

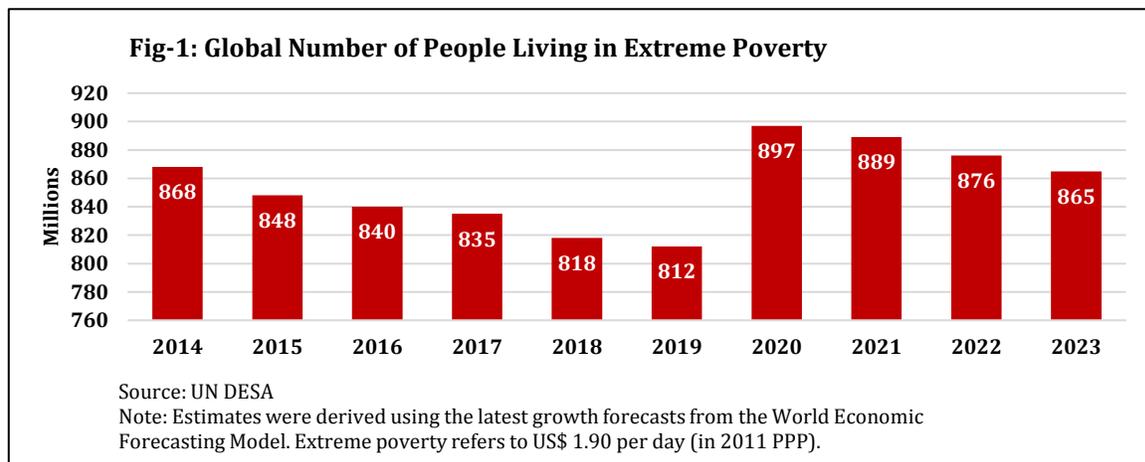
# Social Protection

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The COVID-19 pandemic has significantly increased poverty and inequality globally, causing a substantial reversal in progress towards global Sustainable Development Goals (SDGs). According to latest estimates provided by the United Nations Department of Economic and Social Affairs in the report **“The World Economic Situation and Prospects 2022”**, progress in reducing extreme poverty has been set back by several years in most countries. An unprecedented 85 million more people entered extreme poverty in 2020 globally. The number is projected to remain well above pre-pandemic levels for the next several years, likely at record high for the last decade (figure 15.1). Only slight decline is expected in 2022, to about 876 million people. Fast-developing economies in East and South Asia as well as developed economies will likely see a reduction in poverty in the near term. But it is anticipated to increase further in the world’s most vulnerable economies.

In addition, the capacity to reduce poverty will be largely constrained by insufficient fiscal space across the developing world, the slow recovery of employment in some countries and tightening of global monetary conditions. Extreme weather, wars & conflicts and political fragility could also further affect poverty prospects. The uneven pace of recovery between developed and developing countries will widen income inequality across countries and make it all but impossible to reduce global inequality by 2030, as targeted in the global SDGs.



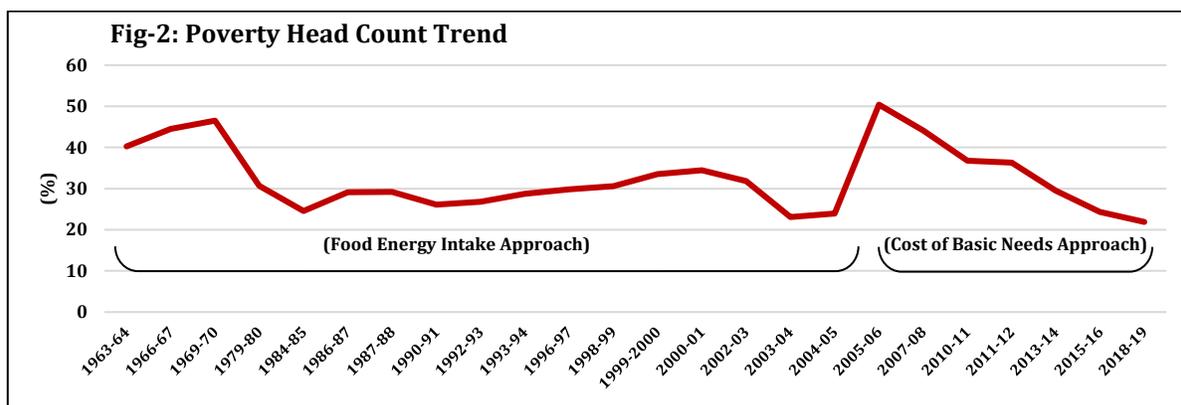
The rise in global fuel and commodity prices has also severely impacted Pakistan’s economy when it was already facing a balance of payments crisis stemming from high food and fuel prices in the world markets. The combined effects of the global food and fuel crises adversely affected the economy resulting in unsustainable current account and fiscal deficits and unprecedented high inflation. The macro-economic crisis in the country necessitated making social protection an urgent priority for the poor and vulnerable segments of society. With the objectives to attain both growth and equity, social protection is the best mechanism available to transfer the benefits of economic progress to the extremely poor and vulnerable people in order to make them part of the overall development process.

Pakistan’s poverty reduction efforts have been widely acknowledged. According to the World Bank report “**Global Social Protection Responses to COVID-19**” Pakistan ranks 4<sup>th</sup> globally in terms of the number of people covered and 3<sup>rd</sup> globally in terms of the percentage of population covered amongst those that covered over 100 million people; the World Bank has stated that only “selected countries have attained impressive six-digit levels” in this regard. Pakistan’s Ehsaas Emergency Cash is one of them that demonstrated how cash transfer programmes can be deployed to counter socio-economic fallouts due to external shocks like COVID-19 which present a long-term predicament. The approach can also address rising inequality and advance attainment of SDGs in a post COVID-19 world.

Pakistan is striving to make progress towards SDGs amid challenges of ensuring quality education, gender equality, skill development, health & sanitation, infrastructure development and job creation. Pakistan is committed to alleviate poverty in line with the SDGs target Goal-1 "No Poverty" in all its manifestations everywhere by 2030. Planning Commission’s poverty estimation is based on Cost of Basic Need approach (CBN) estimated poverty line at Rs 3757.85 per adult equivalent per month. According to this methodology, 21.9% of the population lives below poverty line in FY2019 as compared to 24.3% in FY2016 as per latest Household Integrated Economic Survey 2018-19 used for the poverty estimation. Poverty in both rural and urban areas has also declined as poverty headcount of 11.0% in Urban and 28.2% in rural areas is estimated as given in table-15.1:

<b>Year</b>	<b>Poverty Line</b>	<b>National</b>	<b>Urban</b>	<b>Rural</b>
2005-06	1277.74	50.4	36.6	57.4
2007-08	1543.51	44.1	32.7	49.7
2010-11	2333.35	36.8	26.2	42.1
2011-12	2600.15	36.3	22.8	43.1
2013-14	3030.32	29.5	18.2	35.6
2015-16	3250.28	24.3	12.5	30.7
2018-19	3757.85	21.9	11.0	28.2

Source: Ministry of Planning, Development & Special Initiatives



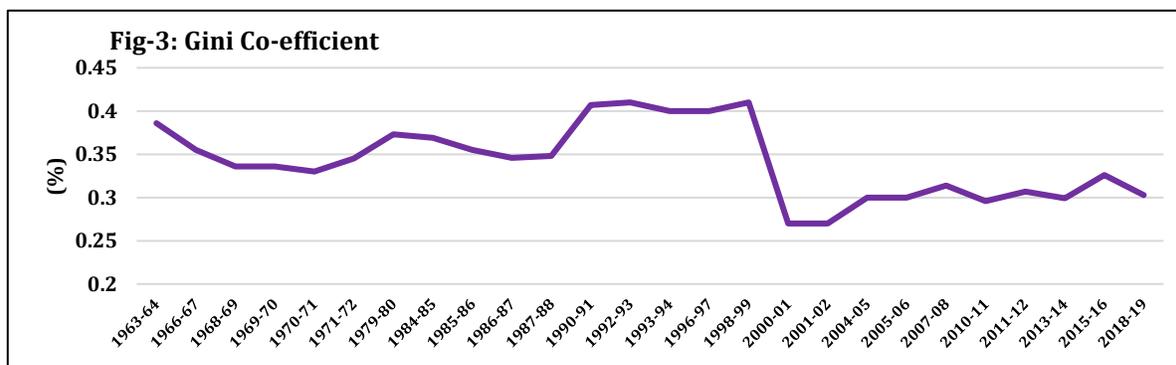
### Income Inequalities:

Income distribution also matters in poverty alleviation. A highly unequal income distribution makes it harder to reduce poverty. Reducing income inequality will increase the numbers who benefit from the same rate of economic growth. Conversely, higher inequality will require even more growth to yield the same reduction in poverty. Over the years, the pattern of income distribution in Pakistan, measured in terms of Gini Coefficient and household income share of the lowest and the highest 20 percent for rural and urban areas has been mixed and moderate. The Household Income and Expenditure Surveys (HIES) undertaken periodically since 1961-64 to 2018-19, provides data for the selected years. The Gini Coefficient of household income had been around 0.35 or below since the 1960s, reaching 0.407 in 1990-91, 0.410 in 1998-99, and after that it started decreasing due to improved poverty situation and reached to 0.30 in 2018-19 as compared to 0.33 in 2005-06. The persistent declined in poverty owing to well targeted poverty reduction programmes by the government as shown in the Table-15.2:

**Table -15.2: Gini Co-efficient adjusted by Hh weights**

Years	Pakistan	Urban	Rural
2005-06	0.330	0.376	0.265
2007-08	0.314↓	0.354↓	0.264↓
2010-11	0.296↓	0.334↓	0.253↓
2011-12	0.307↑	0.351↑	0.250↓
2013-14	0.299↓	0.323↓	0.259↑
2015-16	0.326↑	0.356↑	0.266↑
2018-19	0.303↓	0.328↓	0.248↓

Source: Ministry of Planning, Development & Special Initiatives



### Tracking the Pro-Poor Expenditures:

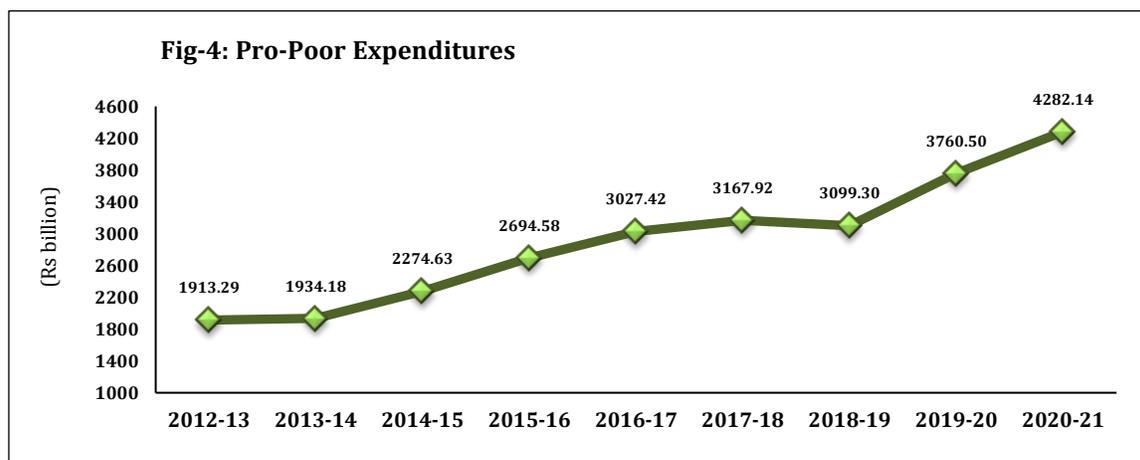
Expenditure on 14 pro-poor sectors is showing increasing trend in absolute terms in pro-poor public expenditure. In 2016-17 it stood at 8.5 percent of GDP, 8.1 percent of GDP in 2017-18, 7.1 percent in 2018-19, 7.9 percent in 2019-20, while it slightly dropped to 7.7 percent of GDP in 2020-21. However, in absolute term it increased to Rs 4,282.14 billion as compared to Rs 3760.50 billion in 2019-20. The PRSP expenditures as percentage of GDP varies due to rebasing of National Accounts from 2005-06 to 2015-16 as shown in Table 15.3 below:

Sectors	2016-17	2017-18	2018-19	2019-20	2020-21*
Roads, Highways & Bridges	526,356	452,463	400,623	342,689	383,961
Environment / Water Supply and Sanitation	72,031	77,932	45,186	70,337	87,149
Education	699,222	829,152	868,022	901,013	988,032
Health	328,962	416,467	421,778	505,411	657,185
Population Planning	20,338	20,451	14,328	11,381	12,761
Social Security & Welfare**	259,455	257,534	173,443	280,258	257,031
Natural Calamities & Other Disasters	27,461	19,062	20,933	72,353	90,683
Agriculture	258,396	277,867	256,697	377,093	328,441
Land Reclamation	2,558	2,730	2,538	2,418	3,054
Rural Development	30,934	42,127	11,958	29,738	49,703
Subsidies	403,139	327,767	387,092	635,816	857,789
Low Cost Housing	422	349	704	1,766	2,242
Justice Administration	41,926	53,461	65,937	72,737	83,397
Law and Order	356,217	390,556	430,063	457,487	480,712
<b>Total</b>	<b>3,027,417</b>	<b>3,167,918</b>	<b>3,099,302</b>	<b>3,760,497</b>	<b>4,282,140</b>
<b>Total as % age of GDP (2015-2016 base)</b>	<b>8.5</b>	<b>8.1</b>	<b>7.1</b>	<b>7.9</b>	<b>7.7</b>

\*: Provisional,

\*\* : Social Security & Welfare includes the expenditure of BISP, SDGs, and PBM.

Source: External Finance Wing, Ministry of Finance



## Social Safety Programmes

Social safety net Programmes provide minimal safeguard to the poor and vulnerable which form an essential element of our poverty reduction strategy. These programmes are in the form of direct cash transfers and other services which include both budgetary and non- budgetary programmes. Budgeted social safety net programmes include Benazir Income Support programme (BISP), Pakistan Bait-ul-Mal (PBM) while Zakat, Employees Old-age Benefit Institution (EOBI), Workers Welfare Fund (WWF) and Pakistan Poverty Alleviation Fund (PPAF) is the non-budgetary part of the programme. Microfinance through specialized financial institutions also provides micro finance services to the needy poor.

**I. Benazir Income Support Programme (BISP):** BISP, a targeted unconditional cash transfer programme, was implemented by focusing on poor women with an immediate objective of consumption smoothing and meeting the targets of SDGs to eradicate extreme & chronic poverty and empowerment of women. BISP provides an extremely important social safety to the poorest segments of the society and its carefully designed schemes add value to the overall mission of empowering women.

### Key Policy Measures/Steps Taken:

#### A. Un-Conditional Cash Transfer (UCT) Programme:

- i) **Expansion of Ehsaas Kafaalat Programme:** BISP is currently disbursing payments to around 5.7 million regular beneficiaries under its Ehsaas Kafaalat Programme. During FY2022, the number of regular beneficiaries has been enhanced to 8.0 million.
- ii) **Ehsaas Cash Assistance Programme Phase-II:** Keeping in view the increase in economic hardships due to the 3rd wave of COVID-19, second phase of Ehsaas Emergency Cash Programme (ECAP-II) has been launched in June, 2021. As of 30-03-2022, an amount of Rs 30.18 billion has been disbursed to 2.50 million additional beneficiaries (other than UCT beneficiaries) @ Rs 12,000/- per beneficiaries to ever-married women of the eligible families having valid CNIC.
- iii) **Emergency Relief Assistance to AJ&K Line of Control (LOC) Affectees:** Families living along the LOC are being provided cash assistance by BISP. Under this programme, additional beneficiaries (other than UCT beneficiaries) are being provided emergency cash assistance @ Rs 24,000/- in two installments of Rs 12,000/- each. As on 31-03-2022, an amount of Rs 251.26 million has been disbursed as 1<sup>st</sup> installment of Rs 12,000/- each to 20,938 beneficiary families.
- iv) **Harnai Earthquake Relief Programme:** In order to mitigate the effects of recent earthquake, BISP provided one-time cash assistance of Rs 12,000/- each, to families belonging to District Harnai appearing in the new database of NSER Survey. Rs 151.88 million was provided to 12,657 beneficiary families @ Rs 12,000/- per beneficiary.
- v) **Emergency Relief Package for Tirah Valley, Khyber District, KPK:** BISP has provided one-time cash assistance of Rs 20,000/- per family to temporary displaced families of Tirah Valley, Khyber District, KPK due to increased militancy/unrest and subsequent operations by Pakistan Army against the terrorists. Under this relief package, Rs 86.86 million was distributed to around 4,343 beneficiary families of

Tirah Valley.

- vi) **Payments Related Grievance Redressal System:** BISP has developed an automated Payment Complaint Management System (PCMS) through which payments related complaints can be launched and resolved in an automated manner. It is used by the BISP's Tehsil offices to register and resolve complaints of the beneficiaries. PCMS has been refined to process all types of complaints reported during field activities. Moreover, the PCMS has also been integrated with Complaint Resolution Mechanisms (CRMs) of BISP partner banks to further enhance the efficiency of complaints resolution mechanism.
- vii) **Financial Inclusion and Financial Literacy Programmes:** In pursuance of Ehsaas Financial Inclusion Strategy, BISP has designed and launched a pilot project for opening of Savings Accounts (Mobile Wallets) and provision of Financial Literacy to Ehsaas Kafaalat beneficiaries. After evaluating the pilot, a detailed road map and action plan will be prepared and Mobile Wallet and Financial Literacy programmes will be launched across the country which will pave the way for formal interaction of Kafaalat beneficiaries with the economy.
- viii) **Hybrid Social Protection Programme (HSP):** BISP is also working on HSP Programme which will blend social assistance with social risk mitigation elements to promote savings that informal sector workers can fall back on in case of shocks, while also providing a platform through which the government can more rapidly deploy additional support during a crisis. The basic model, drawn from global experiences, will be a contributory savings scheme with matching incentives, with a short-to-medium term horizon for withdrawals. The HSP scheme will allow exiting BISP beneficiaries to receive support by way of fiscal incentives to save in a platform created to meet their needs. The scheme will rely on existing institutional capacity and digital for efficient delivery and promoting behavioral change. The programme is currently in design phase with the technical assistance of World Bank, Asian Development Bank and other stakeholders.
- ix) **Indexation of Cash Transfer:** In pursuance to fulfill the requirement under IMF's Extended Fund Facility Program, 2019-20 as well as World Bank's Second Securing Human Investments to Foster Transformation (SHIFT-II) Policy Reform Framework, BISP in coordination with Finance Division and World Bank has developed an institutional mechanism as well as proposal to increase the cash assistance under Kafaalat @ Rs 166.33/- per month or Rs 500/- per quarter w.e.f 1<sup>st</sup> January, 2022 has been approved by the Federal Cabinet.
- x) **Designing of a New Innovated Payment Model:** BISP is striving continuously for improving its payment model and incorporating innovative solutions and new technologies to further improve the service delivery at the beneficiary level. In this regard, BISP has initiated the work for designing a new payment model in consultation with key stakeholders as well as various national and international organizations with experience in designing and executing payment systems, especially in the Social Protection Programmes with particular emphasis on G2P payments.
- xi) **Imported Service Delivery:** BISP is providing assistance and guidance to its beneficiaries regarding all initiatives at tehsil level. BISP has a dedicated call center

to improve service delivery and also address the grievances of the beneficiaries facilitated through Interactive Voice Response System for solution of complaints timely. The call center can be accessed at Toll free number (080026477) from 9 A.M to 5 P.M.

## B. Conditional Cash Transfer (CCT) Programme:

- i) **Conditional Cash Transfer-Education:** The overall objective of this programme is to encourage education of BISP beneficiary families and households through regular cash transfers to invest in human capital development. Since 1<sup>st</sup> July 2021, the scope of work of programme expanded from Primary to Secondary and Higher Secondary level and currently operational in all over the country. Attendance of at least 70 percent for a beneficiary child is mandatory in school/college within a quarter to receive cash transfer from 2<sup>nd</sup> quarter and onwards. So far, 6.52 million children have been enrolled and Rs 25 billion have been paid through Ehsaas Taleemi Wazaif Programme since inception and 3.22 million children have been enrolled and Rs 5.0 billion have been disbursed during FY2022. An amount of stipend rate of students is given as below:

Description	Age Criteria	Per Boy/per quarter (Rs)	Per Girl/Per Quarter (Rs)
Primary Level	4-12 Years	1,500	2,000
Secondary Level	8-18 Years	2,500	3,000
Higher Secondary Level	13-22 Years	3,500	4,000

- ii) **Ehsaas Undergraduate Scholarship Project (EUSP):** Aiming to provide higher education opportunities for 200,000 students (50 percent girls) coming from under-privileged backgrounds having family income of Rs 45,000/- per month or less of the applicant student, the 4-year Ehsaas undergraduate scholarship programme worth Rs 24 billion was launched in 2019. The project envisages providing merit and need based scholarships over 4-5 years of under-graduate education including tuition fees and stipends to cover living expenses, to study in HEC recognized 135 public sector Higher Education Institutions. During FY2020 and FY2021, Rs 13.2 billion were disbursed against 1,38,133 scholarships awarded to deserving students. For FY2022, Rs 9.5 billion were allocated and 122,000 applications have been received and its screening process will soon begin.
- iii) **Conditional Cash Transfer (CCT)- Health & Nutrition:** BISP has designed a CCT intervention in August, 2020 to increase the uptake of Health & Nutrition services of its beneficiaries. The primary objectives of the programme is to prevent stunting in children under two years of age, improved weight gain of pregnant women during pregnancy, reduce anemia and micronutrient deficiencies and prevent low birth weight. World Food Programme is the lead implementing partner for Ehsaas Nashonuma. 50 Ehsaas Nashonuma Centres across 14 districts are being established countrywide at the district and tehsil level to provide health services and conditional cash transfers under two years old; Rs 1500/- for a boy child and mother, and Rs 2000/- for a girl child mainly to prevent children from stunting growth issue. The total budget of the three-year program is approximately Rs 8.52 billion. Since the inception of this programme, 99,190 beneficiaries have been enrolled and Rs 310.81 million has been disbursed till March FY2022.

**National Socio-Economic Registry (NSER):** BISP has completed a nationwide assessment of socio-economic and poverty condition of households through data collection of door-to-door (D2D) during the current fiscal year. BISP has enumerated approximately 34 million households depicting 104% coverage based on the 2017 National Census caseload. After completing D2D survey, now BISP is transitioning this NSER registry into a Dynamic Registry capable of updating the existing database with regular registration and updating household information of existing households. The Dynamic Registry is cost-effective as it evades the cumbersome cost of D2D Surveys for carpet coverage of households.

The registry is currently being validated against NADRA citizen registry records. As of now, all household records have been validated from NADRA through API-based validation mechanism. All CNICs are validated for the authenticity of the information. Once, the records are validated, poverty scores for households are calculated using Proxy Means Test (PMT) approach, and households with scores of 32 and below are considered potential beneficiaries.

During the outgoing fiscal year, the operationalization of NSER Registration Desks network has been increased to over 500 NSER Registration Centres, which are established at the Tehsil level in the entire country. These centres are established to redress citizens' grievances, including households who were missed out during the door-to-door coverage or households who are required to provide additional information/update existing data based on identified discrepancies.

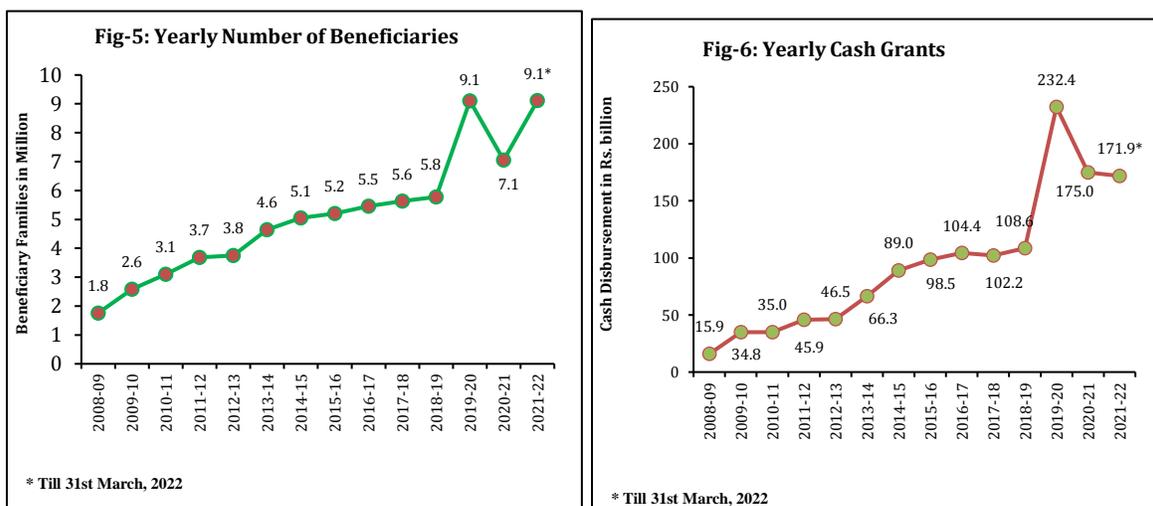
#### **BISP Financial Progress:**

Since its inception, BISP has managed to disburse Rs 1,326.27 billion to UCT and conditional cash grants. The year-wise released and disbursement on CCT and UCT grants are reflected in Table- 15.4 and Fig-5 & Fig-6:

Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries (million)
		Conditional Cash Transfer (CCT)	Unconditional Cash Transfer (UCT)	Total (UCT+CCT)	
2008-09	15.32	0.04	15.81	15.85	1.76
2009-10	39.94	2.89	31.94	34.83	2.58
2010-11	34.42	5.30	29.66	34.96	3.10
2011-12	49.53	4.28	41.60	45.88	3.68
2012-13	50.10	3.17	43.30	46.47	3.75
2013-14	69.62	1.20	65.11	66.31	4.64
2014-15	91.78	0.45	88.59	89.04	5.05
2015-16	102.00	1.88	96.65	98.53	5.21
2016-17	111.50	2.27	102.10	104.37	5.46
2017-18	107.00	3.20	99.00	102.20	5.63
2018-19	116.50	4.01	104.60	108.61	5.78
2019-20	243.71	3.70	228.67	232.37	9.10
2020-21	194.29	5.57	169.40	174.97	7.06
2021-22*	187.50	7.96	163.93	171.88	9.11
<b>Total</b>	<b>1,413.21</b>	<b>45.91</b>	<b>1,280.36</b>	<b>1,326.27</b>	-

\*Till 31<sup>st</sup> March, 2022

Source: Benazir Income Support Programme (BISP)



**II. Pakistan Poverty Alleviation Fund (PPAF):** PPAF's mission is to transform the lives of the poor to create a more equitable and prosperous Pakistan. It has outreach in 147 districts across all four provinces and regions of the country, supporting communities to access improved infrastructure, energy, health, education, livelihoods, finance, and develop resilience to disasters. PPAF's approach to graduating households out of poverty contributes directly to SDGs-1 & 8, with the underlying policy objectives being to mainstream the graduation approach as part of the government poverty alleviation agenda, and ensure greater access to finance, especially for women.

Since its inception in April 2000 till March 2022, PPAF has disbursed approximately Rs 237.56 billion to its Partner Organizations (POs) in 147 districts across the country. A total of 8.4 million microcredit loans have been disbursed with 60 percent loans to women and 80 percent financing extended to rural areas. Following are the key achievements under the PPAF:

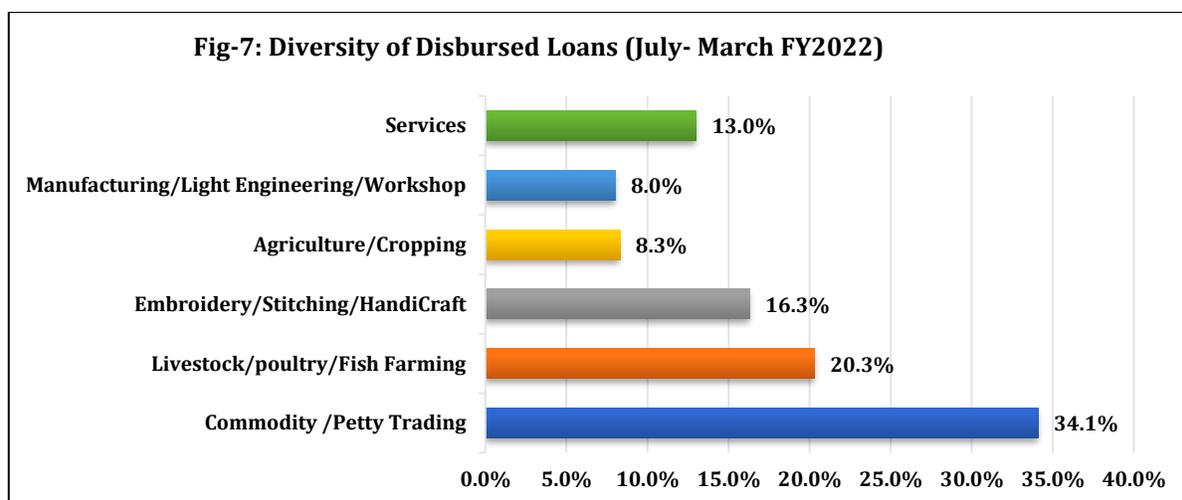
- i) 38,800 health, education, water, and infrastructure projects completed;
- ii) 440,000 credit groups and 146,900 community organizations formed;
- iii) 1,156,000 individuals (49% women) received managerial and livelihood trainings;
- iv) 196,000 productive assets transferred to ultra and vulnerable poor households (64% women);
- v) Over 2,327,500 interest-free loans (53% women) disbursed through Interest-Free Loan (IFL) Programme;
- vi) 26,000 individuals including women and youth trained on enterprise development under Waseela-e-Haq National & Waseela-e-Haq Sindh programmes of the BISP facilitated in establishing their successful ventures;
- vii) 30,800 persons with disabilities rehabilitated.

**Interest-Free Loan (IFL) Programme under PPAF:** The IFL is one of the major components of the initiative being implemented by the PPAF through its 21 partners organisations. The range of interest-free loans is Rs 20,000 – Rs 75,000. As many as 2.8 million interest-free loans will be provided (50,000 loans a month) for the next 4 years to 1.7 million households.

Since inception of the programme in July 2019 till March 2022, a total of 1,805,297 loans (49 percent loans to women) have been disbursed Rs 64.87 billion. During July 2021-March 2022, a total of 389,238 interest free loans (61% loans to women) amounting Rs 14.41 billion have been disbursed to the borrowers. The programme is being executed through 768 Loan Centers/Branches in about 75 districts by 21 partners organisations across the country. The detail of physical progress of IFL programme is given in table below:

Sr. #	Particulars	Progress for July–March FY2022			Cumulative as of March 2022		
		Men	Women	Total	Men	Women	Total
1	Number of loans disbursed to borrowers	153,436	235,802	389,238	919,474	885,823	1,805,297
2	Amount disbursed to borrowers (Rs billion)	5.74	8.67	14.41	35.13	29.78	64.87
3	Number of Loan Centers	768					

The diversity of loans disbursed shows that 34.1% of loans are for commodity/ petty trading, 20.3% for livestock/ poultry/ fish farming, 16.3% for embroidery/ stitching/ handicrafts, 13% for services (barber, carts etc.), 8.3% for agriculture/ cropping, and 8% for manufacturing/ light engineering/ workshop:



During the reporting period, 85.28 percent loans provided in Punjab, 6.53 percent in Sindh, 6.09 percent in KP, 1.31 percent in Balochistan, 0.53 percent in Gilgit-Baltistan and 0.27 percent in Azad Jammu and Kashmir (AJK). Provincial breakdown of loans and amount disbursed is mentioned in table-15.5:

**Table-15.5: Province/Region wise Interest Free Loan (IFL) Progress (July 2021 to March 2022 )**

Province / Region Name	No. of Loans			Amount Disbursed (Rs million)		
	Male	Female	Total	Male	Female	Total
AJK	66	730	796	3.00	35.21	38.21
Balochistan	3,061	754	3,815	160.88	27.71	188.59
GB	537	901	1,438	28.39	47.48	75.87
Khyber Pakhtunkhwa	13,674	11,227	24,901	541.57	336.29	877.86
Punjab	130,772	202,892	333,664	4,793.69	7,498.78	12,292.47
Sindh	5,326	19,298	24,624	216.44	724.60	941.04
<b>Total</b>	<b>153,436</b>	<b>235,802</b>	<b>389,238</b>	<b>5,743.96</b>	<b>8,670.07</b>	<b>14,414.03</b>

Source: Pakistan Poverty Alleviation Fund, Islamabad.

### Financial Progress of the PPAF

During July-March FY2022, PPAF disbursed Rs 2,112.70 million to its Partner Organizations for various programmes funded by Donors and PPAF's own resources. The component-wise financial progress update is given in the table-15.6:

**Table-15.6: PPAF Disbursement by Operating Units/Special Initiatives** (Rs million)

Sr #	Programme Components	Amount Disbursed
1	Institutional Development/Social Mobilization (ID/SM)	191.15
2	Livelihood Enhancement and Protection (LEP)	1,606.35
3	Water and Infrastructure (W&I)	156.74
4	Education, Health and Nutrition (EHN)	19.34
5	Interest Free Loans (IFL)	139.12
<b>Total</b>		<b>2,112.70</b>

Source: Pakistan Poverty Alleviation Fund, Islamabad.

During the reporting period, a total of 1,626 community institutions were formed and 8,804 community and PO staff members were trained (74% women) under the ID/SM component. Similarly, under the LEP component, 24,176 individuals (85% women) received skills and entrepreneurial trainings and 15,551 productive assets (95% to women) were transferred to ultra and vulnerable poor households. A total of 09 Water and Infrastructure sub-projects were completed benefitting 10,040 persons (including 51% women). A total of 389,238 (61% loans to women) loans were disbursed through the IFL Programme.

Overall, these projects and interventions benefitted around 389,238 poor and marginalized segments of the society during the July-March FY2022. The highlights of physical progress are given in table-15.7:

**Table-15.7: Physical Progress Update (July - March FY2022)** (Numbers)

Programme Components	Physical Progress
<b>Institutional Development and Social Mobilization:</b>	
▪ Community Institutions Formed	1,626
▪ Community and PO staff trainees (74% women)	8,804
<b>Livelihoods Enhancement and Protection</b>	
▪ Individuals received skills/entrepreneurial training (85% women)	24,176
▪ Productive assets transferred to ultra and vulnerable poor (95% women)	15,551

<b>Table-15.7: Physical Progress Update (July - March FY2022)</b>		(Numbers)
<b>Programme Components</b>	<b>Physical Progress</b>	
<b>Water and Infrastructure Sub-projects:</b>		
▪ Sub-projects completed	9	
▪ Sub-projects beneficiaries (51% women)	10,040	
<b>Interest Free Loans Scheme</b>		
▪ Number of Interest Free Loans (61% women)	389,238	
Source: Pakistan Poverty Alleviation Fund, Islamabad.		

### Other Key Achievements and Initiatives during FY2022

In addition to the above, following key achievements were made by the organization during the reporting period:

- ⊙ PPAF qualified for the Pakistan Centre for Philanthropy (PCP) certification, valid for three years, for demonstrating excellence in its programme delivery and management.
- ⊙ The United Nations High Commissioner for Refugees (UNHCR) has awarded Pre-Qualified for Procurement (PQP) status to PPAF. Valid till December 31, 2025, the status authorizes PPAF to carry out procurement activities for UNHCR funded programmes at the national level.
- ⊙ PPAF dedicated Rs 9.0 million of its own resources to provide immediate relief assistance to the poorest communities severely affected by the earthquake in District Harnai. Emergency assistance included food, non-food items and shelter to 100 families in the worst-hit areas in the district.
- ⊙ PPAF signed an agreement with the Planning and Development Department, Government of Gilgit-Baltistan (GB), to reduce poverty and enhance socioeconomic development in far flung areas of GB under collaborated development initiatives.
- ⊙ A 120 KW solar lighting system was recently inaugurated by First Secretary, Embassy Federal Republic of Germany, Director, KfW Islamabad along-with PPAF's partner organization implementing the project in village Jabba of district Swabi.
- ⊙ PPAF signed MoUs with top financial institutions (FIs) to ease access to financing for Micro, Small and Medium Enterprises under the EU funded Growth for Rural Advancement and Sustainable Progress programme. MoUs were signed with Asia Insurance Company, Askari Bank Limited, Mobilink Microfinance Bank Limited, The First Microfinance Bank Limited and the Zarai Taraqati Bank Limited in December 2021.

**III. Microfinance Initiatives:** The Pakistan Microfinance Network (PMN) is the national association for retail players in the microfinance industry with a membership of 46 Microfinance Providers including Microfinance Banks (regulated by SBP) and Non-Bank Microfinance companies (regulated by SECP).

The microfinance industry broadly provides services in three categories of micro-credit, micro-savings, and micro-insurance. As shown in Table 15.8, the sector continued an upward trend. The micro-credit outreach witnessed 16 percent growth with active

borrowers touching 8.1 million during the year 2021, while the gross loan portfolio registered 21 percent growth reaching Rs 393 billion during the same year. Micro-savings, on the other hand, posted a growth of 23 percent under active savers increased to over 78.7 million and the value of their savings reached to Rs 422.5 billion, an increase of 13 percent over the corresponding year. Moreover, micro-insurance also remained positive wherein the number of policyholders increased by 12 percent touched to 8.2 million, whereas sum insured posted a robust growth of 30 percent reached to Rs 319 billion.

**Table 15.8: Active Borrowers, Active Savers, and Active Policyholders**

Details	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (Rs million)	Active Savers	Value (Rs million)	Policy Holders	Sum Insured (Rs million)
2021*	8,122,085	392,585	78,731,952	422,547	8,228,178	319,255
2020*	7,005,885	324,155	64,112,657	374,362	7,324,379	244,650
Increase/decrease (Net)	1,116,200	68,429	14,619,295	48,185	903,799	74,604
Increase/Decrease (%)	16%	21%	23%	13%	12%	30%

\*: Calendar Year

Source: Pakistan Microfinance Network

The microfinance sector in Pakistan has been dedicated towards improving access to economic opportunities and growth for the marginalized segments of the population. Improving access to financial services is inadequate without considering social and developmental areas of improvement. These areas have been a priority for Microfinance Providers (MFPs) as evidenced by their engagement in a number of social and development initiatives like increasing access to financial services, development of start-up and existing enterprises, poverty alleviation, employment generation, and promoting gender equality.

It is provided as a package through Microfinance Banks (MFBs), Microfinance Institutions (MFIs), Rural Support Programmes (RSPs) and Others including Commercial Financial Institutions (CFIs) and Non-Government Organizations (NGOs). Table-15.9 presents the number of micro-credit beneficiaries with outstanding loan portfolios and disbursements by loan providers upto December 2021.

**Table 15.9: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement as of Dec. 2021**

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
<b>Total for Pakistan MF sector</b>	<b>8,122,085</b>	<b>392,584,787,202</b>	<b>4,758,134</b>	<b>134,615,948,880</b>
<b>MFBs</b>				
Apna Microfinance Bank	111,177	11,997,793,718	118,474	15,413,106,287
Advans Pakistan	15,059	2,494,002,192	4,275	956,096,984
FINCA Microfinance Bank	202,094	19,695,729,435	31,639	4,525,373,263
HBL Microfinance Bank Limited	554,520	59,244,623,755	129,828	19,096,480,461
Khushhali Bank	806,434	72,513,039,269	111,582	16,889,052,839
Mobilink Microfinance Bank	2,018,447	38,369,832,811	3,180,599	13,382,574,633
NRSP Bank	316,231	30,847,512,808	76,508	8,447,299,810
Pak Oman Microfinance Bank	55,981	5,583,519,184	16,662	1,784,763,722
Sindh Microfinance Bank	53,993	962,406,040	14,037	431,250,532
Telenor Microfinance Bank Limited	177,987	11,796,070,764	136,670	4,154,411,381
U Microfinance Bank	346,390	36,411,344,571	25,659	4,579,787,369
<b>Total for MFBS</b>	<b>4,658,313</b>	<b>289,915,874,547</b>	<b>3,845,933</b>	<b>89,660,197,282</b>

**Table 15.9: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement as of Dec. 2021**

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
<b>MFIs</b>				
Agahe Pakistan	41,940	1,116,906,322	13,894	572,686,705
Akhuwat Islamic Microfinance	725,633	21,611,817,412	137,407	6,057,430,900
CSC Empowerment & Inclusion Programme	45,628	1,676,869,596	10,737	598,327,662
Damen Support Programme	125,013	4,135,515,772	30,825	2,065,600,000
FFO Support Program	38,197	907,878,721	10,292	535,344,060
JWS Pakistan	105,342	3,348,096,049	32,461	1,847,865,000
Kashf Foundation	574,996	17,952,336,037	178,235	8,830,035,000
Mojaz Support Program	40,080	893,381,021	6,097	353,690,000
Organization for Poverty Reduction & Charitable Trust	20,677	480,126,914	5,062	234,470,000
OPD Support Program	5,215	90,863,449	1,001	42,080,000
Rural Community Development Programs	154,553	5,530,032,110	38,262	2,476,981,880
Sayya Microfinance Company	7,489	206,556,983	3,261	126,110,000
Safco Support Foundation	110,773	3,164,509,110	22,418	1,354,486,600
Shah Sachal Sami Foundation	3,629	148,500,250	420	39,800,000
Soon Valley Development Program	10,125	286,134,375	2,045	108,222,700
Taleem Finance Company	305	163,526,792	327	213,299,691
Villagers Development Organization	1,872	31,920,356	172	9,092,000
<b>Total for MFIs</b>	<b>2,011,467</b>	<b>61,744,971,269</b>	<b>492,916</b>	<b>25,465,522,198</b>
<b>RSPs</b>				
Ghazi Barotha Taraqiati Idara	23,527	347,640,858	4,938	134,265,000
National Rural Support Programme	698,689	19,626,620,078	195,037	9,358,855,100
Punjab Rural Support Programme	42,818	1,137,756,893	11,997	507,375,000
Sindh Rural Support Organization	80,716	1,995,522,561	21,682	797,400,000
Sarhad Rural Support Programme	6,737	153,794,000	2,080	81,529,000
Thardeep Microfinance Foundation	86,666	3,483,863,227	13,937	1,016,172,300
<b>Total for RSPs</b>	<b>939,153</b>	<b>26,745,197,617</b>	<b>249,671</b>	<b>11,895,596,400</b>
<b>Others</b>				
ASA Pakistan	512,309	13,994,789,802	169,614	7,594,633,000
MCB Islamic Bank	843	183,953,968	-	-
<b>Total for Others</b>	<b>513,152</b>	<b>14,178,743,770</b>	<b>169,614</b>	<b>7,594,633,000</b>

Source: Pakistan Microfinance Network

**IV. Zakat:** Zakat is an important institution in an Islamic economic framework for poverty alleviation and economic welfare. In Islam, Zakat is a religious obligation to pay a part of wealth and production to the government. Zakat has emerged as the government's central programme of social safety instruments. However, its potential and scope in fighting poverty is yet to be fully realized. The federal government is responsible for the collection of Zakat and its distribution to the provinces/federal areas in accordance with the Zakat distribution formula approved by the Council of Common Interests (CCI). A total amount of Rs 6,190.37 million has been distributed during FY2022 as per details given in Table 15.10:

<b>Table 15.10: Disbursement of Zakat</b>		(Rs million)
<b>Federal Areas/ Provinces</b>	<b>% Share</b>	<b>Allocated/Released Budget2020-21</b>
<b>Federal Areas</b>	7% of total Zakat Collection is distributed amongst federal Areas	
ICT	35.14% of 7%	152.271
Gilgit-Baltistan	18.57 % of 7%	80.469
KPK (FATA)	46.29 % of 7%	200.587
	<b>Total Federal</b>	<b>433.327</b>
<b>Provincial</b>	Share of provinces after deduction of above federal payments	
Punjab	57.36 % of 93 %	3,302.240
Sindh	23.71 % of 93 %	1,364.995
Khyber Pakhtunkhwa	13.82% of 93 %	795.623
Balochistan	5.11 % of 93 %	294.185
	<b>Total Provincial</b>	<b>5,757.043</b>
	<b>G. Total</b>	<b>6,190.370</b>

Source: Poverty Alleviation and Social Safety Division

**V. Pakistan Bait-ul-Mal (PBM):** The PBM was established for assistance to destitute and needy widows, orphan, invalid, infirm and such other persons and thereby save from hardship and suffering and to enable them to lead an honorable life in the society. During FY2022, Rs 6.505 billion has been allocated to PBM for its following core projects/schemes is as under.

a). **Individual Financial Assistance (IFA):** Through IFA, poor, widows, destitute and orphans are supported for medical treatment, education and general assistance. PBM has envisioned providing Wheel Chairs to every disabled person in the country. A family having two or more special (disabled) children has been declared “special family” and is benefited with Rs 30,000/- annually, whereas the family with two special children are being provided financial assistance of Rs 60,000/- per annum. From July-March FY2022, an amount of Rs 1.5 billion has been disbursed.

b). **Schools for Rehabilitation of Child Labour (SRCLs):** PBM has established National Centres for Rehabilitation of Child Labour countrywide since 1995 for primary (non-formal) education. Children (male & female) between the ages of 5-6 years are weaned away from hazardous labour and enrolled in these centers with free provision of uniform, books and stationery. An amount of Rs 524.080 million has been utilized for the period July-March, FY2022.

c). **Women Empowerment Centres (WEC):** Vocational Training Centres now called Women Empowerment Centres have been established throughout the country since 1995. WECs are providing free training to widows, orphans and poor girls in different skills i.e. cutting, sewing, knitting, computers and embroidery along with other trades. The trainees are being provided with free training material. An amount of Rs 335.797 million has been utilized during July to March FY2022.

d). **Darul Ehsaas (Orphanages):** PBM has established Dar-ul-Ehsaas (orphanages) for the orphan children, where they are being provided free food, nutrition, medical treatment, boarding and lodging, as well as, free education through well reputed

educational institutes. An amount of Rs 441.649 million has been spent up to month of March FY2022.

e). **Ehsaas Kada (for shelter less senior citizen):** Presently 02 centers have been established thereafter, this initiative would be up-scaled in phased manner. The enrolled senior citizens (above 60 years of age) are being provided free of cost boarding/lodging, messing and medical care of excellent standard. An amount of Rs 7.100 million has been utilized for the period from July-March, FY2022.

f). **Ehsaas Panahgahs:** PBM has established Panahgahs under Ehsaas Programme, mainly focus on quality service delivery to the shelter-less persons, by taking care of multiple aspects including health care, safe /secure living environment, hygienic food etc. in a respectable manner. Since inception of the Programme, 39 Ehsaas Panahgahs are functional. So far, an amount of Rs 183.015 million has been utilized up to March FY2022.

g). **Ehsaas Koi Bhooka Na Soye (EKBNS):** PBM has procured food vehicles to deliver the foods by donors, since inception of the Programme, 40 EKBNS food vehicles are functional. So far, an amount of Rs 161.088 million has been utilized till March FY2022.

h). **Institutional Rehabilitation for NGOs:** PBM provides grant-in-aid to registered Non-Governmental Organizations (NGOs) having excellent track record aimed at institutional rehabilitation of the poor and deserving persons of the society. An amount of Rs 22.174 million has been disbursed till March FY2022.

**VI. Employees Old-Age Benefits Institution (EOBI):** The EOBI is playing a vital role in poverty alleviation by paying pension and grants to retired workers and their families. EOBI is the only national pension scheme for employees working in industrial and commercial establishments with at least ten employees. Currently, EOBI has registered 450,375 Old-age pensioners, 234,881 Survivors' pensioners and 11,837 Invalidity pensioners. EOBI have 137,288 total registered employers out of which 89,840 are active employers. Overall 9,429,281 employees are registered with EOBI. During FY2022, EOBI registered 307,296 new employees.

Main Features of the EOBI Schemes:

- ⊙ **Old-age pension** on attaining the age of 60 years in case of male workers and 55 years in case of female and mine workers.
- ⊙ **Invalidity pension** on sustaining invalidity affecting insured person's earning more than one third of normal.
- ⊙ **Survivors' pension** to the following in case of death of insured person/pensioner:
  - Surviving spouse 100% pension till life, or
  - Surviving male children till 18 years of age, or
  - Surviving female children till 18 years of age or their marriage, whichever is earlier, or
  - Surviving parents for 5 years, if any insured person/pensioner not survived by spouse or children.

- ⊙ **Old-Age Grant:** paid in lump sum to insured persons having less than fifteen years' insurable employment but attain the age of 60/55 years.

The details of disbursed benefits during July-March FY2022 are shown in Table-15.11.

Benefits	Pension Disbursement Type-Wise									Total Disbursement
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Old-age Pension	2189.13	2189.33	2189.18	2189.39	2189.82	2189.52	2206.92	2256.98	2238.11	19,838.38
Invalidity Pension	45.52	45.63	45.52	45.72	45.55	45.52	46.58	47.01	45.65	412.7
Survivors' Pension	1415.57	1415.77	1415.50	1416.18	1416.86	1415.61	1446.47	1509.74	1505.51	12,957.21
Old-Age Grant	32.29	31.27	32.34	32.11	32.31	32.50	35.49	54.35	48.25	330.91
<b>Total</b>	<b>3682.51</b>	<b>3682.00</b>	<b>3682.54</b>	<b>3683.40</b>	<b>3684.54</b>	<b>3683.15</b>	<b>3735.46</b>	<b>3868.08</b>	<b>3837.52</b>	<b>33,539.20</b>

Source: Employees' Old Age Benefits Institution (EOBI), Karachi

**VII. Workers Welfare Fund (WWF):** The WWF was established under the Workers Welfare Fund Ordinance, 1971 to take initiatives for the industrial workers by providing service in health, education and low-cost housing sector which includes provision of Marriage Grants, Death Grants, Talent Scholarships, establishment & maintenance of labour Colonies and establishment & operations of Workers Welfare Schools at various priority locations throughout the country. The main objectives of WWF are as under:

- a) Financing of projects connected with the establishment of housing estates or construction of houses for the industrial workers.
- b) Other measures for the welfare of workers.

The WWF derives its receipts from the following three sources:

- i) An industrial establishment contributes 2% of its assessable income under WWF Ordinance 1971, when it exceeds Rs 500,000/- in an accounting year.
- ii) The left-over amount under Companies Profit Workers Participation (CPWP) Act, 1968 after distribution amongst workers.
- iii) Income from investments.

During July-March, FY2022, expenditures amounting to Rs 1.43 billion were incurred on 15,004 scholarship cases, while Rs 244.07 million disbursed as marriage grants @ Rs 200,000 per worker benefitting 1819 workers' families. The WWF has also disbursed Rs 420.4 million as death grant @Rs 600,000 per worker- covering 804 cases of mishaps all over the country.

### Way forward

Toward promoting sustainable and inclusive development, a fundamental role of government is to provide essential public goods and services and, where necessary, direct support to households to tackle poverty and meet redistribution goal. Development can only thrive when there is investment in people and where governments are responsive and accountable to their citizen's social and economic security. The pandemic brought substantial changes to every aspect of people's lives, setbacks have already been observed in some dimensions of human development. The most strongly affected areas are income, health, and education.

Government is committed towards making real improvements in people's lives and implement policies that are aligned with poverty alleviation and SDGs indicators. The proper implementation of poverty alleviation programmes and social safety net coupled with reduction in the cost of living would go a long way in mitigating poverty and providing relief to the needy in the short run. Their impact, however, needs to be closely monitored to ensure access to the target group. The long-term remedy, however, remains to be sustained high economic growth with equity. The government is making strenuous efforts to achieve higher economic growth with emphasis on human resource development.

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