

## PMIFL Scheme reaches out to 250,000 poorest of Pakistan



Senator Mohammad Ishaq Dar, Federal Minister for Finance presenting certificate and a cash award to one of the 250,000th beneficiaries of the Prime Minister Interest Free Loan Scheme. Ms. Leila Khan, Chairperson, Prime Minister Youth Program, Dr. Amjad Saqib, Chairman PMIFL Steering Committee, Qazi Azmat Isa, Chief Executive Officer, Pakistan Poverty Alleviation Fund were also present in the award distribution ceremony held at Prime Minister Office In Islamabad.

The Pakistan Poverty Alleviation Fund (PPAF) held the 'Journey of 250,000 Households to Self-Reliance' at the Prime Minister Office. The event commemorated a significant milestone of the Prime Minister Interest Free Loan Scheme as PPAF reached a quarter of a million borrowers. Leila Khan, Chairperson, Prime Minister's Youth Programme, remarked, "The present government is determined to provide an array of opportunities to the poor people of Pakistan especially women, youth and marginalized segments of society so that they can play an effective role in national development.

PPAF was mandated by the Government of Pakistan to mobilize, implement and monitor the PMIFL Scheme for 4 years (2014-2018). The journey that started in July 2014 with a total allocation of Rs. 3.5 billion, of which Rs. 3.1 billion was for on-lending, has to date disbursed Rs. 5.5 billion due to the efficient revolving of funds and a recovery rate of 99%."

She added, “A great achievement of this project is that more than 50,000 recipients of the loans were BISP beneficiaries who are now running their own businesses instead of relying on cash grants.”

Dr. Muhammad Amjad Saqib, Chairman Steering Committee on PIMFL, spoke about the success story booklet based on the achievements of 25 outstanding PMIFL beneficiaries from across Pakistan who were also presented awards under different categories on this occasion. He introduced four beneficiaries on this occasion who shared how the interest-free loan helped them to stand up on their own feet while setting up sustainable livelihoods for themselves. Mohammad Ishaq Dar, Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization, was the chief guest at the occasion, and said, “The Government of Pakistan launched the Prime Minister Interest Free Loan Scheme to address the issues of poverty and rising unemployment in the country. Under the scheme, PKR 3.5 billion (3.1 billion for on-lending) were allotted from the federal budget to facilitate the poor segments of the population in setting up their own small enterprises.

It was decided that the funds under this scheme would be routed through the national apex, PPAF, and would be extended in those Union Councils that have low or no penetration of conventional microfinance. With the Prime Minister’s Interest Free Loan scheme we are able to reach marginalized segments, particularly poor rural women, who have the capacity to be entrepreneurs but do not qualify for or have access to conventional microfinance.”

Qazi Azmat Isa, CEO of PPAF, said, “This is an enlightened step by the Government of Pakistan to provide financial inclusion to the unbanked. Through the PMIFL Scheme we have reached the furthest distances and most difficult areas to give loans to those people who were otherwise eligible only for handouts. The ultra-poor have benefited from the PMIFL scheme to set up their own businesses and PPAF has made significant investments in financial, human and technical resources and value added services both at the Partner and Beneficiary levels by providing trainings, developing linkages with markets and mentoring of borrowers through 233 “KarobariRehnumaiMarakize”, thus, creating an eco-system for the delivery of interest free loans which is ready to be leveraged and taken to scale.”