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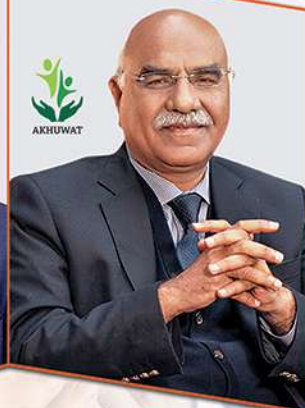
EXCLUSIVE INTERVIEWS



Mr. Samuel Rizk
Resident Representative in Pakistan
United Nations Development
Programme (UNDP)



Dr. Luo Dapeng
Resident Representative in Pakistan
World Health Organization (WHO)



Dr. Amjad Saqib
Chairman
Akhuwat Foundation



Mr. Mohammad Tahseen
Chairman
Pakistan Poverty Alleviation
Fund (PPAF)

Putting People First: Developing Human and Social Capital

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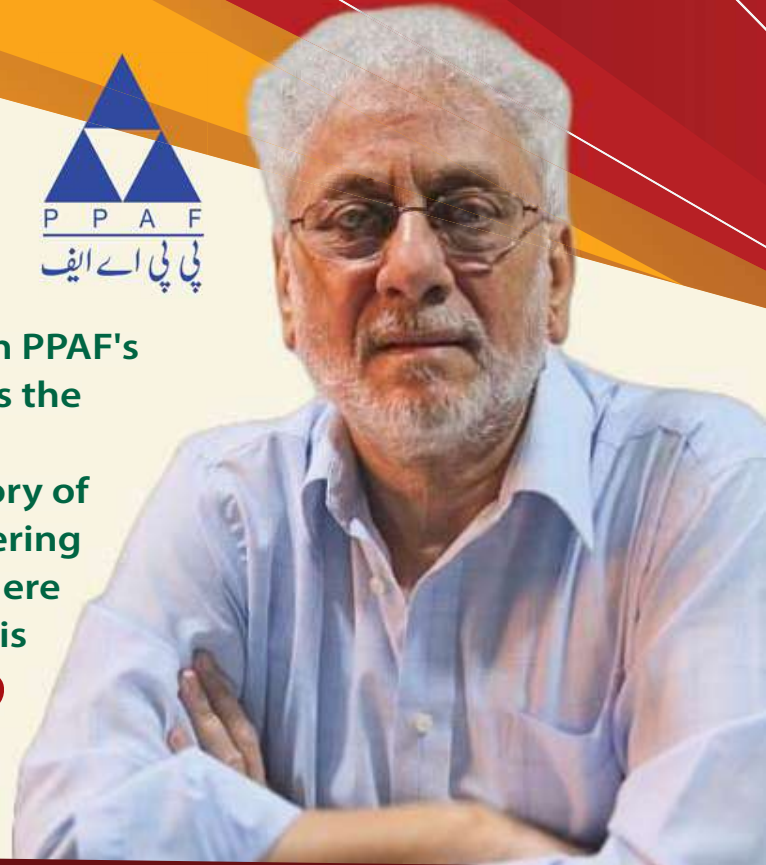
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EXCLUSIVE INTERVIEW



“ Social capital plays a pivotal role in PPAF's poverty alleviation strategy, serving as the foundation for creating inclusive and empowered communities. PPAF's theory of change centers on the belief that fostering organized community institutions, where respect and dignity for all are upheld, is key to strengthening social capital ”

Mr. Mohammad Tahseen Chairman, Pakistan Poverty Alleviation Fund (PPAF)

ICMA: Can you please provide an overview of the ways in which PPAF's initiatives help reduce poverty and promote economic development in Pakistan?

Mohammad Tahseen: The Pakistan Poverty Alleviation Fund (PPAF), established in February 1997 as a not-for-profit company under Section 42 of the Companies Ordinance 1984 (now the Companies Act 2017), is the premier apex institution dedicated to lifting the poor out of poverty through community-driven development. PPAF, established by the Government of Pakistan, is mandated to work as an independent and autonomous entity. Its initiatives focus on achieving sustained socio-economic progress in Pakistan's rural and underserved areas. PPAF receives funding from the Government of Pakistan, prominent international donors, and utilizes its own resources to design and implement projects and initiatives. These interventions are implemented through PPAF's network of partner civil society organizations. Being the only organization in the country with footprint across 150 districts, PPAF is well placed to identify and respond to the needs of the grassroots communities. PPAF works to empower marginalized communities by addressing the root causes of poverty through interventions that go beyond income generation ensuring that communities not only receive immediate support but also build resilience for long-term sustainable socio-economic development. Its

key strategic areas include community empowerment for improving local governance, green growth, climate change and disaster risk reduction, livelihoods, SMEs and value chain strengthening, financial inclusion and services, community critical physical infrastructure, renewable energy, education, health and nutrition.

PPAF's Poverty Graduation Model has been recognized by the Government of Pakistan as a critical exit strategy for its social protection initiatives, as it provides a sustainable pathway to economic self-reliance. The model is designed to help households transition out of poverty and reduce dependence on government social protection programs through consumption support, skills training, asset transfer, savings, access to finance, and business support, ultimately leading to sustainable livelihoods and promoting economic growth. Following this model, 1.22 million interest-free loans worth PKR 41.5 billion under the Prime Minister's Interest-Free Loan (PMIFL) Scheme, along with productive livelihood assets to over 200,000 ultra-poor families, are enabling them to generate sustainable income, improve their living standards, and contribute to the overall economic growth of their communities. Moreover, PPAF actively promotes local arts, folk music, and the celebration of linguistic diversity as a means of empowering the poor and bringing communities together.

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PPAF has invited proposals to revive traditional art and train young artisans in Taxila, showcasing the cultural heritage of one of the oldest Buddhist civilizations in Pakistan.

PPAF has also facilitated skills development training for 1.16 million people, contributing significantly to human capital development—a key driver of long-term economic growth. Furthermore, PPAF has completed 39,700 projects related to health, education, water, and infrastructure. Its relief and rehabilitation efforts in the wake of major natural disasters in Pakistan, including the 2005 earthquake, COVID-19, and the floods since 2010, have benefited over 1.8 million households, helping the most vulnerable groups avoid slipping back into poverty due to the loss of lives, assets, and livelihoods.

ICMA: How does PPAF ensure community engagement and ownership of development projects?

Mohammad Tahseen: PPAF ensures community engagement and ownership by implementing a community-driven development model through its extensive network of partner civil society organizations. With over two decades of experience, PPAF emphasizes that empowering local, community-based institutions is key to driving sustainable and transformative outcomes.

To foster local ownership, PPAF supports its partners in forming community institutions using a three-tiered social mobilization approach. At the grassroots level, rural households are first organized into Community Organizations (COs), which are then federated into Village Organizations (VOs) at the village level. Finally, these VOs are combined to establish Local Support Organizations (LSOs) at the Union Council level. This structure ensures broad representation across religious minorities, people with disabilities, youth, and women,

promoting inclusivity and empowering communities to take charge of their development. What distinguishes PPAF is that these 169,577 community institutions, representing 2.6 million households across 150 districts, lead the process. These institutions identify local needs, advocate for resources, and take responsibility for planning and executing development projects.

PPAF celebrates Pakistan's diversity and supports organizations that promote its rich cultural traditions. Through initiatives that engage with local culture, such as reviving traditional art forms, PPAF fosters community cohesion while elevating the status of women and improving working conditions. These efforts contribute to a peaceful, democratic, and prosperous society.

By leveraging its strong, locally embedded network, PPAF quickly mobilizes communities to ensure swift and effective project implementation. This approach not only accelerates progress but also guarantees that projects are owned and sustained by the communities themselves, making PPAF's interventions both impactful and enduring.

ICMA: In what ways does PPAF work towards empowering women and youth in Pakistan?

Mohammad Tahseen: Women and youth in Pakistan constitute the most vulnerable and underserved populations, facing limited access to education, employment, and essential services. PPAF believes that unless women and youth are equal partners in socio-economic development, Pakistan's progress will remain limited. Empowering women and youth are central to our strategy. Through various interventions, PPAF actively empowers them to combat both economic poverty and the poverty of opportunities. Over 55% of the beneficiaries of the Prime Minister's Interest-Free Loan (PMIFL) are women, and 64% of households receiving productive assets are women-led. In education, 46,784 young girls have enrolled in PPAF-supported schools, and 39,087 young women have been trained in business skills.

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Additionally, 21,930 young women have been empowered to assume grassroots leadership roles through capacity-building initiatives. By focusing on creating skilled, independent social capital, PPAF also works to dismantle the patriarchal cultural practices that hinder poverty alleviation.

PPAF's cultural initiatives, including programs supporting the revival of traditional art, have directly contributed to improving the working conditions of women artisans. These efforts, often led by our Village and Local Support Organizations, are key to fostering a peaceful and prosperous society.

Furthermore, PPAF is offering scholarships and educational opportunities to marginalized youth populations in Balochistan. It is integrating 1,168 Madaaris students into formal education, equipping them with vocational skills for social and economic inclusion. PPAF is also fostering entrepreneurship among male and female youth by providing seed grants, mentorship, and training to startups in Sindh and Balochistan.

ICMA: How does PPAF measure the impact of its poverty reduction initiatives?

Mohammad Tahseen: PPAF measures the impact of its poverty reduction initiatives through a robust framework that integrates evaluation, assessment, and research at every phase of its projects. It has a well-structured Management Information System that helps monitor project progress against defined indicators.

PPAF is a learning organization dedicated to continuously improving its services for marginalized rural communities. From the outset, it has prioritized assessing impact through data-driven insights to guide strategic decisions, optimize resources, and ensure efficiency. A key component of this commitment is regular internal and external impact assessments at various stages of project implementation. These assessments are integral to PPAF's approach, ensuring

that interventions effectively address community needs, measure progress, and inform future strategies. A utilization-focused approach ensures that findings from these impact evaluations shape new initiatives, with continuous feedback loops enabling ongoing refinement.

To this end, PPAF collaborates with leading academic institutions and global organizations to measure the impact of its initiatives. These partnerships have led to high-impact studies, including randomized control trials, which enhance the credibility and effectiveness of PPAF's initiatives. Third-party evaluations by organizations such as Gallup Pakistan and the Independent Evaluation Group (IEG) of the World Bank provide additional layers of transparency and accountability. By embedding impact measurement at its core, PPAF not only tracks its success but also fosters continuous improvement, ensuring its poverty alleviation efforts create lasting change. To date, 62 major assessments and evaluations have been conducted by PPAF's donors to measure the impact of their funded interventions, all of which are available on the PPAF website.

ICMA: What role does social capital play in PPAF's strategy to alleviate poverty?

Mohammad Tahseen: Social capital plays a pivotal role in PPAF's poverty alleviation strategy, serving as the foundation for creating inclusive and empowered communities. PPAF's theory of change centers on the belief that fostering organized community institutions, where respect and dignity for all are upheld, is key to strengthening social capital. These community institutions are built on core values of inclusion, participation, accountability, transparency, and stewardship. This foundation empowers communities to engage with public and private sector institutions and advocate for improved services.



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Semi-feudal and semi-tribal practices present significant obstacles to creating an informed, empowered society. By strengthening social capital, PPAF promotes inclusive practices, challenging these societal norms while equipping communities to collectively address and overcome poverty.

This effort not only tackles material poverty but also the poverty of opportunities, especially for women and youth. PPAF's investments in social capital have enabled communities to influence decision-making, secure better services, and confront challenges collectively. By pooling resources and advocating for their rights, these communities have unlocked access to education, healthcare, and economic opportunities, paving the way for sustainable development.

ICMA: How does the PPAF incorporate climate resilience and sustainability into its initiatives to support human and social capital development?

Mohammad Tahseen: PPAF incorporates climate resilience and sustainability into its initiatives by empowering communities to adapt to environmental challenges and promoting sustainable development practices. Through projects like disaster-resilient infrastructure, renewable energy solutions, and sustainable agriculture, PPAF ensures that communities are better equipped to manage environmental risks. Additionally, capacity-building efforts focus on educating individuals about climate change adaptation and sustainable resource use, helping vulnerable populations improve their resilience.

Also, PPAF integrates climate resilience into its economic development and social programs, ensuring that livelihood activities align with sustainable practices. By collaborating with national and international partners, PPAF aligns its efforts with broader climate strategies, embedding sustainability metrics and monitoring mechanisms across its initiatives. This comprehensive approach strengthens both the economic and social capital of communities, fostering long-term resilience to climate change.

PPAF has made significant strides in disaster preparedness, climate adaptation, and community resilience. It has completed 1,296 flood protection works, provided Community-based Disaster Risk Management

(CBDRM) training to 14,728 individuals, and implemented 38 Drought Mitigation and Preparedness Programs. Following the 2005 earthquake, 122,000 seismically safe homes were built under the Earthquake Reconstruction and Rehabilitation project. Overall, disaster response efforts have benefited 1.5 million households, impacting 11.3 million individuals. In renewable energy, 1,446 projects have been completed, benefiting 582,089 people, 53% of whom are women, and directly assisting 78,242 households. All renewable energy projects remain fully operational and community-maintained, with fossil fuel consumption for lighting eliminated and 46% of households reducing their expenditures by 30%.

ICMA: How does PPAF ensure transparency in its programs?

Mohammad Tahseen: PPAF ensures transparency in its programs through a comprehensive framework of internal and external mechanisms. Rigorous monitoring, auditing, and compliance reviews that assess the effectiveness and integrity of its initiatives are central to this framework. PPAF's internal audit function provides independent evaluations, directly reporting to the Audit Committee, which helps ensure that governance, risk management, and control processes are operating effectively. Continuous performance monitoring by PPAF itself and external auditors plays a crucial role in identifying areas of weakness, helping to mitigate risks and improve program delivery. In addition, external

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assessments and evaluations conducted by third-party entities further reinforce transparency by providing an objective analysis of program outcomes and allowing for continuous refinement of development strategies. Collectively, these measures ensure that PPAF's programs are implemented with a high degree of transparency, enabling impactful and ethical poverty alleviation efforts across its projects, which have totaled over USD one billion to date.

The Editorial Board thanks Mr. Mohammad Tahseen, Chairman, Pakistan Poverty Alleviation Fund (PPAF) for sparing from his precious time to give exclusive interview for Chartered Management Accountant Journal.