

Social Safety Nets

Social Safety Net Programme (SSNP) is an on-going activity to reach to the poor and disadvantaged group to maintain social harmony through redistribution of resources with basic objective of reducing poverty. This programme is 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) and Social Security & Welfare while Zakat, Employees Old-age Benefit Institution (EOBI) and Workers Welfare Fund (WWF). 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.

Realizing the need to devolve social protection

policy for education and health sector at grass root level, a National Framework has been devised for localization of Sustainable Development Goals (SDGs) at district level to improve public service delivery and implement the global agenda which in turn will provide an opportunity to local governments to ensure inclusivity and sustainability to achieve the SDGs goals to join upper middle class countries by 2030. These goals includes; alleviation of poverty and hunger in all its forms through ensuring food security, improved nutrition, promote sustainable agriculture, universal access to health services, education, modern energy services, clean water and sanitation. The federal government has decided to enhance working relationship with the provinces and providing all possible support to ensure successful implementation of the SDGs.

Box-I: SUSTAINABLE DEVELOPMENT GOALS (SDGS) NATIONAL FRAMEWORK			
Goal 1: End poverty in all its form everywhere			
National Priority Targets	National Priority SDG Indicator	National Baseline 2014-15	Target 2030
By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Proportion of population living below the national poverty line, by sex and age	29.5%	9.00%
	Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	38.80%	19.00%
Implement nationally appropriate social protection systems and measures for all, by 2030, achieve substantial coverage of the poor and the vulnerable	Proportion of population covered by social protection systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work injury victims and the poor and the vulnerable	29.90%	70.00%
By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property,	Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure	-	-

Pakistan Economic Survey 2017-18

inheritance, natural resources, appropriate new technology and financial services, including microfinance.			
Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.	Proportion of resources allocated by the government directly to poverty reduction programmes	42.20%	43.50%
	Proportion of total government spending on essential services (education, health and social protection)	18.10%	25.30%

Pakistan Vision 2025 is people centric and aimed at reducing poverty and enhancing people's well-being. Vision 2025 recognizes poverty as being both multidimensional and multifaceted and stresses a broader definition of poverty – one which includes health, education and other amenities alongside income and consumption. Therefore, Multidimensional Poverty Index (MPI) will help in implementation of vision 2025 and track its progress overtime.

Tracking the Pro-Poor Expenditures

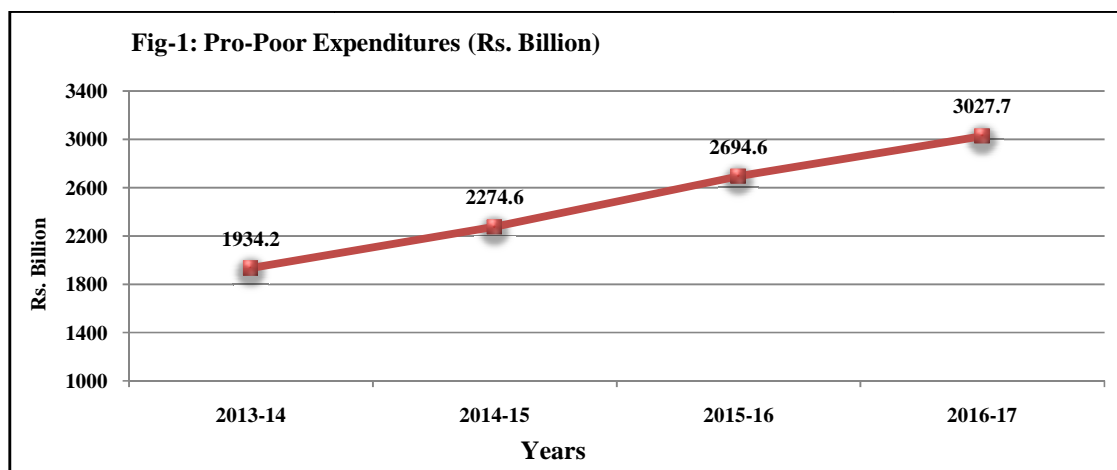
The Government of Pakistan scrutinized pro-

poor expenditure in 17 sectors through the Medium Term Expenditure Framework (MTEF) under PRSP-II. Expenditure on pro-poor sectors in 2013-14 stood at 7.7 percent of GDP. In 2014-15, these were 8.3 percent of GDP and in 2015-16, 9.3 percent of GDP. During 2016-17, total expenditures have been increased and reached to Rs 3,027.7 billion, which is 9.5 percent of GDP. The provisional expenditures for July-December, 2017-18 have been estimated at Rs 1,134.1 billion as compared with Rs 1,017.5 billion for the same period of last year as shown in Table 15.1 below:

Sectors	2013-14	2014-15	2015-16	2016-17	2016-17 Q ₂	2017-18 Q ₂
Roads, Highways & Bridges	96,504	190,984	397,506	526,356	149,765	139,057
Environment / Water Supply and Sanitation	32,000	54,093	63,554	72,031	22,913	25,570
Education	537,598	599,047	663,356	699,222	310,155	331,276
Health	201,986	231,172	267,953	328,962	111,867	144,600
Population Planning	12,609	13,943	10,894	20,283	3,038	4,900
Social Security & Welfare**	93,481	155,725	173,532	259,759	76,466	111,744
Natural Calamities & Other Disasters	18,404	40,525	59,204	27,461	6,998	6,931
Agriculture	157,894	199,903	239,019	258,396	88,481	96,267
Land Reclamation	4,796	5,184	4,601	2,558	877	1,091
Rural Development	14,727	29,122	37,419	30,934	6,549	8,385
Subsidies	502,098	459,325	437,087	403,139	76,897	69,193
Low Cost Housing	676	581	460	422	165	132
Justice Administration	24,378	26,041	33,255	41,926	18,449	19,854
Law and Order	237,027	268,983	306,738	356,217	144,863	175,069
Total	1,934,178	2,274,628	2,694,578	3,027,666	1,017,483	1,134,069
Total as % age of GDP (2005-06 base)	7.7	8.3	9.3	9.5	-	-

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

Source: Ministry of Finance, External Finance Policy Wing



Social Safety Programmes

Recognizing the need to protect the poor and the vulnerable, the government has launched several social safety net programmes. The following are the main social safety net programmes;

I. Benazir Income Support Programme (BISP): BISP is a federal unconditional cash transfer Social Safety Net initiative of Government of Pakistan. Its long term objectives include meeting the targets of Sustainable Development Goals (SDGs) to eradicate extreme and chronic poverty and empowerment of women. The main objectives of the programme are as follows:

- Enhance financial capacity of poor people and their dependent family members.
- Formulate and implement comprehensive policies and targeted programmes for the uplift of underprivileged and vulnerable people.
- Reduce poverty and promote equitable distribution of wealth especially for the low income groups.

BISP has the largest database of poorest of poor

families in Pakistan which is the output of the largest and first ever door to door poverty survey. This data is used for the planning of pro-poor development policies and programmes and has been shared through protocols with various international and national organizations for research purposes.

Since its inception in 2008, BISP has grown rapidly. It is now the largest single cash transfer programme in Pakistan's history. The number of beneficiaries has increased from 1.7 million in FY 2008-09 to approximately 5.63 million by December, 2017. The quarterly cash grant has been gradually enhanced by the present government from Rs 3000/- per family to Rs 3600/- in FY 2013-14, Rs 4500/- in FY 2014-15, Rs4700/- in FY 2015-16 and Rs 4834/- in FY 2016-17. BISP's annual disbursement increased from Rs 16 billion in FY 2008-09 to Rs 121 billion in FY 2017-18. BISP is following the path of automation and 98.6 percent of beneficiaries are being paid through technology based payment mechanisms. Since inception, BISP has transferred Rs 563.57 billion (till 15th January, 2018) as unconditional cash transfers. BISP financial achievements upto December, 2017 is shown in the Table 15.2 below:

Table-15.2: BISP Financial Achievements (Rs billion)

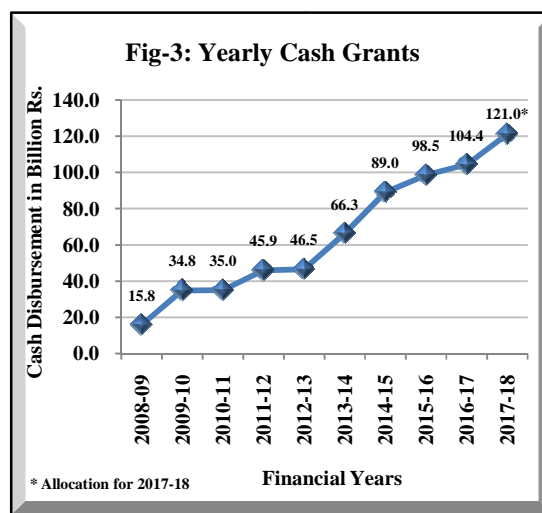
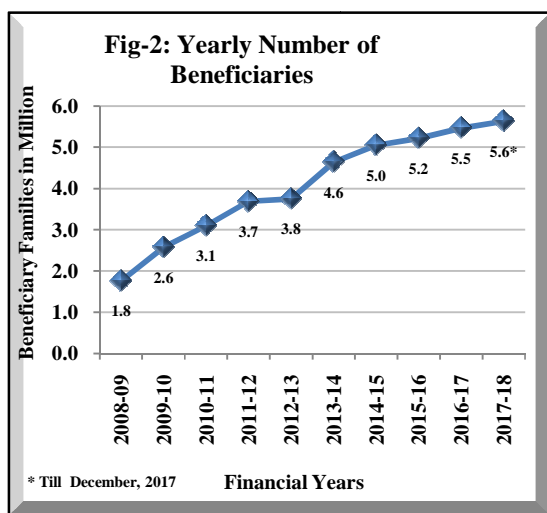
Financial Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries
		Conditional Cash Transfer (CCT)	Un-conditional Cash Transfer (UCT)	Total (UCT+CCT)	
2008-09	15.32	0.04	15.81	15.85	1.76
2009-10	39.94	2.89	31.94	34.83	2.58
2010-11	34.42	5.30	29.66	34.96	3.10

Table-15.2: BISP Financial Achievements (Rs billion)

Financial Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries
		Conditional Cash Transfer (CCT)	Un-conditional Cash Transfer (UCT)	Total (UCT+CCT)	
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*	58.00	1.04	48.81	49.85	5.63
Total	622.21	22.52	563.57	586.09	-

*Till December, 2017

Source: Benazir Income Support Programme (BISP)



Transparent Payment Mechanism

BISP in its initial phase started delivering cash transfers using Pakistan Post to its outreach areas. But later, in order to improve the efficiency and transparency of payments, BISP started using innovative payment mechanism in the form of Benazir Smart Card and Mobile Phone Banking on test basis in nine districts across the country. After testing pilots, BISP rolled out Benazir Debt Card across Pakistan. Now, around 98.6 percent beneficiaries are receiving payments through technology enabled innovative payment mechanisms. To bring more transparency, BISP has implemented biometric verification system (BVS) in 58 districts. BVS system will be expanded in the remaining districts on gradual basis.

Complementary Initiatives

There is an increasing role of complementary interventions in determining sustainable impact of cash transfer on uptake of education and health services, nutrition outcomes, and for improving livelihoods to increase the chance of graduation from poverty. Global experience suggests that where programmes are combined with complementary interventions, they have greater potential. The programme has four well-sequenced complementary components, including Waseela-e-Rozgar (Technical & Vocational Training), Waseela-e-Haq (Micro-finance), Waseela-e-Sehat (Life & Health Insurance) and Waseela-e-Taleem (Primary Education). After 18th Constitutional amendment technical education and health have been declared a provincial subjects under the new dispensation. Waseela-e-Rozgar has been

closed and Waseela-e-Sehat has been handed over to PMHIS.

Conditional Cash Transfer (Waseela-e-Taleem)

This programme has encouraged BISP beneficiary families having children in the age group of 4 to 12 years, to send their out of school children to schools for Primary Education (and in school children to continue their education), in return for cash transfers with the long-term prospects of human capital formation to graduate out of abject poverty. The initiative aims to enroll approximately 2.0 million children in primary school by December 2018. This involves a cash transfer of Rs 250 per month per child paid quarterly (Rs 750 per child) for all children of each beneficiary family in the age bracket of 4-12 years in return for their compliance with the co-responsibilities of school admissions and a minimum of 70 percent quarterly attendance. Field operations of the programme were started in October, 2012. As of December 2017, 1.895 million children have been enrolled and a total of about Rs 5.81 billion has been disbursed as stipend under the Conditional Cash Transfer.

Collaboration with Development Partners

World Bank has extended a credit of \$150 million for 'Pakistan Social Safety Net Project' for unconditional Cash Transfer (UCT) and Co-responsibility Cash Transfer/CCT (Waseela-e-Taleem) for primary education of children of BISP beneficiaries. The funding was disbursed through set of Disbursement Linked Indicators (DLIs) totaling 19. BISP successfully achieved all DLIs amounting to \$ 150 million. BISP's rating was upgraded as 'Highly Satisfactory' while rating of the project management was upgraded to 'Satisfactory'. BISP has been internationally acclaimed as number 5 in the world in targeting performance of SSNs (State of Social Safety Net, World Bank, 2015). BISP and World Bank signed a new programme on 30th March, 2017 amounting US\$ 100 million. Under the programme, key areas like updation of National Socio-Economic Registry (NSER), expansion of Waseela-e-Taleem and integration of BISP beneficiaries with other complimentary initiatives were identified as priority areas.

The Department for International Development (DFID) has also extended support to BISP through a grant allocation of GBP £300.3 million. DFID grant is as co-responsibility cash transfer (CCT) programme for primary education of children of BISP beneficiaries. DFID grant was made through a total of 18 DLIs all of which have been achieved. DFID support continues till 2020 through grant financing amount of £ 98.4 million. Overall performance rating of program was "A" (DFID Annual Review of Report, 2016).

Asian Development Bank under Social Protection Development Project extended a soft loan of US\$ 395 million through Special Drawing Rights (SDR) arrangement. The project has enabled the expansion of the cash transfer programme. A poverty graduation strategy has finally been agreed between BISP and ADB to end dependency syndrome and to enable beneficiaries to be self-sufficient and stand on their own feet. An amount of approximately US\$ 35-40 million has been earmarked by ADB in the project to pilot the graduation models/approaches which have been approved by BISP Board in its 29th meeting held on 29th January 2018. The National Rural Support Program (NRSP) has been taken on Board as the implementing partner of BISP to implement these graduation pilots. NRSP has an extensive network of field offices countrywide to provide micro finance, vocational training, asset transfer and other essential components needed for poverty exit. NRSP has strong credentials in poverty alleviation through microfinance and other complementary interventions. An amount of \$359 million (approx) has been disbursed from the total project allocations. The project is expected to end by 30th June, 2018.

BISP's Achievements during FY 2017-18

- The present government increased BISP budgetary allocations from Rs 70 billion in FY2012-13 to Rs 75 billion in FY2013-14, which was subsequently enhanced to Rs 97 billion in FY 2014-15, Rs 102 in FY 2015-16, Rs 115 billion in FY 2016-17 and for the current fiscal year allocation is Rs 121 billion.

- The quarterly cash grant enhanced from Rs 3000/- per family in 2012-13 to Rs 4834/- in FY 2016-17.
- The number of BISP beneficiaries also increased from 3.73 million in 2012-13 to 5.6 million as on 31st December 2017.
- BISP is following the path of automation and 98.6 percent of beneficiaries are being paid through technology mode.
- Successful launch of pilot phase of NSER and completion of Desk Approach in 4 pilot districts with 89 percent coverage. Door to door survey has also been completed in 14 out of 16 intended districts.
- Successful operations of biometric verification system (BVS) in 58 districts. BVS system will be rolled out on gradual basis across the country.
- Launching of the Graduation programme of BISP for existing beneficiaries from the Unconditional Cash Transfer (UCT) roster through a well sequenced combination of interventions consisting of social mobilization, vocational training, skills development, asset transfer, microfinance, among others. The graduation pilots have been planned for implementation during 2018-2020 with the financial assistance of Asian Development Bank.
- Launching of third Impact Evaluation Report 2016 by the Oxford Policy Management (OPM). The report concluded that per adult equivalent consumption expenditure has, as a result of BISP interventions, increased by Rs 187 and poverty has fallen by 7 percentage points amongst beneficiaries. Using cost of basic needs (CBN) poverty line as a reference, it is reported that BISP is associated with a reduction in poverty gap by 3 percentage points. BISP has induced an increase in per adult equivalent monthly food consumption by Rs 69.
- For graduation of BISP beneficiaries, Akhuwat through Chief Minister's Self

Employment Schemes of Punjab & Gilgit Baltistan and through Prime Minister's Interest Free Loan (PMFIL) scheme provided interest free loans to 76,196 BISP beneficiaries.

Roadmap for FY 2018-19

The government's resolves is to run BISP on transparent and efficient lines and to make it as the premier social safety net not only of the country but for the region as following:

- Improve grass root social mobilization capacity through partnerships with provincial governments and NGOs.
- Successful national roll out of NSER in the remaining districts of the country.
- Shifting of all beneficiaries from traditional to scientific payment mechanisms in the future.
- Target to send 2.0 million children to school by December, 2018.
- Consolidate its partnership with the provinces to integrate the federal social protection schemes with provincial programs.
- Facilitate government in using BISP Registry for targeted subsidy provision under other sectors and elimination of non-targeted subsidies.
- BISP is committed towards achievement of Sustainable Development Goals and become a major contributor to eradication of extreme poverty (SDG 1), ensure inclusive and equitable quality education and promote lifelong learning opportunity (SDG 4), and achieve gender equality and empower all women and girls (SDG 5).

II. Pakistan Poverty Alleviation Fund (PPAF): PPAF aims to promote an effective approach to alleviate poverty across Pakistan. A number of leading multilateral, bilateral, and international corporate institutions contribute to PPAF's poverty reduction goal by providing financial support and funds to promote grass root development.

Since its inception in April 2000 to December, 2017, PPAF has disbursed an amount of approximately Rs 187.94 billion to its Partner Organizations (POs) in 130 districts across the country. During the same period, 8.4 million microcredit loans were disbursed with 60 percent loans to women and 80 percent financing extended to rural areas. Over 38,000 health, education, water and infrastructure projects completed; 440,000 credit groups and 132,000 community organizations formed, 416,000 individuals received skills/entrepreneurial trainings, 110,000 productive assets were transferred to ultra and vulnerable poor households (46 percent women), over

387,000 interest free loans (65 percent women beneficiaries) were disbursed through Prime Minister Interest Free Loan (PMIFL) scheme, 26,000 individuals including women and youth trained on enterprise development under Waseela-e-Haq (National & Sindh) programme of BISP and were facilitated in establishing their successful ventures, and 30,800 persons with disabilities were rehabilitated.

During July to December, 2017, PPAF has managed to disburse Rs 780 million to its partner organizations (POs) under PPAF core interventions administered under various PPAF supported programmes as shown in the Table-15.3 below:

Table 15.3: PPAF Disbursement by Operating Units/Special Initiatives

No.	Programme Components	Financial Progress (Rs million)
1.	Institutional Development and Social Mobilization (ID/SM)	30
2.	Livelihood Enhancement and Protection (LEP)	53
3.	Water and Infrastructure (W&I)	282
4.	Education, Health and Nutrition (EHN)	135
5.	Prime Minister's Interest Free Loan (PMIFL)	280
Total		780

Source: Pakistan Poverty Alleviation Fund, Islamabad.

During the same period, a total of 483 Community Organizations (COs) were formed and 2,186 community and PO staff members were trained (39% women) under Institutional Development and Social Mobilization component. Similarly, under Livelihood Enhancement and Protection (LEP) component, 1,126 individuals received skills/entrepreneurial trainings (41% women) and 1,424 productive assets were transferred to ultra and vulnerable poor (30% women). 259 water and infrastructure sub-projects were completed and benefitted 143,936 persons (55% women). Under health and education component, 21

educational and 13 health facilities were supported during the reporting period 19,792 students (33% girls) were enrolled and 209,028 patients (56% women and girls) were treated under various ailments. 68,606 interest free loans (73% women) were disbursed through Prime Minister Interest Free Loans (PMIFL) scheme.

Overall, these projects and interventions benefitted around 446,000 poor and marginalized population including 57 percent women beneficiaries during the period. Major achievements of PPAF are presented in Table-15.4 below:

Table 15.4: Major achievements by Operating Units of PPAF

Programme Components	Physical Progress (numbers)
Institutional Development and Social Mobilization:	
• Community organizations formed	483
• Community and PO staff trainees (39% women)	2,186
Livelihood, Employment and Enterprise Development:	
• Individuals received skills/entrepreneurial training (41% women)	1,126
• Productive assets transferred to ultra and vulnerable poor (30% women)	1,424

Table 15.4: Major achievements by Operating Units of PPAF

Programme Components	Physical Progress (numbers)
Water and Infrastructure Sub-projects:	
• Sub-projects completed	259
• Sub-projects beneficiaries (55% women)	143,936
Education:	
• Educational facilities supported	21
• New students enrolled in programme schools (33% girls)	19,792
Health	
• Health facilities supported	13
• Patients treated under programme health facilities (56% women & girls)	209,028
Prime Minister Interest Free Loans Scheme- Number of loans (73% Women)	68,606

Source: Pakistan Poverty Alleviation Fund, Islamabad.

Key Initiatives during FY 2017-18

In addition to the above achievements, following key initiatives were also undertaken:

- Since October 2017, the National Poverty Graduation Programme (NPGP) worth \$ 150 million has been approved by the IFAD Executive Board and PPAF has started this six-year programme. The programme aims to assist the ultra-poor and very poor in graduating out of poverty on a sustainable basis while simultaneously improving their overall food security, nutritional status and resilience to climate change. The programme will be implemented in 372 union councils in 17 of the poorest districts of Pakistan, and directly impact 313,511 households with 156,240 asset transfers and 157,271 households with access to finance.
- PPAF and UNHCR are jointly taking forward the poverty graduation approach with the poorest members of the Afghan refugee population in an effort to graduate them up the poverty scales and simultaneously providing sustainable livelihoods for them and their host families. A pilot project has been designed for 18 months till December 2018 which is being implemented in two phases. The first phase had the duration of six months from July to December 2017 with budget of Rs 9 million. The second phase will be from January to December 2018 with a proposed budget of Rs 123.6 million. During the pilot phase, a total of 2,000 families would be targeted in Swabi and Pishin (by

administering PSC of around 3,000 households) out of which 70% households would be those residing in settled camps or with host families 30% of households.

- PPAF and KfW signed an agreement of EUR 10 million for implementation of Livelihood support and Promotion of Small Community infrastructure Programme-II (LACIP-II) in KPK.
- PPAF won the Diversity & Inclusion Award 2018. The “Global Diversity & Inclusion Benchmarks (GDIB)” standard is hosted by the Centre for Global Inclusion USA. The GDIB helps organizations across the world determine strategy and measure progress in managing diversity and fostering inclusion.
- KfW funded Solar Mini Grid Project selected for prestigious Alliance for Rural Electrification (ARE)-Award 2018 in “Best Off-Grid Project” category. This award is yet another acknowledgement of PPAF’s efforts and team work for increasing access to affordable, clean, reliable energy with ultimate objective of alleviating poverty. ARE Award is a testament of the organization’s resolve and commitment for increasing access to energy to most vulnerable and under-served communities in line with SDG-7.

III. Microfinance Initiatives: The Pakistan Microfinance Network (PMN or ‘the Network’) traces its beginnings to 1997 when a group of microfinance practitioners laid its

foundations as an informal platform for coordination, exchange of ideas and peer learning. Since then the Network has grown significantly and is now recognized locally and globally as the national association for retail players in Pakistan’s microfinance industry. Registered with the Securities and Exchange Commission (SECP) in April 2001 under Section 42 of the Companies Ordinance, PMN is a member driven network with a vision to expand access to formal financial services in Pakistan.

Microfinance sector Support the financial sector, especially retail financial service providers by strengthening them institutionally, and work towards ensuring an enabling environment for microfinance in the country.

The sector has been serving people near the poverty line by not only providing credit products but also through savings, insurance, and remittance services. As shown in Table 15.5, the sector continued to exhibit upward trend. The micro-credit outreach witnessed 27 percent growth during 2017, while Gross Loan Portfolio registered a 48 percent growth during the same year. Micro-savings, on the other hand, posted considerable growth under active savers by 34 percent and value of savings by 54 percent, which is attributable to increase in m-wallet accounts and taping higher ticket size. Moreover, micro-insurance also remained positive wherein policy holders increased by 25 percent, whereas sum insured posted a hefty growth of 32 percent. This segment is primarily dominated by credit life and health insurance.

Table 15.5: Active Borrowers, Active Savers and Active Policy holders

Details	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (Rs million)	Active Savers	Value (Rs million)	Policy Holders	Sum Insured (Rs million)
2017*	5,800,457	202,699	30,984,717	186,941	7,313,029	198,680
2016*	4,572,245	136,943	23,091,250	121,383	5,855,668	150,544
Increase/decrease (Net)	1,228,212	65,756	7,893,467	65,558	1,457,361	48,136
Increase/Decrease (%)	27%	48%	34%	54%	25%	32%

*: Calendar Year

Source: Pakistan Microfinance Network (PMN)

Box-II: Peer Groups of Pakistan Microfinance Network

- i. **Microfinance Institution:** A non-bank microfinance institution (NBMFI) providing microfinance services. With the introduction of the non-bank microfinance regulatory framework by SECP in 2016, the institutions carrying out microfinance services are required to be registered with SECP as NBMFIs. Presently, 11 MFIs have obtained the NBMFI license while 12 MFIs are in the process of obtaining the license.
- ii. **Microfinance Bank:** A commercial bank licensed and prudentially regulated by the SBP to exclusively service the microfinance market. The first MFB was established in 2000 under a presidential decree. Since then, 11 MFBs have been licensed under the Microfinance Institutions Ordinance, 2001. MFBs are legally empowered to accept and intermediate deposits from the public. Currently there are 11 MFBs operating in the country.
- iii. **Rural Support Programme:** A non-bank microfinance institution (NBMFI) providing microfinance services. An RSP is differentiated from the MFI peer group based on the purely rural focus of its credit operations. As of now, these organizations are in the process of registering with SECP under the new regulatory framework for NBMFIs. At present, 3 organizations have obtained the license while 1 RSP is in the process of obtaining the license.

Source: Pakistan Microfinance Network (PMN)

The objective of the microfinance initiative is to provide liquidity to the microfinance providers in response to tighter liquidity conditions. It is

provided as a package through microfinance banks (MFBs), microfinance institutions (MFIs), Rural Support Programmes (RSPs), and

Pakistan Economic Survey 2017-18

others including Commercial Financial Institutions (CFIs) and Non-Government Organizations (NGOs). Table-15.6 presents the number of Micro-Credit beneficiaries with outstanding loan portfolio and disbursements by loan providers' upto December 2017.

Table 15.6: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs) [as Dec 17]
Total for Pakistan MF sector (As December, 2017)	5,352,432	193,417,282,102	1,721,237	85,654,668,421
MFBS				
Apna Microfinance Bank	44,388	5,623,909,040	10,569	1,428,390,710
FINCA Microfinance Bank	185,598	15,110,644,315	67,275	6,780,257,696
First Microfinance Bank Limited	345,237	15,060,125,910	114,089	6,229,973,621
Khushhali Bank	671,015	32,425,527,426	260,252	14,083,964,974
Mobilink Microfinance Bank	124,435	10,010,422,627	41,320	3,473,265,003
NRSP Bank	426,411	20,882,804,554	230,691	13,199,215,828
Pak Oman Microfinance Bank	23,903	694,759,463	7,214	331,661,000
Sindh Microfinance Bank	23,214	341,806,999	8,435	195,424,000
Tameer Bank	535,413	25,002,512,803	151,941	8,447,641,782
U Microfinance Bank	190,032	10,648,712,932	75,683	4,851,323,466
Total for MFBS	2,569,646	135,801,226,069	967,469	59,021,118,080
MFIs				
AKHUWAT	878,577	13,856,658,991	186,103	5,406,508,195
Community Support Concern	28,594	830,631,325	8,535	383,564,485
DAMEN	68,956	2,196,850,874	18,709	1,047,230,000
Farmer Friend Organization	24,544	630,607,277	2,778	296,865,000
Kashf Foundation	354,163	8,925,313,158	104,135	4,391,514,500
MOJAZ Foundation	18,905	481,996,331	7,429	300,165,000
Micro Options	4,374	87,440,421	1,666	48,545,000
Naymet Trust	3,272	22,731,278	185	2,870,400
Orangi Charitable Trust	31,909	445,235,183	6,380	170,776,000
SAFCO Support Fund	67,450	1,106,797,910	15,805	487,854,000
Soon Valley Development Program	6,725	195,538,539	2,160	100,690,000
Total for MFIs	1,487,469	28,779,801,287	353,885	12,636,582,580
RSPs				
National Rural Support Programme	767,576	17,165,783,374	241,489	8,789,392,991
Punjab Rural Support Programme	73,926	1,361,065,446	21,874	518,303,000
Sindh Rural Support Organization	4,468	35,260,500	1,494	20,267,000
Thardeep Rural Support Programme	146,405	2,869,005,361	50,718	1,357,588,000
Total for RSPs	992,375	21,431,114,681	315,575	10,685,550,991
Others				
Al-Mehran Rural Development Organization	7,879	179,993,764	3,248	118,645,000
AGAHE	16,633	320,239,145	5,721	182,640,000
Baadban Enterprises Development	518	5,881,168	-	-
BRAC	61,241	1,706,808,629	20,255	852,437,000
Islamic Relief Pakistan	4,718	94,684,887	1,261	39,645,000
Jinnah Welfare Society	59,936	1,333,549,815	17,127	708,060,000
Orix Leasing	22,546	489,612,898	4,519	170,994,000
Organization for Participatory Development	4,519	84,560,349	1,439	42,530,000
Rural Community Development Program	96,069	2,578,890,924	25,294	1,124,169,000
Shadab Rural Development Organization	3,392	94,279,986	59	1,335,000
Support With Working Solutions	2,201	15,928,429	-	-
Villagers Development Organization	2,178	25,591,692	279	8,519,000
Total for Others	281,830	6,930,021,686	79,202	3,248,974,000

Source: Pakistan Microfinance Network (PMN)

IV. Zakat: Zakat as an institution plays an important role in the Islamic economic system in solving a number of economic problems. Apart from support to the poor and needy, it helps in re-distribution of wealth which curtails unemployment and reduces chances of economic recession.

Zakat funds are utilized to assist the needy, indigent poor, orphans, widows, handicapped and disabled. These poor segments of society are provided Zakat funds directly or through respective local Zakat Committees or indirectly through institutions, i.e., educational,

vocational, social institutions and hospitals, etc.

Under the 18th Constitutional Amendment, the subject of Zakat has been devolved to the provinces. Ministry of Religious Affairs and Inter-Faith Harmony has been assigned the task of collection and disbursement of Zakat funds to the Provinces/Federal Areas till next NFC under the CCI approved formula. A total amount of Rs 8009.77 million was distributed in bulk amongst the Provinces/Federal Areas for FY2018. Zakat funds disbursed to the provinces and federal areas during FY2018 are given in Table 15.7:

Federal Areas/ Provinces	% Share	Allocated Budget 2017-18
Federal Areas	7% of total Zakat Collection has been distributed amongst federal Areas	
ICT	35.14% of 7%	197.024
Gilgit Baltistan	18.57 % of 7%	104.119
FATA	46.29 % of 7%	259.541
	Total Federal	560.684
Provincial	Share of provinces after deduction of above federal payment is as per their share	
Punjab	57.36 % of 93 %	4272.796
Sindh	23.71 % of 93 %	1766.178
Khyber Pakhtunkhwa	13.82% of 93 %	1029.464
Balochistan	5.11 % of 93 %	380.648
	Total Provincial	7449.086
G. Total		8009.770

Source: Ministry of Religious Affairs and Inter-Faith Harmony

V. Pakistan Bait-ul-Mal (PBM): PBM is significantly contributing toward poverty alleviation through its various, poorest of the poor focused, services and providing assistance to destitute, widow, orphan, invalid, infirm and other needy persons, as per eligibility criteria approved by Bait-ul-Mal Board. During July 2017 to February 2018, Pakistan Bait-ul-Mal (PBM) has disbursed an amount of Rs 2,429 million through its core projects/ schemes. The following are the ongoing core projects/schemes:

a) Individual Financial Assistance (IFA): Through individual Financial Assistance (IFA), the poor, widows, destitute women and orphans were supported for medical treatment, education, rehabilitation and general assistance.

An amount of Rs 1,453 million has been disbursed during the period July to February FY 2018.

b) Special Friends of PBM: PBM has envisioned providing wheel chairs to every disabled person in the country. A family who has two or more special children will be called as Special Family and will have the right to be benefited through this new scheme. Rs 25,000/- are being given to each family annually having two or more disable members and Rs 10,000/- annually for one disable member of a family. An amount of Rs 64 million has been disbursed during July, 2017 to February, 2018 under PBM special friends' programme.

c) Child Support Programme (CSP): PBM mobilizes funds from the Government of

Pakistan and distributes them as conditional cash subsidy to eligible beneficiaries for sending their children to school aged between 5-16 years to get primary education. Additional cash incentive is being paid to the eligible beneficiaries @ Rs 3600/-per annum to the families with one child and Rs 7200/-per annum to the families with two or more than two children. Presently, the programme is fully active in 13 Districts. A new intervention of disbursing CSP payment subsidy through biometric verification has also been introduced. During July to February of FY 2018, an amount of Rs 71 million has been disbursed under this initiative.

d) Institutional Rehabilitation for NGOs: Pakistan Bait-ul-Mal provides grant-in-aid to registered Non – Government Organization (NGOs) having excellent track record aimed at institutional rehabilitation of the poor and deserving persons of the society especially for persons requiring cataract surgeries. An amount of Rs 17 million has been disbursed during the period from July 2017 to February, 2018.

e) School for Rehabilitation of Child Labour (SRCLs): PBM has established National Centres for Rehabilitation of Child Labour (countrywide) since 1995 for primary education. Children (Male & Female) between the ages 5-6 years are weaned away from hazardous labour and enrolled in these centers. The current strength of SRCLs is 159. Under this Project, an amount of Rs 369 million has been utilized during July to February FY2018.

f) Women Empowerment Centres (WEC): Vocational training Centres now called Women Empowerment Centres are providing free training to widows, orphan & poor girls in different skills i.e. cutting, sewing knitting, computers and embroidery along with other trades. An amount of Rs 187 million has been spent during July-February of FY2018.

g) Pakistan Sweet Homes (Orphanage): 35 Pakistan Sweet Homes or Orphanage have been established where they are being provided free food, nutrition, medical treatment, lodging & boarding, as well as free education through well reputed educational institutions. An

amount of Rs 245 million has been disbursed during the period July-February FY 2018.

h) Pakistan Great Homes (Old Homes): PBM has established 02 Great Homes (Lahore & Karachi) on pilot basis for old age citizens. Thereafter, this initiative would be up-scaled to provincial headquarter level and at divisional/district level in phased manner. Each Pakistan Great Home accommodates 100 senior citizens (above 60 years of age) where they are being provided free of cost boarding/lodging, messing and medical care of excellent standard at district level throughout the country. During July 2017- February 2018, an amount of Rs 9 million has been disbursed.

New Initiatives under PBM

i) PBM Thalassemia Center: Thalassemia is a blood disorder passed down through families (inherited) in which the body makes an abnormal form of hemoglobin. During last three years, PBM has provided financial assistance to 1500 Thalassemia patients. Keeping in view the importance of Thalassemia centre and to cater the Thalassemia patients in Pakistan especially AJK, Northern Areas and Gilgit-Baltistan, PBM has established state of the art Thalassemia Centres in Islamabad and Chakwal where PBM is providing free of cost blood transfusion services and medicines to the needy and deserving patients. An amount of Rs 14 million has been spent during the period from July 2017-February, 2018 FY2018.

VI. Employees Old Age Benefits Institution (EOBI):

Employees Old Age Benefits Institution (EOBI) provides monetary benefits to old age workers through various programmes such as Old Age Pension, Invalidity Pension, Survivors pension and Old Age Grants.

Pensions are paid on monthly basis. No pension is paid lesser than Rs 5,250/- per month being the current rate of minimum pension and maximum upto Rs 10,400/-. However, the insured persons retiring from the employers having the definite retirement age less than 60 years (55 years for female) are provided

reduced pension. Pension of such insured persons is reduced by one-half percent for each month short of 60 years (55 years for female). Old-age grant is paid in lump sum equal to insured person's having less than fifteen years'

insurable employment but attain the age of 60/55 years. The details of disbursed benefits during July 2017-February 2018 FY 2018 is shown in Table-15.8.

Table-15.8: Benefits disbursed during the period from July 2017–February 2018

Benefits	July 2017- February 2018	
	Number of beneficiaries	(Rs millions)
Old-age Pension	236,863	10,256.73
Invalidity Pension	5,246	224.71
Survivors' Pension	137,002	5,964.32
Old-Age Grant	1,564	73.50
Total	380,675	16,519.26

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

VII. Workers Welfare Fund (WWF): WWF is providing various services in the areas of housing, health and education to the industrial workers and financial assistance is also being extended in the form of death grant, marriage grant and scholarships. The main objective of WWF is to finance the following:

- a) Finance the Projects for the establishment of housing estates or construction of houses for the industrial workers.
- b) Other measures for the welfare of workers as follows:
 - Education- free of cost upto secondary level.
 - Scholarships; up to post secondary level.
 - Marriage grants.
 - Death grants etc.

During July-March, FY2018 expenditures amounted Rs 764.60 million have been incurred on 8,899 scholarship cases while Rs 383.14 million has been disbursed as Marriage Grant (@100,000/- which benefitted 3972 workers' families. WWF has also disbursed Rs 410.35

million as Death Grant (@500,000/-) to 845 cases of mishaps of workers all over the country.

Conclusion

Efforts are being made to improve public service delivery by devising social protection policy for education and health sector at district level which would eventually result in better implementation of poverty reduction strategies through allocating considerable amount under different social safety programmes with the aim to directly intervene to transfer resources to the marginalized segments of society. The government has accomplished post-Millennium Development Goals (MDGs) consultations with all stakeholders through efficient coordination for strengthening such efforts at federal and provincial levels to achieve sustainable development and poverty reduction targets. While SDGs have been widely regarded as the best vehicle to address poverty alleviation in Pakistan, the major challenge is effective monitoring the actual performance so that resource mobilization reaches to the marginalized part of the society.