Pakistan process hundreds of millions of transactions worth trillions of rupees per quarter, marking remarkable year-on-year growth in both volume and value.

Sabeeh Tahir

The government has set dramatic targets — millions of digital-payment users, millions of QR-enabled merchant touchpoints, and billions of transactions annually — signalling a pivot from rhetoric to execution.

A country's shift toward a cashless economy is more than a technology upgrade — it's a structural and cultural transformation. Recent policy moves and payment-system growth show how this shift is well underway in Pakistan. While the ambition is bold, the road is equally marked by challenges of infrastructure, regulation and behavioural change.

The blueprint envisions a "cashless by design, digital by destiny" future: one in which digital payments are the default, cash becomes the exception, and financial access is universal, efficient and inclusive. The government has set targets — millions of digital-payment users, millions of QR-enabled merchant touchpoints, and billions of transactions annually — signalling a pivot from rhetoric to execution.

On the ground, the transformation is already visible. Instant payment systems in Pakistan process hundreds of millions of transactions worth trillions of rupees per quarter, marking remarkable year-on-year growth in both volume and value. Branchless-banking platforms now number in the hundreds of millions of accounts, and agent networks exceed the reach of traditional banks by many times — clear indicators of underlying readiness for digital financial inclusion.

Yet the largest untapped prize remains the informal economy. Roughly one-third of GDP continues to flow through cash and evade formal channels, limiting tax collection, transparency and access to official services. The strategy to bring that economy into view relies on two broad levers: make digital payments easier, cheaper and ubiquitous; and make cash less convenient, more costly and increasingly marginalized.

Efforts to embed digital payment acceptance into everyday life are underway. Utility-bill QR codes, vendor-payments dashboards, government disbursement through linked digital wallets, and the concept of an entire city becoming "cashless" illustrate a move toward creating default digital paths for citizens and businesses. Financial incentives and regulatory mandates form part of this push: subsidy of merchant-discount rates on QR transactions, directives requiring state–owned enterprises to accept digital payments, and plans to link welfare-programme wallets to biometric identity for greater inclusion.
But infrastructure remains a critical constraint. Digital payments can only thrive when broadband is affordable and reliable. The mobile-broadband network in the country operates with less spectrum than peer countries, limiting capacity and user experience. In rural and underserved areas in particular, connectivity and digital literacy are key bottlenecks — if payments are digital but the network or devices are weak, the promise remains unrealised.

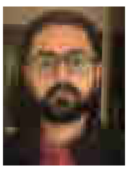
Behavioural change is equally essential. Citizens will adopt digital payments when they are easy to use, trusted, and available in all retail and government touchpoints. The rise in agent touch-points and wallet usage shows this readiness. But cash remains familiar, immediate and

entrenched in large segments of the economy. Transitioning away from it requires coordinated education, merchant outreach, incentives and enforcement.

The stakes of succeeding are high: a documented economy enables broader tax-base growth, efficient public spending, meaningful financial inclusion and economic competitiveness. Conversely, failure to execute means that informal cash flows persist, tax-to-GDP remains low, and the digital infrastructure investment falls short of its potential.

The cashless-economy journey is more than payment-systems rollout — it is about enabling inclusive growth, transparency and digital empowerment. Pakistan's momentum is encouraging, with infrastructure and policy beginning to converge. Yet the real test lies in implementation: cities that truly go cashless, merchants everywhere offering QR codes, citizens using wallets seamlessly, and connectivity reaching every corner. With vision matched by execution, the country could turn the promise of a cashless future into everyday reality.

The blueprint envisions a "cashless by design, digital by destiny" future: one in which digital payments are the default, cash becomes the exception, and financial access is universal, efficient and inclusive.



The writer is Masters in International Business from University of Aberdeen UK and is Co-founder in AI based content creation start up at NICAT.

Digital Inclusion & Export Growth

With over $700 million in investment pledged at ITCN Asia, Pakistan sets its sights on digital inclusion and export growth.

Lt. Col. Rizwan Mir TI(M)

The 26th edition of ITCN Asia, organised by E-commerce Gateway Pakistan (Pvt.) Ltd and supported by the Special Investment Facilitation Council (SIFC), the Ministry of IT & Telecom and the Pakistan Software Export Board (PSEB), reaffirmed Pakistan's ambition to become a regional digital hub. The three-day gathering in Karachi pulled together global tech leaders, investors, policymakers, entrepreneurs and academia in one of the country's most expansive showcases of innovation, collaboration and deal-making.

In digital and inclusive economy terms, the event delivered on several fronts. The conference spotlighted key sectors—government digitisation, data-centre build-out, cyber-security, fintech and financial inclusion, education, health and pharma, e-commerce, and artificial intelligence (AI)—in recognition of the fact that Pakistan's next phase of growth hinges not only on connectivity but on horizontal adoption across society.

Event organisers estimate the cumulative economic activity triggered by ITCN Asia at more than US$700 million, thanks to export contracts, inward foreign direct investment (FDI) and multinational-local firm partnerships. Local players secured international alliances and contracts in the ICT and telecom sectors, bolstered by the facilitation offered by SIFC, the Ministry of IT & Telecom and PSEB. Together, these institutions bolstered investor confidence and streamlined the pathway

With the presence of more than 700 national and international companies (including names such as Microsoft, Google, Huawei, APNIC, and Kacific Broadband Satellites), 300+ foreign delegates, 18,000+ C-suite attendees, 70,000+ trade visitors, and engagement from 800+ government leaders, the exchange was more than an expo—it was a signal of Pakistan's readiness to play at scale in the global digital economy.

from conversation to contract.

The event provided a dynamic platform for startups to engage with mentors, investors and corporates. Workshops and investor-meet sessions featured strongly, offering new ventures an opportunity to scale, access global capital, and sharpen market fit. Policymakers emphasised that for Pakistan's digital ambitions to realise, the pipeline of innovative firms must be nurtured, resourced and connected.

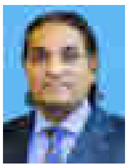
Employment growth and skills enhancement were front of mind. The event spotlighted job-creation potential in software development, AI, fintech, telecom and digitisation services, while industry-academia sessions sought to align workforce training with market demand. The government laid out targets, including equipping one million youth with IT skills this year, and raising annual IT export revenues to more than US$5 billion. 5G rollout across seven cities, and multiple under-sea cable landing stations, were also flagged as critical infrastructure enablers.

With the presence of more

than 700 national and international companies (including names such as Microsoft, Google, Huawei, APNIC, and Kacific Broadband Satellites), 300+ foreign delegates, 18,000+ C-suite attendees, 70,000+ trade visitors, and engagement from 800+ government leaders, the exchange was more than an expo—it was a signal of Pakistan's readiness to play at scale in the global digital economy. Deals announced included major partnerships across local and foreign firms: for example, alliances between P@SHA and CITADEL; TimeTrax and Thal Limited; Nescop Technologies and Spotcomm Global; and others in cyber-security, satellite communications and fintech.

Beyond the deals, the political and strategic framing of the event was significant. The Ministry of IT & Telecom emphasised that the sector is now a strategic pillar of Pakistan–Saudi Arabia ties, shifting the narrative beyond trade and into cooperation. Infrastructure initiatives flagged at the event included multiple submarine-cable landings, spectrum expansion (20 MHz toward 100 MHz), and authorising satellite-internet services to meet rising demand. On governance, the government aims to complete first-phase digitisation of its systems this year and launch a national AI & cyber-security training programme, targeting half a million to one million youth.

The 20%-annual growth figure cited for the IT sector reflects a promising trajectory, as macroeconomic stabilisation—lower inflation, shrinking investor anxiety and renewed growth visibility—creates a more favourable investment climate. Karachi was reaffirmed as the engine of Pakistan's economic development, underscoring the city's centrality in the tech and startup ecosystem. Yet, sustaining momentum will depend on follow-through: translating expo buzz into executed contracts, ensuring regulatory clarity (especially in fintech, virtual assets and open APIs), and bridging the gap between policy targets and delivery. The regulatory shifts flagged—such as the Virtual Assets Act, the creation of a Crypto Council, and the State Bank's CBDC pilot—signal that the fintech agenda is maturing.



The writer is a PhD Scholar in Project Finance Management, from COMSATS University. He is currently a Director in Public Communication Unit in SIFC

Pakistan's Journey Towards Food Security

In agriculture and food production, the focus is shifting from short-term productivity to sustainability and equity.

Jointly contributed by WFP, IFAD and FAO

Pakistan's journey toward food security and sustainable agriculture is one of resilience and reform, shaped by close collaboration between the Government of Pakistan and the Food and Agriculture Organization of the United Nations. This partnership reflects a shared commitment to transforming food systems so they can withstand shocks, serve people equitably, and contribute to long-term prosperity. FAO's role is to provide technical leadership, evidence, and innovation, while national institutions ensure that strategies translate into concrete outcomes through public systems and local implementation.

This collaboration has become more strategic in recent years, aligning with national priorities under the Country Programming Framework and focusing on four critical areas: food security, climate resilience, livestock health, and inclusive rural development.

In agriculture and food production, the focus is shifting from short-term productivity to sustainability and equity. FAO is supporting national and provincial authorities to strengthen policy coherence, promote climate-smart agriculture, and improve water management across major cropping zones. Efforts are directed at modernizing data systems, improving on-farm efficiency, and providing farmers with timely information to manage risks. By promoting sustainable land and water management and integrating innovation into extension services, smallholder farmers are being enabled to increase yields while conserving resources. These interventions not only enhance productivity but also contribute to climate adaptation and environmental stability.

Livestock, which contributes significantly to the national economy and rural livelihoods, is another cornerstone of this transformation. Strengthening disease surveillance, improving veterinary services, and building laboratory capacity are key priorities. FAO's technical support to the government has focused on introducing standardized surveillance frameworks and enhancing coordination among federal and provincial authorities. By reinforcing early detection and response to animal diseases, Pakistan is better positioned to

FAO is supporting national and provincial authorities to strengthen policy coherence, promote climate-smart agriculture, and improve water management across major cropping zones.

protect public health, safeguard exports, and sustain livelihoods dependent on livestock production.

Food security, however, extends beyond production. It is also about access to healthy, safe, and affordable food for all. FAO's studies and data have highlighted that while nutritious food is available in Pakistan, affordability remains a major barrier. Together with the rest of the United Nations, FAO is therefore supporting the government to address both supply and demand factors simultaneously. On one hand, interventions aim to diversify local food systems by improving the production and availability of nutritious foods such as vegetables, pulses, small livestock, dairy, and fish. On the other, efforts are being made to integrate nutrition objectives into social protection mechanisms so that assistance leads to better diets, not just higher consumption. Strengthening national food control systems and consumer protection frameworks further ensures that the food reaching households is safe, trusted, and of good quality.

Pakistan's food systems transformation also depends on how effectively innovation and opportunity reach its people, particularly youth and women. For young people, the goal is to make agriculture dignified and relevant in a modern economy. FAO is working with institutions to promote digital solutions, precision agriculture, and agripreneurship, helping youth view farming not as a fallback but as a forward-looking profession. By improving access to

information, technology, and training, rural youth are being equipped to apply modern techniques that increase productivity while protecting natural resources.

For women, empowerment requires dismantling long-standing structural barriers. Women make up the majority of Pakistan's agricultural labor force, yet often lack access to land, credit, technology, and training. FAO's gender transformative approach ensures women's active participation in every stage of programme design and implementation. Across rural areas, women are receiving support to enhance their skills in production, processing, e-commerce and marketing. They are also being connected to financial services, digital tools, and leadership networks that strengthen their decision-making roles in households and communities. The results go beyond income generation: when women have greater control over resources, households become more food secure, children eat better, and communities become more resilient to crises.

Building resilience to external shocks, whether from climate events, market volatility, or global crises, remains at the core of FAO's work in Pakistan. When devastating floods hit Pakistan in 2022, this framework guided a rapid, coordinated response. Working through government systems, FAO helped assess damages, restore agricultural livelihoods, and safeguard livestock health for affected farm families. The experience reaffirmed that resilience cannot be built through isolated interventions; it must be embedded in systems, policies, and institutions that respond swiftly and inclusively.

Water scarcity, rangeland degradation, and extreme weather events continue to threaten livelihoods, particularly in arid and semi-arid regions. FAO's collaboration with government focuses on strengthening the governance of land and water resources, expanding early warning systems, and linking agriculture to social protection mechanisms. By integrating anticipatory action into disaster management, communities are now better equipped to act before crises escalate, protecting assets and ensuring faster recovery.

This integrated approach, linking climate adaptation, food safety, animal health, and inclusive development, is transforming Pakistan's food systems from the ground up. The focus is no longer on individual projects but on building systems that are nationally owned, data-driven, and equitable. Partnerships with academia, research institutions, and civil society are reinforcing this approach, creating networks of innovation and accountability that extend from the field to the policy table.

As FAO marks its eight decades of service globally, its partnership with Pakistan reflects a maturing relationship built on trust, shared responsibility, and measurable results. The country's food systems are at a turning point, moving toward sustainability, inclusiveness, and resilience. By supporting the government in strengthening institutions, promoting innovation, and empowering people, FAO continues to

help Pakistan realize a vision where every farmer and every consumer benefits from better production, better nutrition, a better environment, and a better life.

Investing in rural People for a food-secure future

As Pakistan faces rising climate risks, rapid population growth, and persistent rural poverty, food security has become a matter of national urgency. Agriculture remains the backbone of the economy, contributing nearly one quarter of GDP and employing most of the rural population. Ensuring a consistent supply of safe and nutritious food is essential for both household well-being and national stability.

The International Fund for Agricultural Development (IFAD), a specialized United Nations agency and international financial institution dedicated to investing in rural people, has been working with the Government of Pakistan since 1978 to address these challenges. The partnership focuses on building stronger rural economies that can sustain livelihoods, increase food production, and support long-term resilience.

This year's World Food Day theme, "Hand in Hand for Better Foods and a Better Future," reflects the essence of that collaboration. Over more than four decades, IFAD and the Government of Pakistan have jointly implemented 29 projects with a total investment of US$ 3.2 billion, including US$ 928.78 million in IFAD financing. These investments have reached millions of rural households, helping them raise productivity, diversify income, and improve food security.

Building the foundations of food security

Food security in Pakistan depends on the well-being of smallholder farmers, who form the backbone of rural life and local markets. Many face barriers such as limited access to finance, technology, and markets, along with increasing exposure to floods, droughts, and soil degradation. IFAD's approach is centred on helping these farmers increase productivity and profitability through climate-resilient, market-oriented agriculture while supporting landless and ultra-poor households, especially women and youth, to develop sustainable sources of income.

This approach strengthens both the economic and nutritional foundations of rural life. Investments in modern irrigation systems, rural infrastructure, and agricultural diversification have enabled farmers to grow and sell more efficiently. At the same time, targeted initiatives in financial inclusion, WFP is also partnering with IFAD and FAO through the Gwadar–Lasbela Livelihoods Support Project (GLLSP), linking nutrition with climate-resilient livelihoods - to develop sustainable models of decentralized and integrated rural development.

entrepreneurship, and vocational training have helped rural families access opportunities that improve their food security and overall quality of life.

Resilience that protects food systems

The recent floods across Pakistan served as a stark reminder of how climate events can disrupt the country's food systems. Entire communities lost crops, livestock, and income, highlighting the importance of building resilience before disasters occur. IFAD-supported initiatives across provinces are helping rural households prepare for, withstand, and recover from such shocks by improving infrastructure, promoting adaptive farming practices, and encouraging sustainable resource management.

Resilience ensures that food continues to be produced and available even in difficult times. When communities can plan ahead, manage risks, and protect their livelihoods, they contribute to a more stable and secure food system for the entire country.

Inclusion that sustains food security

Women and youth are central to achieving long-term food security. They play key roles in agricultural production, household nutrition, and the innovation that drives rural progress. IFAD's programmes in Pakistan have consistently promoted their participation by expanding access to skills training, financial services, and leadership opportunities.

When women and young people have the resources and support they need, entire communities benefit. Their involvement enhances productivity, strengthens household resilience, and contributes to improved nutrition for families.

Partnerships for a food-secure future

Food security requires cooperation at every level. IFAD continues to work closely with the Government of Pakistan, the Food and Agriculture Organization, and the World Food Programme to align policy guidance, technical expertise, and investments. Together, these efforts help strengthen national food systems, reduce rural poverty, and promote sustainable growth.

Investing in rural people is an investment in Pakistan's

future. When small farmers and rural entrepreneurs can produce efficiently, manage risks, and access fair markets, food becomes more available, affordable, and reliable for everyone. Strengthening rural livelihoods today is the surest path to a food-secure tomorrow.

World Food Day: Ensuring Everyone Has Access to Nutritious Food

There is no shortage of food

in the world today, yet millions of people still go hungry or are malnourished because safe and nutritious food is not available, not accessible or, more often, not affordable. This World Food Day (16 October), we are reminded that the conversation must shift from whether we can grow enough food to whether everyone has access to nutritious food.

In Pakistan, national food production is substantial; the core challenge for many families is not availability but access – economic, geographic and social barriers that leave nutritious food out of reach for the poorest and the most vulnerable. As a result, 40 percent of children suffer from stunted growth. Addressing this gap requires public systems operating at scale to ensure no one is left behind. Pakistan has built one of the region's largest social register and social protection systems to reinforce accessibility through the Benazir Income Support Programme (BISP), which provides a powerful platform to reach the most vulnerable. Building on the strong foundation laid by BISP, and implemented with the support of WFP, UNICEF and WHO, the Benazir Nashonuma programme has delivered some of the strongest results ever documented globally for a nutrition intervention – with measurable impact on both child survival and growth.

Results are striking: the prevalence of stunting at six months of age is 20 percent lower among Nashonuma beneficiaries compared to non-beneficiaries.

WFP is also partnering with IFAD and FAO through the Gwadar–Lasbela Livelihoods Support Project (GLLSP), linking nutrition with climate-resilient livelihoods - to develop sustainable models of decentralized and integrated rural development.

School meals programmes are another strategic pathway for nutritious food accessibility: they ensure children can receive at least one nutritious meal per day, bring children back to school, improve learning and create predictable demand that supports local food economies. In a country where 25 million children are out of school, such programmes are a powerful incentive for enrolment and attendance, offering both immediate nourishment and a long-term investment in human capital. WFP is convening partners and supporting the national dialogue to expand sustainable school meals models across Pakistan, and supporting provincial governments to design and scale up their school meal programmes.

As climate and economic pressures intensify, on this World Food Day, our ambition is clear: supporting governments to build national systems that guarantee access to nutritious food – for everyone. This means investing in shock-responsive social protection and building climate-resilient systems and communities that can withstand future crises. Above all, it means investing in people and systems – the foundation of a sustainable, food- and nutrition-secure Pakistan.

From left to right: Fernanda Thomaz da Rocha, Country Director and Representative, International Fund for Agricultural Development (IFAD); James Robert Okoth, Officer-in-Charge, Food and Agriculture Organization of the United Nations (FAO); and Coco Ushiyama, Country Director and Representative, World Food Programme (WFP).

Prime Minister Muhammad Shehbaz Sharif, Field Marshal & Army Chief Syed Asim Munir Ahmed, Federal Minister Planning Ahsan Iqbal, Federal Minister Petroleum Ali Pervaiz Malik & other dignitaries are at the inaugural ceremony of Geo-science Advance Research Laboratories

Chairman Senate Syed Yousaf Raza Gilani extending an invitation to H.E. Saqr Ghobash, Speaker of the United Arab Emirates Federal National Council (FNC) to participate in the upcoming Inter-Parliament Speakers' Conference (ISC)

Deputy Chairman Senate, Syedaal Khan in a group photo with the position holders at Prize Distribution Ceremony of the Final of Boys Singles at the ITF Pakistan Ali Embroidery Mills International Junior Tennis Championships in Islamabad on November 01, 2025.