



Ministry of Poverty Alleviation and Social Safety
Government of Pakistan

بلا سود قرضے



Interest Free Loan Programme An Integral Component of National Poverty Graduation Initiative (NPGI)

Process of Loan Application

1. Salient Features of Interest Free Loan Programme

- Interest Free loans for income generating micro-enterprises
- Funding through Federal & Provincial Governments
- Allocation of Rs. 5 billion additional funds for FY 2019-20 by Federal Government
- Loan size up to Rs. 75,000 (Average Loan size: Rs.30,0000)
- 50% loans for women
- Financial inclusion & mainstreaming of marginalized segments of society especially skilled youth, women, persons with special abilities, transgender people, BISP, Zakat & Baitul Mal beneficiaries
- Business advisory services and linkages with MFIs, MFBs & Banks
- Disbursement of 80, 000 loans every month through 1110 loan centers of PPAF Partners, including Akhuwat Organizations (POs) across the country

2. Eligibility Criteria of Borrowers

- Age been 18 to 60 years
- Individuals from households on Score of 0-40 on Poverty Score Card
- Valid National Identity Card (CNIC)
- Resident of targeted union council of the district
- Economically viable business plan

3. Where to Apply for Interest Free Loans

The interest Free Loan Programme is being implemented through 22 Partner Organizations (POs) of Pakistan Poverty Alleviation (PPAF) in rural areas and Akhuwat branch offices in cities & towns through loan centers in 100 districts across the country. The information for districts, loan centers, names of implementing Partner Organizations (POs) and eligibility criteria for potential borrowers is provided at; www.ppaf.org.pk/NPGI.html

4. Application Process

- Request at loan center (written or oral)
- Verification of Poverty Score Card
- Registration as a potential borrower
- Issuing of application form and business plan form
- Submission of complete documents by the applicant



5. Preparation of Business Plan

- Collect basic information about the business which is being initiated
- Reasons for business
- Targets of production and sale
- Marketing strategy
- Business expenses
- Cost estimation for the proposed business
- Financial resources
- Estimation of profit

6. Beneficiary Appraisal Process

- Social Appraisal
- Economic Appraisal

7. Approval Process for Loan

- Review by Loan Center
- Recommendation by Loan Center
- Submission of recommended cases to PO head office

8. Disbursement to Beneficiary

- Approval of recommended cases
 - Issuance of order cheques carrying names and CNIC of the borrowers or issuance of PIN number against electronic transfer that is verified by bank through original CNIC
 - Disbursement at Loan Center
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