

PPAF

An Institution *with* **Future Vision**



PPAF has been pioneering Institution to empowering communities, transforming futures, and driving national poverty alleviation agenda through inclusive, scalable and evidence-based solutions.

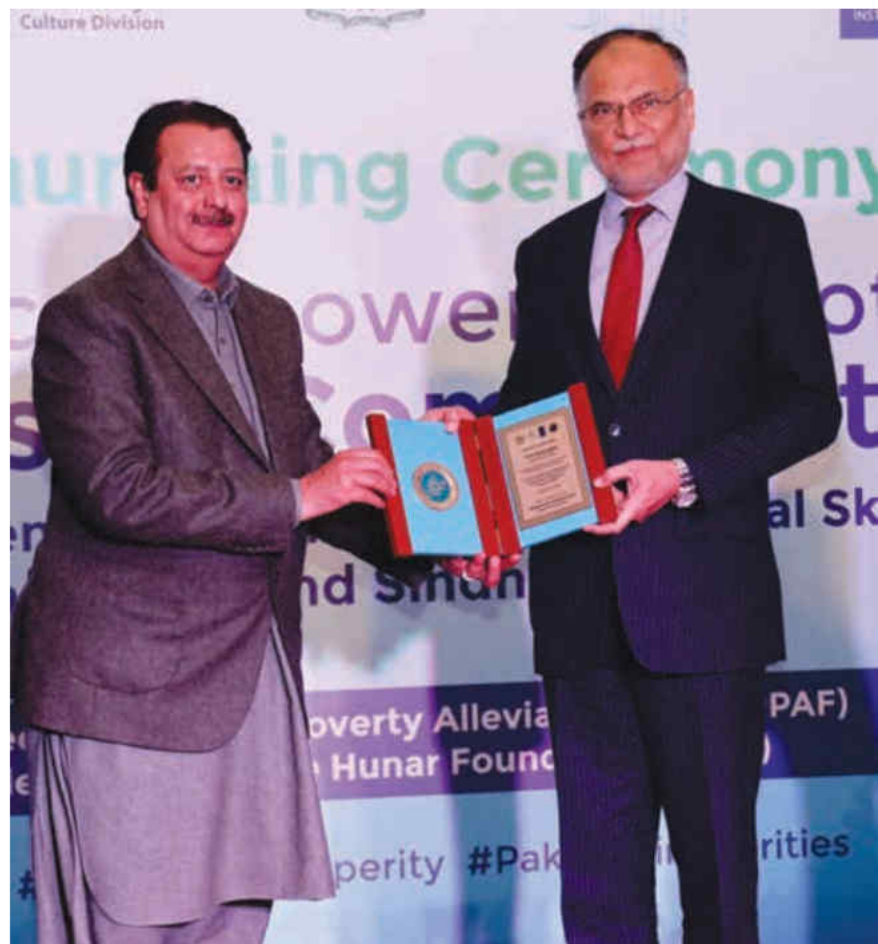
Interview By: Sohail Chaudhry

At the intersection of policy, innovation, and grassroots action stands the Pakistan Poverty Alleviation Fund (PPAF) — an institution quietly but powerfully reshaping the landscape of poverty alleviation in Pakistan. As a national platform with global recognition, PPAF has championed the cause of inclusive development since its inception, anchoring its mission in transparency, autonomy, and evidence-based strategy.

Guided by a 12-member board comprising leading voices from civil society, government, and academia, PPAF operates with integrity and strategic foresight. Its blended finance model, which combines government endowment with multilateral donor partnerships, has unlocked over a billion dollar in development capital—transforming rural economies, empowering women, and bolstering climate resilience.

As Pakistan embarks on bold new national initiatives such as the Uraan Pakistan Plan, PPAF's proven Poverty Graduation Model, vast institutional footprint, and people-first ethos make it a natural partner in delivering scalable, sustainable, and inclusive solutions. What follows is a deep dive into how this pioneering institution is enabling self-reliance at scale.

In this exclusive interview, the CEO of PPAF Mr. Nadir Gul Barech reflects on the institution's genesis, its evolution, and role in shaping a more equitable Pakistan. With the mandate and a governance structure designed to insulate it from political influence, PPAF was envisioned as a professional and independent alternative to conventional poverty programs. Today, it stands as a testament to what can be achieved when public goals are pursued with private-sector efficiency and community-led values.



Here are the excerpts of the interview;

When and why was PPAF established, and how is its governance structured to ensure transparency and autonomy?

The PPAF was established in 1997 as a not-for-profit company under Section 42 of the Companies Ordinance 1984 (now Companies Act 2017) and started operations in April 2000. Conceived under the vision of the then Prime Minister, PPAF was designed to address the limitations of conventional poverty reduction programs

by creating an autonomous, professionally managed, and politically neutral institution. As stated in the original Prime Ministerial Summary, PPAF was intended to function as a legally independent, non-governmental entity that would avoid the inefficiencies of bureaucratic structures and political interference.

PPAF's governance model is grounded in transparency, accountability, and professional oversight. The institution is overseen by a

12-member Board of Directors (BoD), including three nominees from the Government of Pakistan and eight members from civil society, academia, and the professional sector, elected by PPAF's General Body for a three-year term. The Chief Executive Officer serves as the 12th member of the Board. The BoD is supported by five specialized subcommittees: audit, risk management, human resources, executive strategy and design, and search and nomination.

How is PPAF financed, and what enables it to operate as a financially self-sustaining institution?

PPAF's financial sustainability is anchored in a robust and diversified funding structure. At its core is a PKR 1 billion Endowment Fund provided by the Government of Pakistan, invested in Pakistan Investment Bonds (PIBs) to ensure long-term financial autonomy.

Additionally, PPAF has effectively managed PKR 17.56 billion in government-lent funds under World Bank and International Fund for Agricultural (IFAD) supported projects, with 81% already repaid (PKR 14.20 billion) with concessional mark up rate and the remainder being paid on schedule.

Leveraging its strong financial base and high-impact development portfolio, PPAF has mobilized over USD 1 billion from international donors such as the World Bank, European Union (EU), IFAD, United States Agency for International Development (USAID), German Development Bank (KfW), and United Nations High Commissioner for Refugees (UNHCR), as well as major corporate partners. It also co-founded the Pakistan Microfinance Investment Company (PMIC) in 2016, contributing PKR 3 billion in equity (49% shareholding).

PMIC has since extended PKR 31 billion in microfinance loans, reaching more than 848,000 households.

How does PPAF align with the Government of Pakistan's national poverty reduction agenda through the Poverty Graduation Model?

PPAF serves as a key partner to the Government of Pakistan in advancing its poverty alleviation agenda by translating national policy into localized, evidence-driven impact. With outreach in 150 districts nationwide through 163 civil society partner organizations, PPAF ensures last-mile delivery of development interventions across diverse geographies.

Our globally recognized Poverty Graduation Model complements flagship government social protection programs such as Benazir Income Support Programme (BISP) by offering structured and scalable pathways from social assistance to sustainable livelihoods. Customized to Pakistan's context through the Poverty Scorecard, this phased model moves ultra-poor households through targeted support—managing spending, skills training, asset transfers, and financial inclusion—toward lasting self-reliance.

Validated by international studies, including Science journal publication, the

model is cost-effective, flexible, and closely aligned with the Sustainable Development Goals (SDGs). A recent analysis of 334,596 common PPAF-BISP beneficiaries revealed that 108,043 (32%) are ready to graduate from BISP.

As Pakistan embarks on bold new national initiatives such as the Uraan Pakistan Plan, PPAF's proven Poverty Graduation Model, vast institutional footprint, and people-first ethos make it a natural partner in delivering scalable, sustainable, and inclusive solutions.



Through layered targeting system, **PPAF** has mobilized millions of individuals into grassroots community institutions that serve as local delivery platforms for social, financial, and infrastructure services.

What positions PPAF as a natural partner to support the Uraan Pakistan Plan, particularly in poverty reduction, gender empowerment, and climate resilience?

PPAF's community-led, multidimensional development model is fully aligned with the Uraan

Pakistan Plan. With outreach in 150 districts through 163 civil society partners and 171,000 community institutions—63% women membership—PPAF ensures inclusive and targeted delivery at the grassroots level.

Its globally recognized Poverty Graduation Model

supports Uraan's goals of reducing multi-dimensional poverty by 11% and income poverty by 13%. A recent analysis of 334,596 common PPAF-BISP beneficiaries revealed that 108,043 (32%) are ready to graduate from BISP. PPAF has provided 203,500 households with productive economic assets and trained 1.17 million individuals, leading to increased incomes and economic resilience.

PPAF contributes directly to Uraan's targets for gender and youth inclusion—such as increasing female labor force participation by 17% and reducing youth unemployment by 6%—by ensuring that women receive the majority of loans, trainings, and enterprise

support. Around 55% beneficiaries of PPAF's multi-sectoral interventions are women.

On climate action, PPAF's interventions directly support Uraan's adaptation and mitigation objectives. These include construction of 122,000 seismically safe houses post 2005 earthquake, 1,450 renewable energy projects generating 14 Mega Watt (MW) of clean energy, conservation of 2.23 million cubic meters of water, and plantation of 130,000 trees. Flood relief efforts have supported 859,000 households, and emergency responses like the COVID-19 Fund assisted 66,000 households in 20 districts in 2020. These efforts that align with national climate resilience and natural resource management goals and benefiting millions of households.

PPAF's proven models, results-based approach, and national presence position it as a key implementation partner to translate Uraan Pakistan's vision into tangible, inclusive development outcomes.

As a leader in microfinance sector developer, how does PPAF empower the economically excluded?

PPAF has established itself as a key sector developer in financial inclusion by combining innovation, institutional strengthening,



and equitable access to capital. As part of its mission to empower marginalized communities, PPAF has disbursed over 8.4 million microcredit loans, with 60% directed to women and 80% to rural areas, helping low-income households initiate or expand microenterprises and achieve greater financial resilience.

Additionally, under the Prime Minister's Interest-Free Loan (PMIFL) Programme, PPAF has disbursed 3.5 million loans, amounting to PKR

129.19 billion (including reflows), with 56% of the loans provided to women. These initiatives have played a pivotal role in reducing financial exclusion and enabling vulnerable populations to participate in the economy with dignity.

To institutionalize its role in the sector, PPAF launched the Pakistan Microfinance Investment Company (PMIC) in 2016—a strategic spin-off in partnership with KfW and Karandaz, aligned with the State Bank of Pakistan's

financial inclusion agenda. With a 49% equity stake, PPAF enabled PMIC to mobilize over PKR 111 billion (including reflows) in microfinance, reaching 2.1 million clients, 87% of whom are women.

These efforts are integral to PPAF's Poverty Graduation approach, which links financial services with skills training and asset transfers to facilitate long-term economic self-reliance. By integrating community-driven models with institutional innovation, PPAF continues to shape Pakistan's financial landscape—paving the way for inclusive, sustainable economic development.

How does PPAF ensure that the most marginalized and vulnerable are reached effectively?

PPAF adopts a data-driven,

evidence-based approach to ensure its interventions reach the poorest and most vulnerable communities. High-poverty districts are identified using the Geography of Poverty report, which applies a multidimensional deprivation index based on indicators across education, health, living conditions, and asset ownership. This targeting enables focused investment in severely underserved areas.

Within these priority districts, PPAF identifies ultra-poor households using the Poverty Scorecard (PSC)—a simple, transparent, and verifiable targeting tool used by BISP. The PSC applies policy-defined cut-offs and uses a concise set of indicators that field workers can score in real time, allowing for objective identification of the poorest households. It also enables tracking of household

progress over time, aligning well with PPAF's Poverty Graduation model.

Through this layered targeting system, PPAF has mobilized millions of individuals into grassroots community institutions that serve as local delivery platforms for social, financial, and infrastructure services. The approach ensures inclusion of women, youth, persons with disabilities, and disaster-affected populations not just as recipients, but as active agents of change in their communities.

Furthermore, PPAF ensures community engagement and ownership by implementing a community-driven development model projects through its extensive network of partner civil society organizations. So far, PPAF has established 171,000 Community Institutions (CIs), representing 2.67 million households across 150 districts, leading the process.

What is PPAF's contribution to achieving the Sustainable Development Goals (SDGs)?

PPAF plays a vital role in supporting Pakistan's SDG agenda by aligning its institutional strategy with national priorities and partnering closely with the Ministry of Planning, Development and Special Initiatives. Through its Strategy 2021–2025, PPAF contributes directly to 11 SDGs, including those related

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to poverty reduction, gender equality, decent work, quality education, health, clean energy, and climate resilience.

PPAF's community-led development model addresses both economic and social dimensions of poverty. Its efforts in institutional strengthening, livelihood enhancement, and infrastructure development have reached millions, with a strong focus on inclusion and sustainability. By empowering local institutions, supporting productive assets and financial services, and improving access to education, health, water, and energy, PPAF directly advances Pakistan's commitment to the 2030

Agenda.

As a trusted national platform with a broad outreach and strong delivery systems, PPAF remains a key partner in translating SDG commitments into real, measurable impact on the ground.

How does PPAF engage with civil society to strengthen social harmony and promote national unity across Pakistan by commemorating national days?

PPAF is strongly committed to promoting national pride, civic responsibility, and social cohesion through inclusive community engagement. In collaboration with its nationwide network of implementing partners and

thousands of community institutions, PPAF has organized and supported a range of events to commemorate key national days. Most recently, Yaum-e-Takbeer and Yaum-e-Tashakur were celebrated across the country, highlighting Pakistan's resilience, unity, and collective achievements through one voice of civil society and community-led, participatory activities. Overall, 282 events were organized, attended by thousands of individuals, including women, youth, and children. These events were not limited to single-day observances but were marked over extended periods—ranging from 15 days to one month—enabling broader participation and deeper engagement at the grassroots level.

Building on this momentum, PPAF is now celebrating Independence Day and Defence Day under Resilient and Rising Pakistan campaign its program areas, following the same inclusive and extended format. Planned activities include cultural performances, awareness sessions, cheque distribution, tree plantation drive, infrastructure schemes inauguration, certificates distribution, youth competitions, flag hoisting ceremonies, with a strong focus on engaging women, youth, and marginalized groups in meaningful expressions of national solidarity and shared identity.

Below is a summary of national events celebrated and planned through PPAF's partners:

Event	Status	Number of Events	Key Focus
Yaum-e-Takbeer	Celebrated	185	National resilience, unity, and self-reliance
Yaum-e-Tashakur	Celebrated	97	Gratitude for peace, security, and community contributions
Independence Day	Planned	1,322(so far)	Patriotism, cultural expression, youth and women engagement
Defence Day	Planned	1,136 (so far)	Tribute to armed forces, national solidarity, civic pride

Through these wide-reaching and inclusive initiatives, PPAF not only celebrates Pakistan's national milestones but also strengthens its commitment to social unity, community empowerment, and nation-building.

Closing Perspective

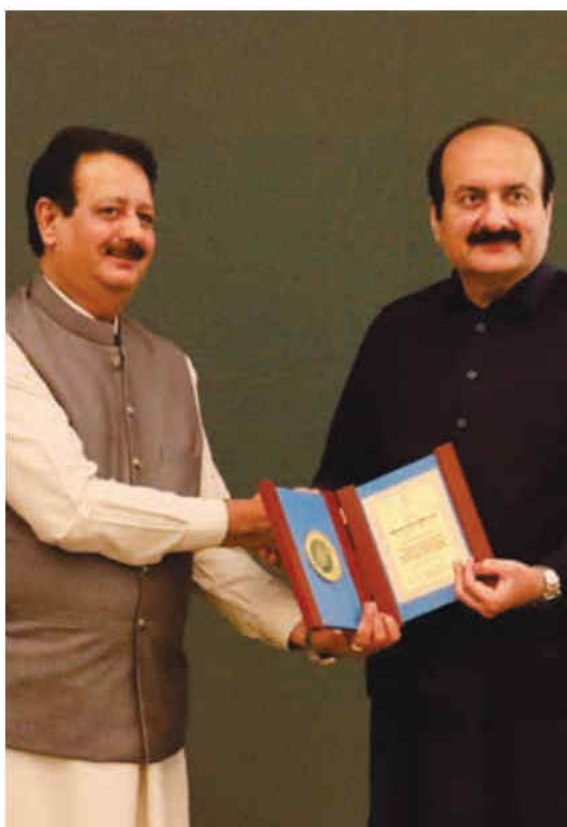
PPAF is proud to be

recognized as a national driver of poverty alleviation and community empowerment.

Our globally recognized Graduation Model, deep-rooted institutional network, and robust evidence base position us to help Pakistan transition from safety nets to sustainable livelihoods.

With the government's increased social protection budget, there is a critical opportunity to scale this model nationwide.

Together, we can build a self-reliant, resilient, and inclusive Pakistan — where prosperity is shared, and no one is left behind.



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