



# SOCIAL PROTECTION

**PRSP  
Expenditure**

**4.26**  
(Rs. trillion)



**BISP  
Allocations** (FY2025)

**598.72**  
(Rs. billion)



**Beneficiaries: 9.87 million**

**Disbursed: Rs 385.64 billion**

**PPAF  
Disbursed:**

**2.19**  
(Rs. billion)



**Micro Finance  
Active Borrowers**

**12.37**  
(million)



**GLP: 591.94 billion**

**Disbursed: Rs 249.59 billion**

**Zakat  
Disbursed:**

**12.21**  
(Rs. billion)



**EOBI  
Collection**

**56.84**  
(Rs. billion)



**PBM  
Disbursed:** **6.51**  
(Rs. billion)

**WWF  
Disbursed:** **5.46**  
(Rs. billion)

All figures reported for the CFY cover the period July-March, except for microfinance data, which covers July-December



## SOCIAL PROTECTION

Social safety net (SSN) programs play a vital role in improving living standards, reducing vulnerability, and breaking the cycle of poverty. The recent global crises have further emphasized the importance of effective social protection systems, which serve as critical buffers against poverty, unemployment, illness, and other livelihood shocks. Government-led interventions, supported by non-governmental organizations and international donors, are essential in building a resilient society. These safety nets not only offer immediate relief but also foster long-term stability and opportunities. In conclusion, a well-functioning and inclusive social safety net system is not just a legal and moral obligation. It is a strategic investment in a nation's future.

Pakistan stands out as one of the few developing nations explicitly recognizing social security as a constitutional right. Article 38 of the Constitution of the Islamic Republic of Pakistan mandates the state to provide social security, housing, food, clothing, healthcare, and education to all citizens, without discrimination based on caste, race, creed, or gender. The Government of Pakistan implements various SSN programmes through a range of institutions such as Benazir Income Support Programme (BISP), Pakistan Poverty Alleviation Fund (PPAF), Zakat, Pakistan Bait-ul-Mal (PBM), Employees' Old-Age Benefits Institution (EOBI), and Workers Welfare Fund (WWF). Additionally, specialized financial institutions offer micro-finance services to those facing economic disadvantages.

Moreover, to support long-term economic growth, the government has launched a series of structural reforms under a new IMF-supported program. These include fiscal consolidation, the

privatization of state-owned enterprises (SOEs), reforms in the power sector, and measures to enhance the overall business environment. A flagship initiative in this effort is URAAN Pakistan, a five-year economic blueprint unveiled in December 2024, which is closely aligned with the Prime Minister's Economic Transformation Agenda.

The UNDP's World Economic Situation and Prospects 2025 projected global economic growth at 2.8 percent in 2025 and 2.9 percent in 2026, supported by monetary easing, recoveries in the EU and Japan, and strong growth in two Asian countries. Inflation continues to decline from 5.6 percent in 2023 to 4.0 percent in 2024, with a further drop to 3.4 percent expected in 2025 driven by easing food and energy prices, though it remains sticky in housing and services in advanced economies. Public debt reached 95.1 percent of global GDP by the end of 2024, with debt servicing costs rising to 8.5 percent of fiscal revenues. Most central banks have shifted to monetary easing, with 67 out of 108 lowering policy rates by late 2024. The world's prevalence of moderate or severe food insecurity in the total population edged down marginally from 29.1 percent in 2021 to 28.9 percent in 2023, remaining higher than the 25 percent registered in 2019. Growth in the volume of global trade has rebounded, increasing from 0.9 percent in 2023 to an estimated 3.4 percent in 2024, driven by the recovery of merchandise trade. After a two-year slump, investment has grown by an estimated 3.4 percent globally in 2024. Notably, global extreme poverty has returned to pre-pandemic levels in 2024. Despite positive trends, long-term global growth remains below the pre-pandemic average (3.2 percent) due to persistent risks: high debt, fiscal pressures in emerging markets, geopolitical tensions,

climate shocks, demographic shifts, and low productivity growth.

The World Bank's Pakistan Development Update-2025 highlights persistent poverty, with the national poverty rate at 25.6 percent in FY 2025 largely unchanged from FY 2024. Economic stagnation, negative growth in key low-income sectors (agriculture and low-productivity services), and declining real wages

contribute to this trend. As the population grows by 2 percent annually, around 1.9 million more people may fall into poverty in FY 2025. Social protection programs like BISP have expanded which cover the living costs partially. Structural challenges, including high youth (37 percent) and female (62 percent) NEET rates, and a low employment-to-population ratio (49.7 percent), hinder poverty reduction.

### Box-1: Human Development Report 2025

The 2025 UN Human Development Report titled "**A matter of choice: people and possibilities in the age of AI,**" reveals that global human development progress has slowed to its lowest rate in 35 years, with stalled HDI growth across all regions. This slowdown reverses decades of improvement and raises concerns that the 2030 development goals could be delayed by decades. Inequality between high and low HDI countries is growing for the fourth consecutive year, worsened by economic pressures like trade tensions and debt crises.

Despite the bleak outlook, the report highlights Artificial Intelligence (AI) as a potential catalyst for renewed progress. A global survey shows that 60 percent of people believe AI will create new job opportunities, with a majority in low and middle HDI countries expecting increased productivity and improved access to education and healthcare through AI. Only a small minority (13 percent) fear AI will lead to job losses. The report calls for a human-centered approach to AI, with action in three key areas:

- Fostering collaboration between people and AI,
- Embedding human oversight throughout AI's lifecycle,
- Updating education and health systems for the AI era.

## 16.1 UNDP's Human Development Report (HDR)

According to HDR Pakistan falls under the 'low' human development category. In 2022, Pakistan's Human Development Index (HDI) value was 0.54, ranking 164 out of 192 countries worldwide. In 2023, Pakistan ranked at 168<sup>th</sup> position (04 points below) but it declined by 19 points on the basis of formula of GNI per capita rank minus HDI rank. The report highlights that Iceland is ranked first in human development, with Norway and Switzerland following closely in second and third place. However, within the South Asian region, Pakistan's HDI ranking is lower than that of Iran (75<sup>th</sup>), China (78<sup>th</sup>), Sri

Lanka (89<sup>th</sup>), Maldives (93<sup>rd</sup>), Bhutan(125<sup>th</sup>), Bangladesh & India (130<sup>th</sup>), Nepal(145<sup>th</sup>), and Afghanistan trails behind at 181<sup>st</sup> place. The HDR also provides the annual average HDI growth and trend between 1990-2023. Looking at specific indicators, Pakistan has a life expectancy at birth of 67.5 years, with expected years of schooling at 7.9 and a gross per capita national income (2021 PPP US\$) of US\$ 5,501. This decline is attributed to a combination of factors, including persistent social, economic, and political pressures, corruption, the lingering effects of past crises, and a slowdown in economic progress. These statistics are detailed in Table 16.1 below.

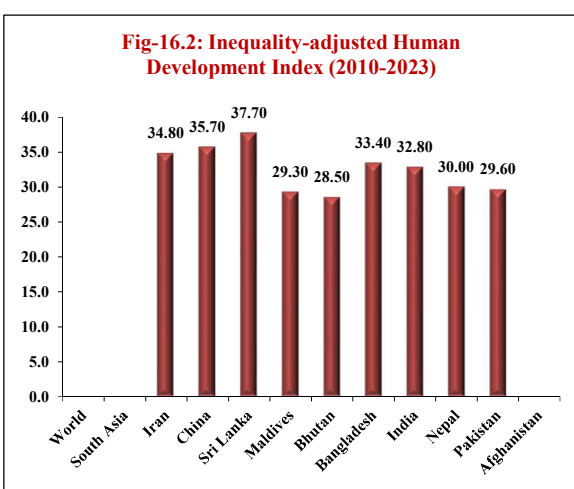
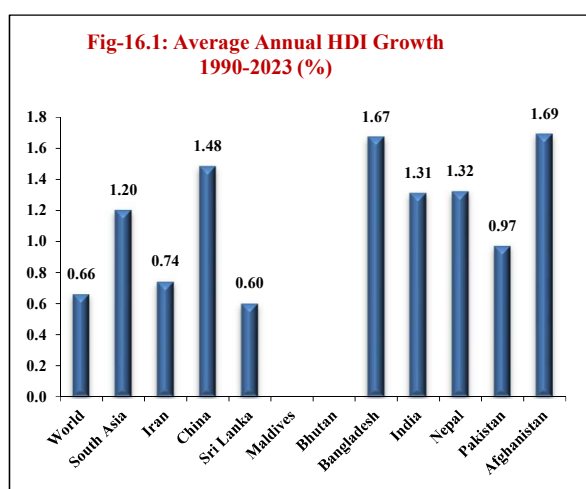
**Table-16.1: Human Development Index and its Components**

Country/ Region	HDI Rank	Human Development Index (HDI) Value (2023)	Average Annual HDI Growth (%) [1990-2023]	Life Expectancy at Birth (years)	Expected Years of Schooling (years)	Mean Years of Schooling (years)	Gross National Income (GNI) per capita (2021 PPP US\$)	Inequality- adjusted Human Development Index (2010-2023)
				SDG-3	SDG-4.3	SDG-4.4	SDG-8.5	Gini-coefficient
World	-	0.756	0.66	73.40	13.00	8.80	20,327.00	-
South Asia	-	0.672	1.20	71.90	12.10	6.80	8,722.00	-
Iran	75	0.799	0.74	77.70	14.00	10.80	16,096.00	34.80
China	78	0.797	1.48	78.00	15.50	8.00	22,029.00	35.70

**Table-16.1: Human Development Index and its Components**

Country/ Region	HDI Rank	Human Development Index (HDI) Value (2023)	Average Annual HDI Growth (%) [1990-2023]	Life Expectancy at Birth (years)	Expected Years of Schooling (years)	Mean Years of Schooling (years)	Gross National Income (GNI) per capita (2021 PPP US\$)	Inequality- adjusted Human Development Index (2010-2023)
				SDG-3	SDG-4.3	SDG-4.4		Gini-coefficient
Sri Lanka	89	0.776	0.60	77.50	13.10	10.80	12,616	37.70
Maldives	93	0.766	-	81.00	12.80	7.40	19,317	29.30
Bhutan	125	0.698	-	73.00	13.20	5.80	13,843	28.50
Bangladesh	130	0.685	1.67	74.70	12.30	6.80	8,498	33.40
India	130	0.685	1.31	72.00	13.00	6.90	9,047	32.80
Nepal	145	0.622	1.32	70.40	13.80	4.50	4,726	30.00
<b>Pakistan</b>	<b>168</b>	<b>0.544</b>	<b>0.97</b>	<b>67.60</b>	<b>7.90</b>	<b>4.30</b>	<b>5,501</b>	<b>29.60</b>
Afghanistan	181	0.496	1.69	66.00	10.80	2.50	1,972	-

Source: UNDP Human Development Report-2024/2025

**Box-2: Bridging bytes and governments**

**Artificial intelligence ecosystems through partnerships** Several countries are advancing new AI ecosystems, for example, South Korea emerging as a global leader through strong public-private investment. In 2024 alone, the country filed over 1,500 AI patents. Key initiatives include the National AI Computing Centre, focused on boosting research infrastructure and computing power, and the upcoming National AI Research Hub in 2025, designed to enhance collaboration between government and industry. AI Singapore, AI Sweden, and Current AI are initiatives that foster collaboration across sectors to develop responsible and impactful AI. AI Singapore unites local research institutions, startups, companies, and the public sector to tackle global issues like health and climate change. AI Sweden operates as a nonprofit network of over 150 organizations promoting inclusive and sustainable AI across diverse fields. Current AI emphasizes public-private partnerships, aiming to build an open, transparent AI ecosystem that serves the public interest, supported by global tech companies and the French government. The private sector is promoting multi-stakeholder alliances like the Partnership on AI, a global nonprofit founded by major tech companies to unite over 100 organizations from industry, academia, and civil society. It fosters collaboration to address AI's societal impacts by developing best practices, conducting research, and promoting ethical, transparent AI. These efforts highlight how partnerships can provide scalable, structured solutions to ensure AI supports human development and remains safe and equitable.

Source: UNDP Human Development Report-2024/2025

**16.2 Tracking the Pro-Poor Expenditures**

During the period of July - March FY 2025, total expenditures under the Poverty Reduction

Strategy Paper (PRSP) stood at Rs 4,256.02 billion, representing 3.43 percent of the GDP (GDP: Rs 124,150 billion). Among the provinces and federal government, Punjab

accounted for the largest share at 31.13 percent, followed by the Federal Government at 21.55 percent, Sindh at 20.27 percent, Khyber Pakhtunkhwa at 9.76 percent, and Balochistan at 8.91 percent. Additionally, the BISP contributed 8.76 percent to the total PRSP expenditures, while the PBM accounted for 0.23 percent. All provinces, including the Federal Government, collectively allocated 20.73 percent of their PRSP expenditures to education, followed by

15.72 percent to health, 14.05 percent to law and order, and 13.26 percent to social security and welfare. These expenditures reflect the government's commitment to achieving sustainable development goals related to education, health, poverty alleviation, and improving the living standards of marginalized and vulnerable populations. The detail is given in the following table.

**Table 16.2: PRSP Budgetary Expenditures by Sector**

							Rs billion
Sector	Federal	Sindh	Punjab	Balochistan	KPK	Total	%age of Total Expenditure
Agriculture	59.04	89.64	144.67	80.29	46.81	420.45	9.88
Land Reclamation	-	4.33	0.38	-	-	4.71	0.11
Education	91.78	277.26	381.52	93.30	38.60	882.45	20.73
Health	26.21	177.41	346.00	44.85	74.58	669.06	15.72
Justice Administration	10.18	21.84	49.80	3.69	17.58	103.10	2.42
Law & Order	216.12	106.16	160.65	30.27	84.71	597.91	14.05
Low Cost Housing	0.32	0.34	32.92	-	0.07	33.64	0.79
Natural Calamities & Other Disasters	4.75	6.78	19.69	14.44	18.58	64.23	1.51
Roads, Highways & Bridges	215.15	9.47	38.15	38.90	42.64	344.31	8.09
Rural Development	1.18	2.51	67.27	35.09	3.69	109.74	2.58
Social Security & Welfare*	0.16	111.80	7.33	19.51	1.20	564.18	13.26
Subsidies	288.15	33.13	49.80	3.18	2.64	376.90	8.86
Environment/Water Supply & Sanitation	2.07	14.47	14.68	13.72	15.75	60.69	1.43
Population Planning	-	5.62	8.65	1.04	9.35	24.66	0.58
Grand Total including BISP (RS 414.53 billion and PBM Rs 9.66 billion)	915.11	860.75	1,321.51	378.28	356.19	4,256.03	100.00
%age of Total PRSP Expenditure	21.50	20.22	31.05	8.89	8.37	100.00	
%of GDP						3.71	

Source: External Finance Wing, Ministry of Finance

### 16.3 Social Safety Programmes

Social safety nets are essential for reducing poverty among the impoverished and vulnerable population. The details of government program for SSN is given below

#### I. Benazir Income Support Programme

The BISP was launched in July 2008, in response to the impact of the global economic and financial crisis, which caused steep increases in food and fuel prices. Recognizing the need to protect vulnerable populations from these price hikes, the Government of Pakistan created a national social safety net to support poor households. The program primarily offers

unconditional and conditional cash transfers, focusing on poor women. Its immediate aim is to help households cope with high inflation and slow economic growth, while also working to empower women, particularly those who are heads of households. BISP targets the most marginalized and economically deprived segments of society. The program also contributes to several Sustainable Development Goals (SDGs), such as reducing poverty and hunger, promoting good health, quality education, gender equality, and reducing inequalities. During CFY an amount of Rs 592.48 billion has been allocated to the BISP programmes to support underprivileged groups. Out of this, Rs 385.64 billion has been disbursed

to approximately 9.87 million beneficiaries upto 31<sup>st</sup> March, 2025.

BISP has a nationwide presence with its headquarters in Islamabad and zonal offices in all regions/provinces. There are 139 District offices and 287 Sub-divisional/Tehsil offices across the country. The program was formalized through the BISP Act of 2010. BISP operates under the Prime Minister's executive leadership, with the President as its Chief Patron. The BISP Board, consisting of 11 members, oversees policy development and strategy. The Chairperson is appointed by the President on the advice of the Prime Minister, and the Secretary of BISP acts as the Principal Accounting Officer (PAO). Following major programs/projects are being implemented by BISP:

#### **a) National Socio-Economic Registry (NSER):**

The NSER plays a vital role in shaping evidence-based policies and designing Public Sector Development Programmes by offering comprehensive socio-economic data. It supports key initiatives like BISP and various social safety net programs managed by the Ministry of Poverty Alleviation and Social Safety (PASS), while also assisting the private sector in crafting targeted programs. In 2024-25, NSER data was accessed by 32 public and private organizations, underscoring its importance as a trusted source for enhancing social protection and development programs, particularly for marginalized communities. During this period, significant efforts were made to improve the NSER Dynamic Registry, including updating household data, enhancing the Dynamic NSER Android app to ensure better privacy protection, expanding registration coverage, and deploying mobile registration vans to reach remote areas in Balochistan and Sindh. The following activities were undertaken during this review period:

##### **i. Dynamic Registration Coverage**

From July 1, 2024, to March 31, 2025, a total of 6.9 million existing beneficiary households were re-surveyed through Dynamic Registration Centres (DRCs) across the country under the

Dynamic NSER. Additionally, 13 million new households registered themselves through the DNSER, further expanding the program's reach and coverage.

##### **ii. Prime Minister Ramadan Relief Package (PMRRP)**

During Ramadan 2025, BISP launched the Prime Minister Ramadan Relief Package (PMRRP), providing Rs 5,000 to 4 million families below the PMT 32 threshold as Ramadan relief. This was a unique initiative where the relief amount was directly disbursed to beneficiaries' digital wallet accounts.

##### **iii. Enhancements to the Dynamic NSER Application**

To safeguard respondents' personal information, a multi-pronged approach was implemented. This included introducing a Biometric Regime in the DNSER survey application, ensuring household data is only accessible to family members after biometric verification. Additionally, biometric verification of enumerators was made mandatory to enhance data security and transparency.

##### **iv. Deployment of Mobile Registration Vans**

To improve outreach in remote and hard-to-reach areas, BISP introduced 25 Mobile Registration Vehicles (MRVs) in Balochistan (18), Sindh (5), Khyber Pakhtunkhwa (1), and Islamabad (1). These MRVs have successfully registered 186,262 households in Balochistan and Sindh, significantly enhancing accessibility to social protection services. This initiative underscores BISP's commitment to inclusivity and responsiveness, especially in areas with limited access to traditional registration facilities.

##### **b) Unconditional Cash Transfer (UCT):**

BISP's flagship program, UCT or "Kafaalat," was launched in 2008 to provide financial assistance to eligible households identified through NSER. Eligibility is determined using the Proxy Means Test (PMT), with a cut-off score currently set at 32 (or 37 for families with disabled members). The cash grant has gradually



increased from Rs 3,000 per quarter in FY 2009 to Rs 13,500 per quarter in FY 2025. The annual budget for the Kafaalat Programme in FY 2025 stood at Rs 461 billion. An amount of Rs 328.47 billion has been disbursed to 7.87 million Kafaalat beneficiaries during July-March (FY 2025). The fourth tranche of Kafaalat Programme will be commenced from end May 2025 and the target of Rs 416 billion disbursement will be achieved during the CFY. Key initiatives under the Kafaalat program are as follows:

**i. Provision of Financial Assistance to Daily Wage workers in Chaman District**

Following Federal Government directives, BISP is providing cash assistance to daily wage workers at the Chaman Border affected by the border closure and the One Document Regime. The Government of Balochistan identified 8,000 workers, each receiving Rs 20,000 per month for six months. During July-March of CFY Rs 308 million has been disbursed to around 2,183 beneficiaries.

**ii. PM Ramzan Relief Package (PMRRP) 2025**

The Prime Minister of Pakistan launched the Ramzan Relief Package (PMRRP) 2025, providing financial aid to eligible families during Ramzan. The Federal Government allocated Rs 2.0 billion from BISP's budget to support 400,000 beneficiaries, with funds distributed through partner banks nationwide. So far, Rs 1.65 billion has been disbursed.

**iii. Transgender Policy:**

BISP's UCT previously provided to ever-married women, has been expanded to include transgender individuals. To qualify, transgender persons must obtain CNICs from NADRA with the gender listed as transgender and complete a mandatory survey at Benazir Registration Centres. PMT cut-off restrictions have also been relaxed. Currently, 221 transgender individuals are receiving cash assistance under the Benazir Kafaalat Programme.

**iv. Payments Related Grievance Redressal System**

BISP has developed the Payment Complaint Management System (PCMS) to efficiently address payment-related grievances. Deployed at all BISP Tehsil, District, and Zonal Offices, the system allows beneficiaries to easily register and resolve complaints. PCMS is also integrated with the Complaint Resolution Mechanisms (CRMs) of BISP's partner banks, improving the overall efficiency of the grievance redressal process.

**v. Financial Inclusion and Digital & Financial Literacy Programme (D&FLT):**

As part of its financial inclusion strategy, BISP launched a pilot project to provide Digital & Financial Literacy Training (D&FLT) to Kafaalat beneficiaries. Initially, BISP collaborated with Karandaaz Pakistan to develop the curriculum and training materials. Additionally, to enhance beneficiaries' financial capabilities, BISP trained around 242,000 female beneficiaries through D&FLT, delivered with technical support from UNICEF and GIZ. During 2024-25, BISP made landmark progress in financial inclusion by expanding its banking partnerships from existing 02 banks to four new financial institutions to facilitate payments that offered beneficiaries a choice of cash withdrawal.

**vi. Indexation of Cash Transfer:**

To comply with the IMF's Extended Fund Facility Programme (2019-20) and the World Bank's SHIFT-II framework, BISP, in collaboration with the Finance Division and the World Bank, has established a mechanism for periodic updates to cash transfers. The Indexation Committee meets annually to adjust stipends based on factors like inflation. In the latest meeting on September 4<sup>th</sup>, 2024, it was decided to increase the Benazir Kafaalat stipend by Rs 3,000 per beneficiary per quarter, raising it from Rs 10,500 to Rs 13,500, showing an increase of 28.6 percent, in line with inflation-linked indexation recommendations starting from 1<sup>st</sup> January, 2025. BISP in collaboration

with State Bank of Pakistan is in the process to finalize a payment model “Facilitation Framework for BISP Sahulat Account” for BISP beneficiaries in which the beneficiaries’ payments will be made through bank branches and ATMs. The framework initially for onboarding BISP beneficiaries in Karachi, Lahore, Islamabad, Quetta, Peshawar, Muzaffarabad and Gilgit during the pilot phase. After successful implementation of the pilot phase, scope of the framework, with adjustments, if required, shall be extended to other cities/districts.

#### **vii. Hiring of New Partner Banks/Financial Institutions (FIs):**

In its early phase, BISP relied on Pakistan Post to deliver quarterly cash transfers due to its extensive outreach across the country. Adopting a beneficiary-centric model, BISP focused on understanding recipients’ preferred payment methods. To enhance efficiency and transparency, BISP introduced technology-based Alternate Payment Mechanisms (APM), such as the Benazir Smart Card, Mobile Phone Banking, Benazir Debit Cards (BDC), and the Biometric Verification System (BVS). Recently, BISP has partnered with six new financial institutions (FIs) to expand its disbursement network. Additionally, BISP is collaborating with the SBP to further improve this system and explore more options.

#### **viii. Improved Service Delivery:**

BISP, in partnership with NTC, has set up a Call Centre in Islamabad to provide information and handle complaints through an Interactive Voice Response (IVR) system. The toll-free helpline (0800-26477) operates from 8:30 a.m. to 4:30 p.m. and is staffed by 35 call agents.

#### **c) Conditional Cash Transfer (CCT):**

##### **i. Benazir Taleemi Wazaif**

The Government of Pakistan remains committed to achieving Universal Primary Education as part of its SDGs agenda. In line with this commitment, BISP launched the Benazir Taleemi Wazaif programme in 2012. This co-

responsibility cash transfer initiative aims to encourage school enrolment and regular attendance among children from BISP beneficiary families by providing quarterly stipends.

Initially focused on primary education, the programme was expanded in 2021 to include secondary and higher secondary education, and is now operational across the country. Under the programme, parents or guardians receive quarterly stipends for enrolled children based on education level and gender:

- **Primary level:** Rs 2,500 per boy, Rs 3,000 per girl
- **Secondary level:** Rs 3,500 per boy, Rs 4,000 per girl
- **Higher secondary level:** Rs 4,500 per boy, Rs 5,000 per girl
- **Bonus:** A one-time bonus of Rs 3,000 is awarded to girls upon graduation from primary school to encourage continued education

A total of 2,002,919 children have been enrolled in the programme, with the highest numbers in Punjab (754,044), Sindh (628,536), and Khyber Pakhtunkhwa (367,108). During the first nine months of CFY Rs 57.17 billion has been disbursed, with an additional Rs 27 billion planned for distribution by June 2025.

#### **ii. Benazir Nashonuma (Health & Nutrition) Programme**

Pakistan faces a serious child nutrition crisis, with high rates of stunting (40.2 percent), underweight (28.9 percent), and wasting (17.7 percent), making it the second-highest burden country in the region. The first 1,000 days of a child’s life are critical for development and long-term economic outcomes. Investments in the early years of life are the foundation of human capital, and human capital and it act as a key driver of economic development in the modern economy.

To combat this, the government launched the Nashonuma Programme under the BISP in 2020,



expanding nationwide by 2022. Currently operating in 158 districts through 559 facilitation centers, the program provides CCT to pregnant and lactating women (PLW) and children under two within BISP Kafalat families. Beneficiaries receive Rs 3,000 per quarter for boys and Rs 3,500 for girls, contingent on attending health checks, using specialized nutritious food (SNF), and ensuring child immunizations. SNF includes Maamta for mothers and Wawamum for young children, along with comprehensive maternal and child health services.

The programme aims to enhance long-term nutrition for adolescent girls (15-19) in vulnerable Kafaalat households across six districts. It supports the first 8,000 days of life through iron-folic acid supplements, health and nutrition awareness, and a quarterly CCT of Rs 1,500.

A total of 860,615 beneficiaries have enrolled, including 480,290 children and 380,325 pregnant women.

**Table 16.3: Region-wise beneficiaries enrolled during FY 2025 (July-March)**

Province	Child	PW	Total
AJK	5,786	3,758	9,544
Balochistan	70,628	71,551	142,179
GB	8,597	4,570	13,167
ICT	773	689	1,462
KP	123,987	98,914	222,901
Punjab	96,478	69,043	165,521
Sindh	174,041	131,800	305,841
<b>Grand Total</b>	<b>480,290</b>	<b>380,325</b>	<b>860,615</b>

Source: Benazir Income Support Programme, Islamabad

#### **d) Complementary Initiatives:**

##### **i. BISP Scholarships for Undergraduate (BSU)**

The BSU project, launched in September 20, 2019 with the HEC, provides tuition coverage and an annual stipend of Rs 40,000 for undergraduate students from low-income families (earning Rs 45,000/month or less). With 50 percent of scholarships reserved for girls. About 102,003 students (43 percent female) across 135 HEC-recognized institutions were selected over three batches. The six-year project (FY 2020-2026) has a total budget of Rs 38.02 billion, with Rs 34.519 billion disbursed so far. While new student intake ended after 2021-22, current awardees will continue receiving funds until their graduation. BISP also plans to assess the employability of Batch-I graduates.

##### **ii. Skill Training Vouchers (STVs) Programme**

The STVs program, launched in April 2024 through a partnership between BISP and NAVTTC, aims to economically empower BISP

beneficiaries particularly orphans by providing access to quality technical and vocational education. Implemented in 18 districts across Pakistan, including Azad Jammu & Kashmir and Gilgit Baltistan, the program targets training 1,000 individuals in the fields of Hospitality & Services, Construction, Manufacturing, and Information Technology. Currently, 417 trainees are under training in 18 districts.

#### **e) Other Initiatives:**

##### **i. Hybrid Social Protection/Bachat Scheme (HSPS)**

The Hybrid Social Protection Scheme (HSPS) aims to promote financial inclusion and resilience among low-income individuals by encouraging savings through government incentivization. Targeting BISP beneficiaries with a PMT score of 0 - 40, the scheme requires participants to deposit Rs 500 or 1,000 monthly for two years, with the government matching 40 percent of the contributions quarterly. The scheme is being piloted in 15 districts across Pakistan, targeting 150,000 subscribers on a first-come, first-served basis. To support implementation, BISP partnered with Mobilink

Microfinance Bank (MMBL) through an MoU signed on April 14, 2025. MMBL provides free services for digital account setup and payment processing. As of April 17, 2025, 91,259 subscribers had registered, and 39,660 were enrolled. Payments to compliant participants for Q3 (July-September, 2024) have been made. The 754 Compliances against Q4 (October-December, 2024) have been verified and are in

process. Moreover, Q5 (January-March, 2025) compliances are under verification process.

### BISP Financial Progress:

Since its inception, BISP has disbursed a total of Rs 2,607.81 billion in grants, including Rs 276.09 billion under CCT and Rs 2,331.72 billion under UCT, benefiting a total of 9.87 million individuals.

**Table 16.4: BISP Financial and Physical Achievements**

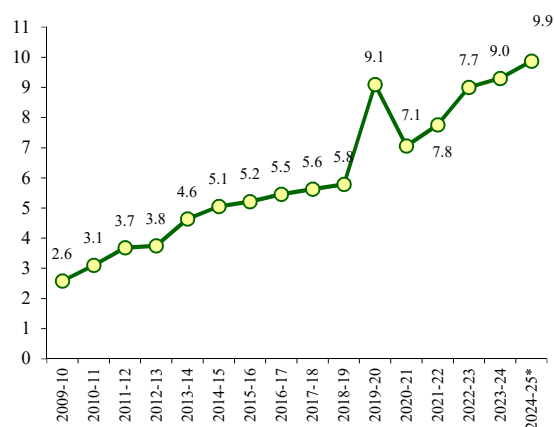
Rs billion

Year	Budget Estimates	Cash Transfer			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	235.63	25.35	193.74	219.09	7.76
2022-23	412.33	61.24	332.91	394.15	9.00
2023-24	471.68	94.38	360.17	454.55	9.30
2024-25*	598.72	57.17	328.47	385.64	9.87
<b>Total</b>	<b>2,944.07</b>	<b>276.09</b>	<b>2,331.72</b>	<b>2,607.81</b>	-

\* Till 31<sup>st</sup> March, 2025

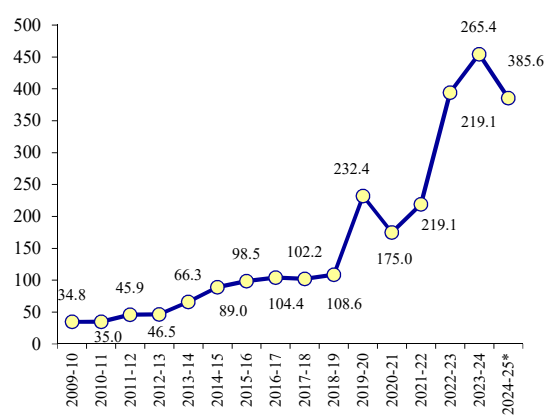
Source: Benazir Income Support Programme, Islamabad

**Fig-16.3: Yearly Number of Beneficiaries million**



\* Till 31st March, 2025

**Fig-16.4: Yearly Total Cash Grants (Rs billion)**



\* Till 31st March, 2025

## II. Pakistan Poverty Alleviation Fund (PPAF):

The Pakistan Poverty Alleviation Fund (PPAF), established in 1997, is a leading non-profit organization dedicated to reducing poverty in Pakistan through community-driven socio-economic development. Its key focus areas include health, education, climate resilience, livelihoods, and financial inclusion. PPAF empowers communities by strengthening its partner organizations through social mobilization while promoting inclusion, accountability, and transparency. The organization emphasizes innovation, evidence-based approaches, and the scaling of successful models to foster sustainable development and contribute to national stability. PPAF strategically channels its efforts and resources toward achieving its long-term development goals:

- a. Empower institutions that serves poor to reduce inequalities and promote inclusive, participatory governance and development.
- b. Expand sustainable and resilient livelihood opportunities to support poor households in graduating from poverty.
- c. Tackle systemic deprivations by investing in local infrastructure and community wellbeing initiatives.
- d. Enhance organizational effectiveness by aligning resource mobilization, talent development, and strategic partnerships to become a more agile, responsive, and impactful institution.

PPAF's goals align with Pakistan's pursuit of the SDGs addressing poverty as a multi-dimensional issue. Its theory of change focuses on leveraging social capital to empower communities, expand opportunities, and develop sustainable infrastructure, enabling lasting poverty graduation.

### 1. Where We Work: Prioritizing Lagging Regions

PPAF uses evidence-based research to understand poverty and inequality in Pakistan,

guiding its policy and resource allocation. Based on its study 'Geography of Poverty in Pakistan', it ranks districts into five poverty zones using 27 indicators across health, education, living conditions, and assets. Resources are directed to the poorest areas with strict quality checks to ensure fairness. The organization targets regions and households effectively, with a strong emphasis on reducing rural poverty.

#### Leading Sector Development for Lasting Impact

PPAF builds on its legacy by leading sectoral transformation, notably through the successful spin-off of its microfinance operations into PMIC. Its current grant-based initiatives focus on key development areas water, energy, and rural connectivity with a strong emphasis on expanding renewable energy. PPAF also champions the 'Poverty Graduation' approach, enabling the poor to break the cycle of poverty and achieve sustainable livelihoods.

### 2. How We Work: Poverty Graduation Strategy

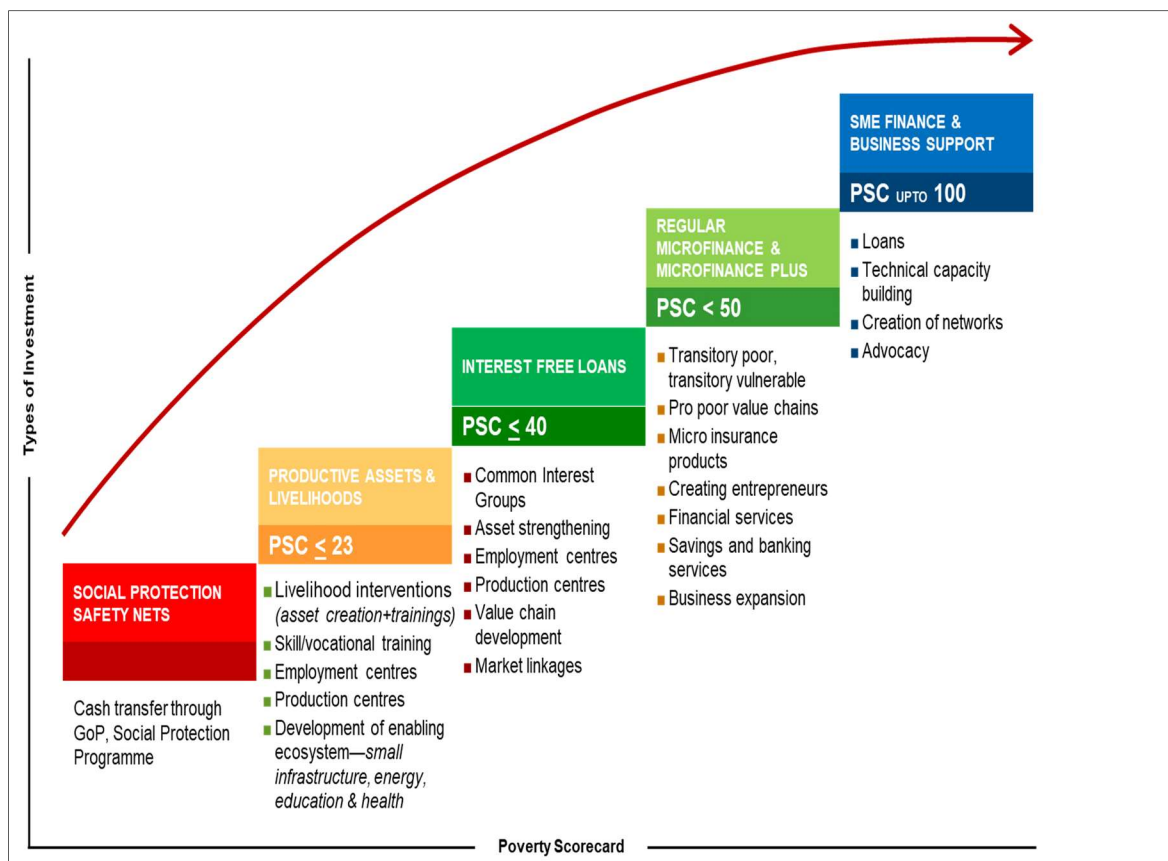
The PPAF views poverty as a complex, multidimensional issue exacerbated by factors like unemployment, poor access to education and healthcare, and climate-related challenges. To combat this, PPAF employs the globally validated Graduation Approach, helping households move from extreme poverty to sustainable livelihoods. This model supported by six international graduation research (Ethiopia, Ghana, Honduras, India, Pakistan and Peru) between 2006 and 2014, including a landmark 2015 Science study guides families through a structured pathway involving consumption support, skills training, asset transfers, savings, financial access, and business development. Interventions are tailored to different poverty levels using the Poverty Scorecard (PSC), and PPAF functions as a key exit strategy for the Government of Pakistan's social protection programs.

#### Poverty Graduation Strategy

A recent preliminary analysis based on triangulation of BISP and PPAF common beneficiaries' data reveals that out of 334,596 BISP beneficiaries 108,043 (32 percent) are eligible to graduate out of BISP.

Each intervention is strategically tailored to the household's specific poverty level, ensuring that the right combination of tools is applied to facilitate meaningful progress along the PSC.

Ultimately, PPAF acts as a key exit strategy for the Government of Pakistan's social protection programs, enabling beneficiaries to move from dependency to self-reliance.



### 3 PPAF's Sectoral Progress<sup>1</sup>

#### 3.1 Empowering Community through Social Mobilization and Improving Local Governance:

PPAF's theory of change is rooted in a non-prescriptive, community-led approach that empowers people to identify their needs and lead their own development through inclusive, democratic institutions. In partnership with civil society organizations, PPAF builds local capacity for social mobilization with a strong focus on inclusion, transparency, and accountability. Since its inception, PPAF has formed 171,000 Community Institutions with 2.67 million members (63 percent of whom are women) and has held over 20,600 capacity-building events, ensuring 50 percent female

participation. From July 2024 to March 2025 alone, 1,450 new institutions were created and 23,500 community members, half of them women, received managerial training.

#### 3.2 Financial Inclusion through PMIFL Programme:

Financial inclusion is key to poverty alleviation, enabling individuals to access financial services that support investment, asset-building, and economic resilience. PPAF advances this goal as a key developer of Pakistan's microfinance sector, notably through its majority shareholding in PMIC, which provides funding and advisory support to Microfinance Banks and Institutions. This empowers them to deliver affordable services to marginalized rural and low-income communities. Since June 2021, PPAF has also

<sup>1</sup> Progress for the month of March 2025 is projected

been implementing the Prime Minister's Interest Free Loan (PMIFL) Programme, supporting microenterprises and entrepreneurship through interest-free loans, business advisory services, and linkages to markets, suppliers, and training institutions.

Since the launch of PMIFL Programme until March 2025, number of loans disbursed to borrowers was 3.5 million loans (56 percent, women) worth Rs 129.19 billion (including reflows) have been disbursed across 81 districts via 736 Loan Centres and 26 Partner Organizations. Between July 2024 and March 2025 alone, 207,243 interest free loans (68 percent to women) amounting to Rs 9.8 billion (including reflows) were disbursed to the borrowers. Most loans during this period were distributed in Punjab (79.36 percent), followed by Sindh (12.35 percent), Khyber Pakhtunkhwa (5.54 percent), Balochistan (1.53 percent), AJK (0.69 percent), and Gilgit-Baltistan (0.52 percent). The programme supports PPAF's broader Poverty Graduation approach.

### **3.3 Combating Climate Change and Disaster Response:**

Despite contributing less than 1 percent to global emissions, Pakistan remains highly climate-vulnerable. PPAF addresses this through climate adaptation, green jobs, renewable energy, and community resilience aligned with national and global frameworks. Key achievements include conserving 2.23 million m<sup>3</sup> of water, generating 14 MW of renewable energy, planting 130,000 trees, and engaging youth in environmental awareness.

PPAF has provided large-scale disaster relief, supporting 260,000 households during droughts, building 120,000 earthquake-resistant homes, assisting 859,000 flood-affected families, and aiding 66,000 households during COVID-19. In the 2022-2023 floods, it delivered emergency aid to over 87,600 households, ensuring high beneficiary satisfaction and better access to essential services.

### **3.4 Livelihoods and Value Chains**

#### **3.4.1 Productive Economic Asset Provision, and Vocational Skills Training**

Under the graduation policy, PPAF supports

ultra-poor households by enhancing income generation and employability through value chains like embroidery, agriculture, and livestock. Between July 2024 and March 2025, 465 assets were transferred (31.3 percent to women) and 1,584 individuals (47 percent women) received training to improve livelihoods.

#### **3.4.2 Small Medium Enterprises (SMEs) Development**

SMEs play a crucial role in reducing poverty, boosting the economy, and promoting employment and social uplift. Since 2021, PPAF has supported SMEs in rural Sindh and Balochistan, particularly in horticulture and livestock value chains, through capacity building, financial access, and value addition. It disbursed Rs 1,003 million in matching grants to 371 SMEs (38 percent women-led) and facilitated loans worth Rs 616.37 million to 345 SMEs (51 percent women-led). Additionally, 963 SMEs (44 percent women-led, including one transgender-led) received training in business planning and financial literacy. During the reporting period, 75 SMEs received matching grants (69 percent women-led and one transgender-led), while 225 SMEs (64 percent women-led) accessed loans through linkages with financial institutions.

### **3.5 Community Physical Infrastructure**

Investment in community infrastructure plays a vital role in boosting local economies, generating income, and enhancing market access for underserved communities, while also fostering social cohesion and local empowerment. PPAF has completed over 34,590 infrastructure projects, benefiting 16.92 million people (51 percent women) by improving access to water, sanitation, and agriculture services. Between July 2024 and March 2025, 49 additional projects were completed, benefiting over 70,000 individuals, with women making up 51 percent of the beneficiaries.

### **3.6 Renewable Energy:**

A green, reliable, and inclusive energy transition is essential for improving life in Pakistan's off-grid and underserved areas. PPAF's renewable



energy initiatives, including hydropower and mini-grids, have delivered over 14 MW of clean energy through 1,450 projects, benefiting more than 586,100 individuals. These projects reduce fossil fuel dependence, enhance livelihoods, and support environmental sustainability. During period under consideration, four additional renewable energy projects were completed, benefiting over 4,000 people (51 percent women). In recognition of its efforts, PPAF received the Energy Institute Award 2024 in the "International Workforce" category for fostering a skilled, diverse workforce and advancing innovation in the energy sector.

### 3.7 Health

Health is essential for achieving poverty reduction and sustainable development. PPAF has expanded access to primary healthcare and nutrition services, especially for underserved populations, by supporting 968 community health centres and facilitating 15.4 million consultations (56 percent for women and girls). Notable efforts include a Thalassemia blood transfusion project and a deaf reach centre in Khyber Pakhtunkhwa for inclusive care. During period under review, over 38,000 consultations were conducted (58 percent women and girls), 75 LHWs and Community Midwives were trained, 15 family health outlets and nutrition clubs were established, and 3,999 awareness sessions trained 47,562 individuals.

### 3.8 Education

Education plays a vital role in poverty reduction and socio-economic development. PPAF has been promoting inclusive, equitable education in impoverished communities to address poverty at

its roots. To date, 2,866 educational facilities including over 1,500 public schools and 5 tele-education centres have been supported, enabling the enrolment of over 432,800 students (45 percent girls and 10,000 blind and deaf children). Additionally, more than 4,000 teachers and 6,000 community members have been trained. During the reporting period, over 15,000 students were newly enrolled in PPAF-supported schools, with girls making up 37 percent of the total.

### 3.9 Inclusion and Gender

PPAF supports marginalized groups particularly women, girls, and persons with disabilities through education, skills training, and economic empowerment to address poverty and gender inequality. Tailored programmes for people with special needs include the distribution of over 39,000 assistive devices and enterprise training for more than 3,000 individuals, promoting inclusion and community participation. Additionally, PPAF fosters social cohesion and sustainable development through youth-focused initiatives in economic empowerment, cultural exchange, and community-based conflict resolution.

## 4. Financial Progress Update

PPAF received funding from a range of international donors, including the World Bank, EU, IFAD, KfW, USAID, UNHCR, and others, as well as corporate partners. During the reporting period, it disbursed Rs 2,192.42 million to its Partner Organisations (POs) for donor-funded programmes and income from PMIC and RF. The component-wise financial progress is given in the table below:

**Table 16.5: Financial Progress Update (July 2024 to March 2025)**

Sr #	Programme Components	Financial Progress (Rs million)
1	Institutional Development/Social Mobilization (ID/SM)/Capacity Building	542.14
2	Livelihood Enhancement and Protection	229.94
3	Water and Infrastructure	92.75
4	Education, Health and Nutrition	175.75
5	Interest Free Loans	457.4
6	Climate Change: Flood Emergency Response	694.44
<b>Total</b>		<b>2,192.42</b>

Source: Pakistan Poverty Alleviation Fund, Islamabad

### 5. PPAF's Programme Progress Update (July 2024 to March 2025):

During the period July 2024 to March 2025, PPAF remained at the forefront of inclusive and sustainable development through the implementation of a robust portfolio of integrated, multi-sectoral projects across the country. Anchored in its community-driven development model, PPAF focused on delivering high-impact interventions aimed at poverty alleviation, economic empowerment, climate resilience, and social inclusion. With

strategic alignment to national priorities and SDGs, these initiatives targeted some of the most underserved regions of the country, fostering resilience, improving access to essential services, and unlocking economic potential at the grassroots level. Spanning 82 districts, these projects reached around one million direct beneficiaries and demonstrated strong financial performance, with a total programme allocation exceeding Rs 21 billion.

PPAF's project-wise progress update is given below:

**Table 16.6: Status of Projects**

Sr No.	Project Name	Objective	No. of districts	No. of Beneficiaries
1	Growth for Rural Advancement and Sustainable Progress (GRASP)	To support poverty reduction and sustainable, inclusive economic growth in rural areas of Pakistan.	22 districts (12 in Sindh; 10 in Balochistan)	74,248
2	Livelihood Support and Promotion of Small Community Infrastructure Project (LACIP-II 2023-2026)	To contribute to the betterment of living conditions of poor people in Khyber Pakhtunkhwa. The project shall contribute to the stabilization of fragile areas.	3 districts in Khyber Pakhtunkhwa	59,023
3	Development of Hydro Power and Renewable Energy Project (HRE Ext.)	Increased access to energy in Pakistan supports economic development, environmental and climate protection and poverty reduction while improving the living standard of the population.	4 districts in Khyber Pakhtunkhwa	11,685
4	Post-floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan*	To contribute to post 2022 floods climate-resilient socioeconomic recovery in the most affected and poorest districts of Balochistan province. The specific objective is to improve value chains and market linkages in agriculture and livestock sectors of Balochistan	6 districts in Balochistan	-
5	Prime Minister's Interest Free Loan (PMIFL) Programme phase-II	Improved access to financial services to the target segment of the population to help them graduate out of the programme to link them with formal financial institutions (microfinance institutions/banks, etc.)	27 districts (4 in Sindh; 6 in Balochistan; 9 in Khyber Pakhtunkhwa; 6 in Punjab; 1 in AJK and 1 in GB)	391,000
6	Restoring Social Services and Climate Resilience Programme	Contribute to alleviating poverty through climate resilient sustainable development approaches	19 districts (4 in Balochistan, 2 in Gilgit Baltistan, 4 in Khyber Pakhtunkhwa, 6 in Punjab and 3 in Sindh)	305,000
7	Strengthening and Upgradation of Relief, Rehabilitation & Settlement Department, Government of Khyber Pakhtunkhwa	Contribution to strengthening the operational capacity of the Relief, Rehabilitation & Settlement Department (RR&SD) of Khyber Pakhtunkhwa to bolster its effectiveness and responsiveness for implementation of climate change and disaster risk reduction interventions	1 district in Khyber Pakhtunkhwa	140
8	Azad Jammu & Kashmir Local Area Development Programme	Contribute to alleviating poverty through climate resilient sustainable development approaches	3 districts in Azad Jammu & Kashmir	1,986
9	Gilgit Baltistan Local Area Development Programme	Contribute to alleviating poverty through climate resilient sustainable development approaches	2 districts in Gilgit Baltistan	535
10	Making Social Entrepreneurship Accessible to the Emerging Youth of Balochistan	To empower marginalised communities in Balochistan by promoting and supporting innovative sustainable social enterprises.	1 district in Balochistan	25
11	Promoting Gandara's Civilization and Heritage for Sustainable Ecotourism in Pakistan	To promote Gandhara's culture & heritage through responsible ecotourism practices, enhance sustainable livelihoods of local communities and preserve region's cultural legacy for future generations	1 district in Punjab	1,000

**Table 16.6: Status of Projects**

Sr No.	Project Name	Objective	No. of districts	No. of Beneficiaries
12	Economic Empowerment of Marginalised Communities through Strengthening Technical and Skills Sector in Punjab and Sindh, Pakistan	To empower marginalised men and women youth population through technical and vocational skills and entrepreneurship, and establishing strong connections with stakeholders, local entrepreneurs, industry stakeholders, and government bodies to promote inclusive economic growth and social cohesion.	13 districts (7 in Punjab and 6 in Sindh)	127
13	Development of a Modern TVET Centre and Renovation of the Public Library in Jaffarabad, Balochistan*	To enhance educational and employment opportunities through the renovation of public infrastructure and the establishment of modern facilities that promote inclusive access to knowledge and skills development.	1 district in Balochistan	-
14	Promoting Community Based Tourism in Neelam Valley, AJK phase-II	Poor households are empowered with increased income through introducing (target households) to eco-tourism	1 district in AJK	180
15	Public Restrooms Facilities (PRFs) in Pakistan's Coastal Highway to Support Tourism, Hygiene/ Sanitation, Environmental Protection, and Economical Growth initiatives*	Construct clean and well-maintained Public Restroom Facilities (PRFs) along Pakistan's Coastal Highway to transform tourism infrastructure, elevate hygiene standards, and promote environmental sustainability	Coastal Areas of Balochistan	-
16	Continued Support to PPAF's Established Schools in Sindh and GB - Phase III	Improved enrolment, access to quality and equitable education for vulnerable communities ultimately contributing to SDG-4.	7 districts (6 in Sindh & 1 in GB)	11,660
17	Chamalang Education Project Phase-III	Scholarship supports students, in order to provide good educational services to out of school children of coal miners from districts of Loralai and Kohlu	2 districts in Balochistan	2,310
18	Bridging Educational Polarization for Social Harmony	To promote access to formal education for madaris students and establish a mechanism for inter-sect and inter-faith dialogue, advocacy, and public information to promote religious moderation, tolerance, mutual respect, religious freedom, fundamental rights, and social harmony.	3 districts in Balochistan	1,168
19	Integrated Project for Community Based Health and Nutrition Interventions in the marginalized districts of Balochistan and KP	Improved maternal, neonatal and child health, reduction in malnutrition, sustainable and strengthened health services.	3 districts (2 in Balochistan & 1 in Khyber Pakhtunkhwa)	87,556
20	Establishing a Deaf Reach Centre of Excellence in Khyber Pakhtunkhwa	Empower deaf students to ultimately reach their full potential and become contributing members of society.	1 district in Khyber Pakhtunkhwa	65
21	Enhancing Capacity, Sustainability and Outreach for United Foundation's Blood Transfusion Services in Kohat	To significantly improve the quality and accessibility of blood transfusion services in the Kohat region by strengthening the institutional capacity of the United Foundation.	1 district 1 in Khyber Pakhtunkhwa	445

\* No beneficiaries have been reported for some projects, as these projects are in the inception phase

Source: Pakistan Poverty Alleviation Fund, Islamabad

PPAF is proud to implement major development initiatives funded by esteemed donors such as the European Union, KfW Development Bank, and the Government of Pakistan. These partnerships reflect strong donor confidence in PPAF's capacity to deliver impactful, community-driven programs across Pakistan.

### III. Microfinance Network:

The microfinance sector plays a vital role in

combating poverty and reducing social inequality. In Pakistan, it serves over 12.3 million clients and is globally recognized for improving the socio-economic status of marginalized communities. The sector has shown steady growth in recent years, with the client base expanding by approximately 0.5 to 1.0 million annually. Microfinance services in Pakistan are broadly categorized into three areas: micro-credit, micro-savings, and micro-insurance.

During the period under review, the sector recorded notable growth in two of these categories. Micro-credit saw a 23 percent increase in its gross loan portfolio (GLP), while micro-savings grew by 10 percent. Micro-insurance, however, exhibited a decline. The

number of policyholders fell by 9.7 percent, closing at 7.4 million. Despite this drop, the total sum insured remained nearly unchanged, with the insurance portfolio closing at Rs 240.82 billion.

**Table 16.7: Active Borrowers, Savers and Policyholders** In million

Quarters	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value	Active Savers	Value	Policy Holders	Sum Insured
Q1 2024	10.00	557,120	110.46	636,651	8.28	239,224
Q2 2024	10.78	565,855	112.62	641,425	8.15	231,833
Q3 2024	11.24	573,070	117.08	648,964	7.22	235,712
Q4 2024	12.37	591,940	121.50	700,152	7.41	240,827

Source: Pakistan Microfinance Network (PMN)

### 1. Institution-wise breakdown of Micro-Credit activities (as on December, 2024)

The number of active clients is significantly

higher at Mobilink Microfinance Bank and Telenor Microfinance Bank. This phenomenon can be attributed to nano lending practices.

**Table 16.8: Microcredit beneficiaries, outstanding loans portfolio and loan disbursement** (In million)

Type	Organization	Active Borrowers	GLP	Loans disbursed	Disbursements
MFB	Advans	0.013	2,567	0.003	940
MFB	AMFB	0.097	12,376	0.008	2,643
MFB	ASA	0.662	25,072	0.200	12,879
MFB	FINCA	0.069	19,187	0.031	11,279
MFB	HBL MFB	0.358	93,298	0.048	12,473
MFB	KBL	0.388	76,842	0.081	28,971
MFB	MCBIB	0.002	739	0.002	739
MFB	MMFB	4.074	74,818	11.766	68,641
MFB	NRSP-B	0.183	35,336	0.035	7,325
MFB	POMFB	0.044	4,472	0.009	1,735
MFB	SMFB	0.083	2,320	0.024	1,138
MFB	TMFB	2.886	28,516	6.833	27,051
MFB	U Bank	0.362	76,464	0.053	16,994
<b>TOTAL</b>		<b>8.85</b>	<b>375,543</b>	<b>19.04</b>	<b>175,812</b>
MFI	Agah	0.058	1,984	0.014	878
MFI	Akhuwat	0.580	39,871	0.101	12,485
MFI	Al Mawakhat	0.000	12	0.000	12
MFI	CFS	0.003	47	0.004	65
MFI	CSC	0.034	1,567	0.009	682
MFI	Damen	0.096	4,462	0.024	1,986
MFI	FDO	0.005	89	0.001	32
MFI	FFO	0.023	1,151	0.016	424
MFI	JWS	0.177	6,517	-	-
MFI	Kashf	0.850	32,664	0.242	13,444
MFI	MOJAZ	0.024	666	0.000	54
MFI	OPD	0.005	94	0.001	44
MFI	OPRCT	0.025	850	0.006	388
MFI	RCDP	0.223	9,368	0.058	3,753
MFI	SMFC	0.009	298	0.002	90
MFI	SSF	0.137	4,732	0.024	1,637

**Table 16.8: Microcredit beneficiaries, outstanding loans portfolio and loan disbursement** (In million)

Type	Organization	Active Borrowers	GLP	Loans disbursed	Disbursements
MFI	SVDP	0.003	87	0.000	25
MFI	TMF	0.056	2,272	0.000	0.018
MFI	Union MF	0.000	23	0.000	1
MFI	NRSP	0.690	27,602	0.257	17,514
MFI	PRSP	0.038	1,318	0.009	539
MFI	SRSO	0.101	3,350	0.023	1,284
MFI	SRSP	0.009	272	0.003	134
MFI	TFC	0.001	638	0.002	1,306
<b>TOTAL</b>		<b>3.14</b>	<b>139,934</b>	<b>0.796</b>	<b>56,778</b>
<b>GRAND TOTAL</b>		<b>12.37</b>	<b>591,940</b>	<b>19.88</b>	<b>249,585</b>

Source: Pakistan Microfinance Network (PMN)

## 2. Achievements until 2024

The microfinance industry typically offers services across three main categories: micro-credit, micro-savings, and micro-insurance. The following charts illustrate the trends observed in the services provided by Microfinance Providers, based on industry data compiled for the quarterly report.

### 3. Credit: Steady Expansion in Borrowing & Loan Portfolio

The credit sector has shown a consistent increase in active borrowers and Gross Loan Portfolio (GLP) over the years.

- ▶ Active borrowers rose from 7.0 million in 2020 to 12.4 million in 2025, reflecting an increasing demand for micro-loans.
- ▶ GLP also expanded significantly, from Rs 324 billion in 2020 to Rs 592 billion in Q1

2025.

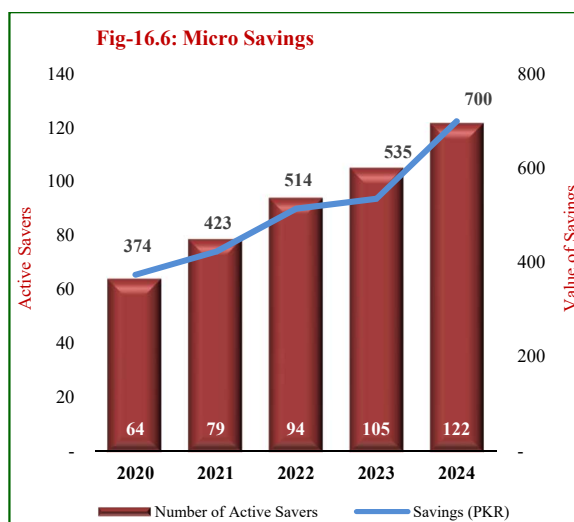
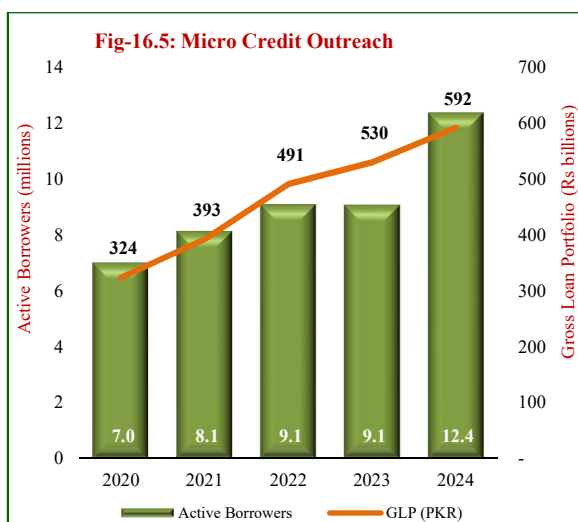
This indicates a healthy appetite for microcredit, likely driven by business expansion needs and increased financial inclusion efforts.

### 2. Savings: A Surge in Financial Inclusion & Deposits

The savings landscape reflects a strong cultural shift toward financial security, as both active savers and savings value have increased impressively.

Active savers jumped from 64 million in 2020 to 122 million in 2024, showcasing a 90 percent increase.

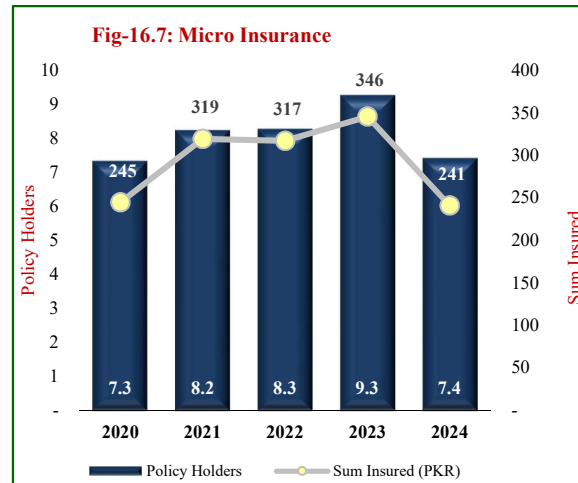
The value of savings also expanded from Rs 374 billion in 2021 to Rs 700 billion in Q1 2025, a 87 percent growth.





### 3. Micro-Insurance: A Declining Trend with Risk Implications

Unlike credit and savings, micro-insurance has faced a downturn, raising concerns about financial security among the low-income population. Policyholders remained almost stagnant from 7.3 million in 2020 to 7.4 million in 2024. The sum insured also remained stagnant from Rs 345 billion in 2020 to Rs 241 billion in 2024. The peak in insured amounts was seen in 2023, after which a sharp decline followed in 2024. This decline suggests a lack of awareness, affordability challenges, or decreased confidence in insurance products.



**Table 16.9: Active Borrowers, Savers and 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)
2024	12,367,216	591,940	121,505,737	700,512	7,412,732	240,827
2023	9,397,888	546,612	108,687,815	596,618	8,572,031	325,522
Increase/decrease (Net)	2,969,328	45,328	12,817,922	103,894	-1,159,299	-82,695
Increase/Decrease (%)	31.59%	8.29%	11.79%	17.41%	-13.5%	25.56%

\*: Calendar Year

Source: Pakistan Microfinance Network (PMN)

**IV. Zakat:** The Zakat system plays a crucial role in ensuring equitable wealth distribution and serves as a preventive measure against poverty. It is designed to reduce social and economic inequalities within the community. Zakat funds are allocated to support the needy, including orphans, widows, persons with disabilities, and others requiring financial assistance or rehabilitation. Following the 18<sup>th</sup> Constitutional Amendment, Zakat became a devolved subject. However, under the Rules of Business, 1973, the Federal Government retains responsibility for the collection of Zakat. The collected funds are then distributed to the Provinces and Federal Areas based on a formula approved by the Council of Common Interests (CCI). As per the CCI's decision on April 7, 2021, the share of Zakat designated for the former FATA region is released to the Khyber Pakhtunkhwa Province.

During the current fiscal year, a total of Rs 12.21 billion was distributed among the Provinces and Federal Areas, marking a 65.21 percent increase compared to the Zakat collected in the previous year. Each year, the Ministry of Poverty Alleviation & Social Safety, in coordination

with the State Bank of Pakistan (SBP), announces the Nisab of Zakat in the last week of the Islamic month of Sha'aban. For the year 1445-46 AH (FY 2025), the Zakat Nisab has been declared at Rs 179,689. The detailed breakdown is provided in the table:

**Table 16.10: Disbursement of Zakat**

Sr.#	Province/Federal Area	Rs million
1	Punjab	6,516.06
2	Sindh	2,693.44
3	Khyber Pakhtunkhwa	1,569.94
4	Balochistan	580.49
5	Gilgit Baltistan	158.78
6	ICT	300.46
7	FATA	395.80
<b>Total</b>		<b>12,214.99</b>

Source: Ministry of Poverty Alleviation and Social Safety

### V. Pakistan Bait-ul-Mal (PBM):

PBM established under the 1991 Act, supports the poor, including widows, orphans, the disabled, and others in need, to help them live dignified lives. It provides essential services like food, clothing, education, and medical care, especially for those unable to earn due to illness

or unemployment. A grant of Rs 10.00 billion has been allocated for FY 2025 out of which Rs 6.51 billion has been disbursed during July-March which is only 65.13 percent of the

allocated amount.

Detail of beneficiaries and disbursement under various projects/schemes of PBM, are as follows:

**Table 16.11: Head-wise Details of Financial Assistance**

Sr. No.	Indicators	Nos of Beneficiaries	Amount Disbursed Rs million	%age share in total disbursement
a.	Individual Financial Assistance Medical	11,753	2,596.71	44.69
	Individual Financial Assistance Education	5,454	194.69	
	Individual Financial Assistance general	610	16.14	
	Individual Financial Assistance SFP	4,857	103.19	
b.	Cochlear Implant device & allied surgery cost @ Rs 2.15 million	597	1,285.00	19.73
c.	PBM Shelter Homes	1,176,349	270.26	4.15
d.	Khana Sab key Leay (KSKL)	867,725	163.60	2.51
e.	Women Empower Centres (WECs)	26,706	477.85	7.34
f.	Pakistan Sweet Homes (PSH)	4,169	835.92	12.83
g.	Orphan & Widow Support Programme	1,040	41.92	0.64
h.	Pakistan Old Home	28	8.35	0.13
i.	Institutional Rehabilitation for NGOs	11,643	19.51	0.30
j.	Schools for Rehabilitation of Child Labour (SRCLs)	19,042	500.25	7.68
	<b>Total</b>	<b>2,129,973</b>	<b>6,513.38</b>	<b>100.00</b>

Source: Pakistan Bait-ul-Mal

#### **a. Individual Financial Assistance (IFA):**

Under the Programme, Rs 2,910.73 million was disbursed to 22,674 beneficiaries across four schemes, representing 44.69 percent of total disbursed funds. Medical assistance was provided for critical illnesses through government hospitals, while educational stipends supported students in public institutions. Financial aid was also extended to widows, orphans, destitute individuals, and families with differently-abled members under the Special Families Scheme.

#### **b. Cochlear Implant:**

Financial assistance amounting to Rs 1,285.00 million at a rate of Rs 2.150 million per child was provided to public and private sector panel hospitals for hearing impairment devices and allied surgeries for registered patients.

#### **c. PBM Shelter Homes**

Shelter Homes provide free daily meals,

temporary overnight accommodation, and additional support such as healthcare, hygienic food, and dignified care in a safe environment. With Rs 270.26 million disbursed, the initiative has benefited 1,176,349 individuals.

#### **d. Khana Sab Ke Leay (KSKL):**

During the review period, a total of Rs 163.60 million was allocated to provide free meals to disadvantaged communities through mobile food vehicles.

#### **e. Women Empowerment Centres (WECs):**

WECs have successfully trained 26,706 widows, orphans, and underprivileged girls in various trades, including tailoring, sewing, knitting, computer skills, and embroidery. These training institutes also provide free materials necessary for the courses. A total of Rs 477.85 million has been invested in these training programs.

#### **f. Pakistan Sweet Homes (PSHs):**

PSHs provide free daily meals, temporary overnight accommodation, and additional support such as healthcare, hygienic food, and dignified care in a safe environment. With Rs 835.92 million disbursed, the initiative has benefited 4,169 individuals.

#### **g. Orphans & Widows Support Programme (OWSP)**

This distinctive Conditional Cash Transfer program targets orphaned girls and matriculated children from closed PBM Sweet Homes, ensuring their continued education while supporting Pakistan's commitment to the Sustainable Development Goals. The program emphasizes the holistic development of both orphans and widows, contributing to a more inclusive society. A total of Rs 41.92 million has been disbursed, benefiting 1,040 individuals.

#### **h. Pakistan Old Home (PoH):**

In PoH senior citizens aged 60 and above are enrolled and provided with free boarding, lodging, meals, and medical care of the highest standard. A total of Rs 8.35 million has been utilized to support 28 individuals.

#### **i. Institutional Rehabilitation for NGOs:**

Under this joint collaboration, PBM extends support to registered Non-Governmental Organizations (NGOs) with a proven track record in rehabilitating the underprivileged. This assistance covers dialysis, eye care services, and other welfare-related initiatives. An amount of Rs 19.51 million has been disbursed, benefiting 11,643 individuals.

#### **j. Schools for Rehabilitation of Child Labour (SRCLs):**

This programme was launched nationwide in 1995, aims to provide primary (non-formal) education to children aged 5-6 years, offering free uniforms, books, and stationery. The primary objective of the program is to prevent children from entering the labor market due to financial constraints. An amount of Rs 500.25 million has been spent, helping keep 19,042 children out of child labor.

### **VI. Employees Old-Age Benefits Institution (EOBI):**

The EOBI established under the EOB Act 1976, is Pakistan's only national pension scheme for workers in industrial and commercial sectors with five or more employees. Governed by a Tripartite Board including representatives from the government, industry, and institutions, EOBI collects monthly contributions from employers (5 percent of the minimum wage) and employees (1 percent). Government contributions ceased in 1995. EOBI provides pensions to retired, survivor, and invalid workers, playing a key role in poverty reduction. During period under review, EOBI have 155,189 totals registered out of which 102,285 are total active employers and 11.46 million employees are registered with EOBI since inception.

#### **1. Main features of the EOBI Scheme:**

- ▶ **Old-Age pension** on attaining 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 percent pension till life, or
  - Surviving male children till 18 years of age, or
  - Surviving female children till 18 years of age or their marriages, whichever is earlier, or
  - Surviving parents for 5 years, if an insured persons/ pensioner not survived by spouse or children.
  - Surviving parents for 5 years, if an insured persons/ pensioner not survived by spouse or children.
- ▶ **The Old-Age grant** is paid in lump sum to insured persons having less than fifteen years' insurable employment but attain the age of 60/55 years.

**Table 16.12: A comparison of contribution collection July-March**

Rs million

Sr. No.	Month	Collection of Contribution (FY 2024)	Collection of Contribution (FY 2025)	Increment	Increment (%)
1	July	3,450.87	5,101.09	1,650.22	48
2	August	3,772.00	5,414.75	1,642.76	44
3	September	4,053.96	6,055.30	2,001.35	49
4	October	4,485.40	6,201.92	1,716.52	38
5	November	4,563.78	6,667.06	2,103.28	46
6	December	5,250.75	7,053.52	1,802.77	34
7	January	5,173.09	6,888.90	1,715.81	33
8	February	5,099.87	6,878.13	1,178.26	35
9	March	5,488.98	6,583.22	1,094.23	20
<b>Total</b>		<b>41,338.70</b>	<b>56,843.89</b>	<b>15,505.20</b>	<b>38</b>

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

**Table 16.13: Performance During FY 2025**

Rs million

Sr. No.	Month	Monthly Target	Collection of Contribution	Target achieved %Age	Type-wise Pension Disbursement				
					Old-Age Pension	Invalidity Pension	Survivor Pension	Old-Age Grant	Total Pension Disbursement
1	July	6,667	5,101	77%	2,724	53	1,859	71	4,707
2	August	6,667	5,415	81%	2,696	50	1,748	56	4,550
3	September	6,667	6,055	91%	2,851	50	1,752	55	4,707
4	October	6,667	6,202	93%	2,705	53	1,832	57	4,647
5	November	6,667	6,667	100%	2,750	54	1,880	68	4,752
6	December	6,667	7,054	106%	2,715	53	1,868	67	4,703
7	January	6,667	6,889	103%	2,772	55	1,924	85	4,836
8	February	6,667	6,878	103%	2,770	52	1,929	66	4,817
9	March	6,667	6,583	99%	2,784	51	1,920	79	4,834
<b>Total</b>		<b>60,000</b>	<b>56,844</b>	<b>95%</b>	<b>24,767</b>	<b>471</b>	<b>16,712</b>	<b>604</b>	<b>42,553</b>

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

## 2. Achievements

The institution is working to increase the number of insured persons, thereby expanding its beneficiary base and contributing to poverty reduction. In the first half of FY 2025, contribution collections rose significantly to Rs 10.92 billion, mainly due to record checking, recovery of arrears, and registration of new employers. EOBI has achieved 95 percent of its revised annual target of Rs 80 billion by March 2025 and is on track to meet 100 percent of its goal by year-end.

## 3. Issues and Challenges

Despite recent achievements, EOBI faces major challenges in expanding employee coverage due to uncertainty following the 18<sup>th</sup> Amendment in 2010. This has caused confusion among industries, many of which await a Supreme Court judgment (Civil Petition No. 39/2012) and

are hesitant to pay contributions. The situation is further complicated by the Sindh province introduced its own EOB Act, creating legal and administrative complexities.

The situation worsened after the Supreme Court's 2017 judgment (PLD 2017 SC 28) invalidated EOBI related amendments made through Finance Acts from 2005 to 2008. This led to reduced contribution rates by employers, exclusion of banks from EOBI coverage, resistance to registering new workers, and demands for refunds, causing EOBI losses of billions. As a result, the gap between annual contributions and pension disbursements reached Rs 16 billion in FY 2023. EOBI has proposed reforms including raising the contribution rate and including self-employed, informal sector workers, and overseas Pakistanis to boost coverage, reduce poverty, and enhance pension benefits.

#### 4. Recent initiatives

EOBI plans to launch the EOBI Transformation Initiative (ETI) to enhance efficiency, productivity, and public awareness. The initiative includes self-registration for workers, establishment of call centers, real-time data updates, and mobile apps for employers and employees. It will also automate contribution collection and pension disbursement, enable 24/7 transactions, and integrate data with other departments to ensure transparency and reduce corruption. The following proposals are under consideration to enhance the efficiency of EOBI and expand its beneficiary base:

- The inclusion of self-employed individuals and overseas Pakistanis in the EOBI scheme has been submitted to the Ministry of Overseas Pakistanis & Human Resource Development for Cabinet approval.
- It is proposed that the EOBI Act be amended to cover informal sector workers, banking sector employees, and contractual/daily wage workers employed by statutory bodies.
- It is recommended that the Board of Trustees be designated as the competent authority to determine minimum wages for EOBI purposes, and that the contribution rate be revised from 1 percent to 2 percent of the minimum wage for employees, and from 5 percent to 6 percent for employers.

#### VII. Workers Welfare Fund (WWF)

WWF is a federally managed fund under administrative control of Ministry of Overseas Pakistani's and Human Resource Development

established under the WWF Ordinance, 1971. The WWF derives its income from the following three primary sources:

- Under the WWF Fund Ordinance, 1971, industrial establishments are required to contribute 2 percent of their assessable income to the WWF, provided their income exceeds Rs 500,000 in an accounting year.
- Unutilized Funds under the Companies Profit (Workers' Participation) Act, 1968:** Any amount remaining after the distribution of profits among workers under this Act is transferred to the WWF.
- Income from Investments:** The WWF also earns revenue from investing its funds in various financial instruments and rented out completed buildings.

WWF initiatives are specifically designed to support one of the most neglected segments of society such as industrial workers by offering a comprehensive package of services in the areas of health, education, and low-cost housing. These services include the provision of marriage grant upto Rs 400,000 and death grant upto Rs 800,000 (it may vary based on the number of cases registered), talent scholarships, and the establishment and operation of Workers Welfare Schools and labour colonies at priority locations across the country.

The WWF disbursed Rs 5.46 billion, covering 34,231 cases of workplace mishaps across the country. The following table provides a breakdown of the disbursements by category and province-wise beneficiary details.

**Table 16.14: Disbursement of marriage & death grants during FY 2025 (July-March)**

Province	No. of Beneficiaries				*Amount Released (Rs in million)			
	Marriage	Death	Scholarships	Hajj	Marriage	Death	Scholarships	Hajj
Islamabad	283.0	36.0	15,052	68.0	107.7	27.4	624.759	75.1
Punjab	3,268.0	690.0	11490		901.3	487.9	1902.4	
KPK	341.0	44.0	1578		130.1	33.6	729.395	
Balochistan	72.0	41.0	1268		28.2	26.3	389.978	
Total	3,964.0	811.0	29,388.0	68.0	1,167.3	575.2	3,646.5	75.1

\* The Workers Welfare Fund (WWF) releases funds to Provincial Workers Welfare Boards (WWBs) for death & marriage grant on demand basis and disbursement of marriage & death grant to the industrial workers of ICT is made on case-to-case basis.

Source: Workers Welfare Fund (WWF)



### Achievements and Current Status of Projects

**Table 16.15 (a): Achievements (Completed Projects 2024-2025)**

Sr No	Name of Projects	Cost (Rs million)	Status
01	Construction of Labour Complex at Zone-V Islamabad. (1008 flats + 500 Houses with Allied facilities)	6,830	Completed
02	Construction of 2056 Flats at Labour Complex Regilalma Peshawar.	5,900	Completed

Source: Workers Welfare Fund (WWF)

**Table 16.15 (b): Ongoing Projects**

Rs million

Sr No	Name of Project	Budget Allocation (2024-2025)	Expenditure (2024-2025)
01	Construction of Boundary Wall for 150 Kanals Land at Rawat, Islamabad.	64	20

Source: Workers Welfare Fund (WWF)

**Table 16.15 (c): Future Plan FY 2026**

Rs million

S. No	Name of Project	Budget Demanded for (2025-2026)	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Remarks
1	Construction Labour Colony at Zone-V, Islamabad (Phase-II).	900	Finalization of Master Plan	Approval from CDA	Approval from CDA	Works for Infrastructure Development at Zone-V labour Colony Phase-II	On the completion of these projects, the WWF will be able to play role in poverty alleviation and sustainable development for WWF as well as for Pakistan.
2	Skills Development and Facilitation Services for Workers at Rawat, Islamabad.	300	Hiring of consultant for Skills Development and Facilitation Services for Migrant Workers	Preparation of PC-I	Tendering and Award	Work up to 15 %	
3	Construction Labour Complex Hattar Road Taxila.	700	Tendering and Award of work	15%	30%	45%	
4	Solarization of WWF office Building at G-10/4 Islamabad	30	Tendering and Award of work	To be completed			

\* WWF projects do not fall under the Public Sector Development Programme (PSDP), and therefore do not require an action plan under PSDP guidelines. However, a proposed action plan for the year 2025-26 has been prepared using WWF's own funds.

Source: Source: Workers Welfare Fund (WWF)

### Concluding Remarks

Pakistan has made substantial progress in advancing social protection programs aimed at poverty alleviation, improving access to healthcare, education, clean water, and sanitation. Despite these achievements, a series of shocks including the COVID-19 pandemic, devastating floods, and escalating inflation have exacerbated the vulnerabilities of poor and

marginalized households. The government is faced with the challenging task of balancing fiscal consolidation efforts with the need to prioritize social protection expenditure. Given the increasing risks posed by climate change, it is imperative to enhance social protection budgets to safeguard the most vulnerable populations, who are disproportionately affected by these shocks. Future initiatives must be designed to address not only immediate relief but

also support long-term adaptation and mitigation.

In this context, provincial governments must assume greater responsibility in financing and managing social welfare programs to ensure equitable access to essential services. Strengthening coordination and interlinking social protection initiatives between federal and

provincial governments remains vital in optimizing resource allocation and minimizing duplication of efforts. There is also a need to deepen public-private partnerships to enhance the delivery of welfare services and maximize the effective utilization of resources, thereby fostering a more inclusive and resilient social protection system.

---