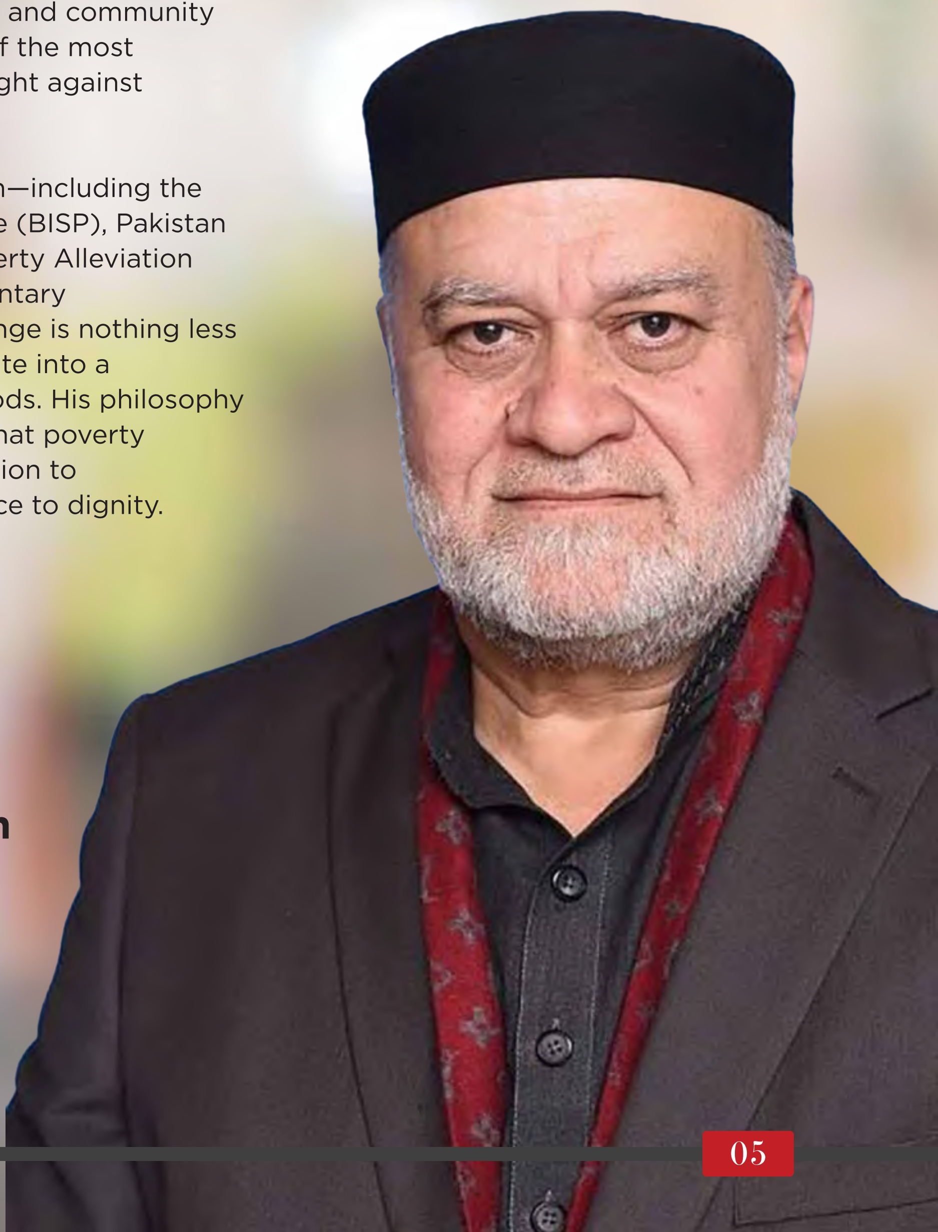
Pakistan's War on Poverty

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

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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

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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.

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.

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.

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.