



ANNUAL REPORT 2025



PAKISTAN POVERTY ALLEVIATION FUND

DELIVERING PROSPERITY

Pakistan Poverty Alleviation Fund
Delivering Prosperity
Annual Report, 2025 – Islamabad: The Authority, 2025
ISBN 978-969-7807-17-8

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ANNUAL --- REPORT 2025

PAKISTAN POVERTY ALLEVIATION FUND
DELIVERING PROSPERITY

www.ppaf.org.pk





VISION

Restoring Hope
Securing the Future
Ending Poverty



MISSION

Transforming the lives of the
poor to create a more equitable
and prosperous Pakistan



CORE VALUES

Inclusion
Participation
Accountability
Transparency
Stewardship

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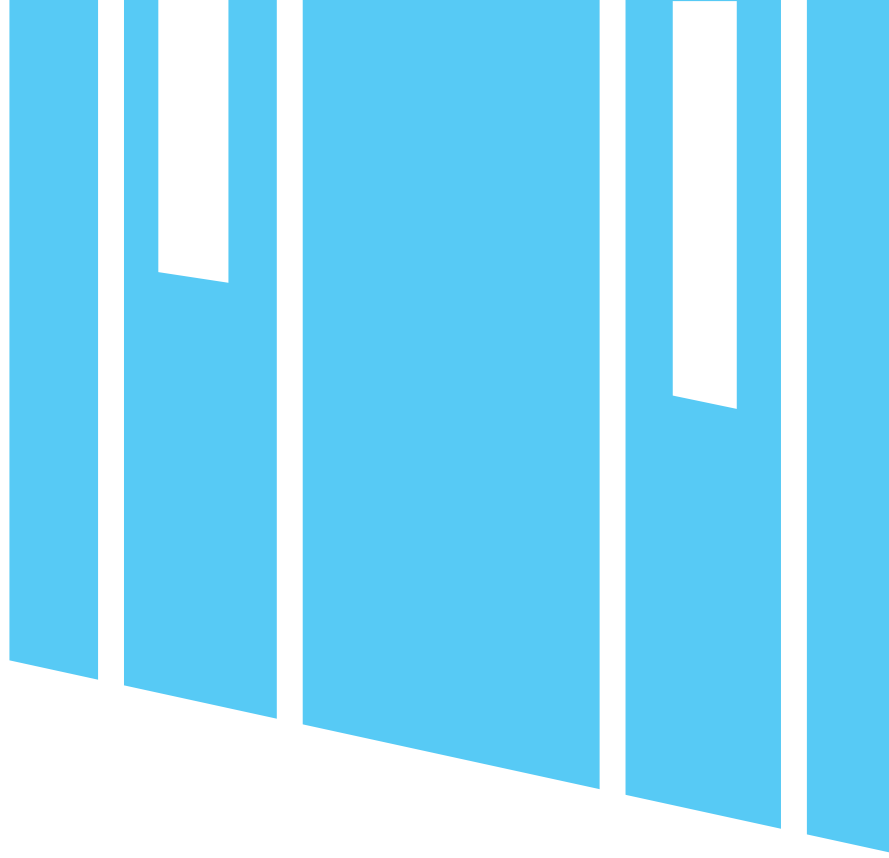
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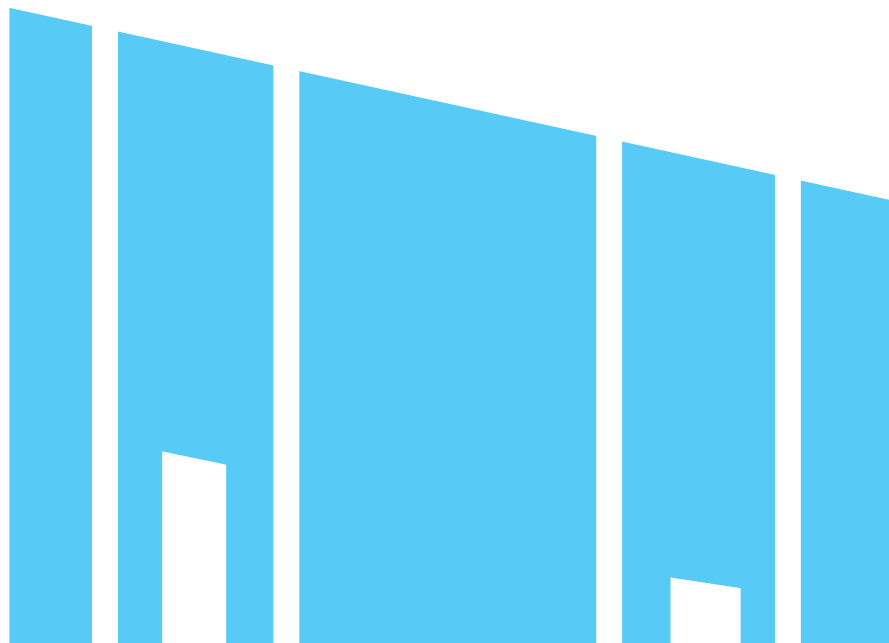
ABBREVIATIONS & ACRONYMS

AJK	Azad Jammu and Kashmir
ALP	Accelerated Learning Programme
AGAHE	Association for Gender Awareness and Human Empowerment
BHU	Basic Health Unit
BISP	Benazir Income Support Programme
BUIEMS	Balochistan University of Information Technology, Engineering and Management Sciences
CBDRM	Community Based Disaster Risk Management
CEO	Chief Executive Officer
CI	Community Institution
CO	Community Organisation
CERP	Centre for Economic Research in Pakistan
CMST	Community Managed Skills Training
CPI	Community Physical Infrastructure
CRP	Community Resource Person
DWSS	Drinking Water Supply Scheme
EAD	Economic Affairs Division
EDT	Enterprise Development Training
EU	European Union
FAO	Food and Agriculture Organization
FDO	Farmers Development Organization
FESF	Family Educational Services Foundation
FI	Financial Institution
GRASP	Growth for Rural Advancement and Sustainable Progress
GB	Gilgit Baltistan
HR	Human Resource
HRE	Hydropower and Renewable Energy (Project)
IAUP	Integrated Area Upgradation Project
ICT	Islamabad Capital Territory
ITC	International Trade Centre
KfW	Kreditanstalt Für Wiederaufbau (German state-owned investment and development bank)
LACIP	Livelihood Support and Promotion of Small Community Infrastructure Programme
LEP	Livelihood Enhancement and Protection

LSE	London School of Economics
MHP	Mini/Micro Hydropower Projects
MW	Mega Watt
MoPASS	Ministry of Poverty Alleviation and Social Safety
MoPD&SI	Ministry of Planning Development & Special Initiatives
MoU	Memorandum of Understanding
NDC	Nationally Determined Contributions
NGO	Non-Government Organisation
NFI	Non-Food Item
NI	Nutrition International
NIC	National Incubation Centre
PGP	Poverty Graduation Programme
PMIC	Pakistan Microfinance Investment Company
PMIFL	Prime Minister's Interest Free Loan
PMYP	Prime Minister's Youth Programme
PO	Partner Organisation
PKR	Pakistani Rupee
PSC	Poverty Scorecard
RSS&CR	Restoring Social Services and Climate Resilience
PWR	Participatory Wealth Ranking
RE	Renewable Energy
SDG	Sustainable Development Goal
SM	Social Mobilisation
SME	Small and Medium Enterprise
SMEDA	Small and Medium Enterprise Development Authority
SSD	Social Sector & Devolution
SZABIST	Shaheed Zulfikar Ali Bhutto Institute of Science and Technology
TMM	Treasury Management Manual
UC	Union Council
USD	United State Dollar
VO	Village Organisation
VDP	Village Development Plan
WCI	Women Community Institution



PAKISTAN POVERTY ALLEVIATION FUND (PPAF)



ABOUT PPAF

Pakistan Poverty Alleviation Fund (PPAF) is the premier apex institution dedicated to lifting the poor out of poverty through community-driven development across Pakistan. Established in February 1997 as a not-for-profit company under Section 42 of the Companies Ordinance 1984 (now Companies Act 2017), PPAF's mission is to transform the lives of the poor to create a more equitable and prosperous Pakistan.

PPAF receives funding from prominent international donors, Government of Pakistan, and also utilises its own generated resources to design and implement projects and initiatives focusing climate-resilient infrastructure, green growth and energy, health, education, livelihoods, financial inclusion, and disaster resilience at the grassroots level. These interventions are implemented through PPAF's network of civil society partner organisations.

PPAF is committed to building and enhancing the capacity of its partner organisations to improve community empowerment through social mobilisation, and to promote the values of inclusion, participation, accountability, transparency, and stewardship. Through its efforts, PPAF aims to create sustainable and empowered communities, significantly contributing to the nation's long-term development and stability.

For a complete profile, please visit PPAF's website at www.ppaf.org.pk

BOARD OF DIRECTORS



Mr. Mohammad Tahseen
Chairperson of the Board



Mr. Navid Ahmed Shaikh
Secretary MoPASS
Ex-Officio Member



Ms. Sabina Qureshi
Additional Secretary, EAD
Ex-Officio Member



Ms. Mariam Kayani
Joint Secretary, Ministry of Finance
Ex-Officio Member



Dr. Bashir-Ur Rehman Kant
Academia Category Member



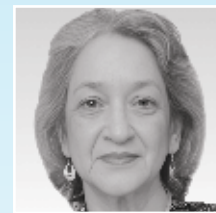
Prof. Dr. Aijaz Ahmed Qureshi
Academia Category Member



Dr. Muhammad Suleman Shaikh
Academia Category Member



Ms. Shabina Ayaz
NGO Category Member



Ms. Farida Shaheed
NGO Category Member



Mr. Sher Jehan Mir
Business/Professional
Category Member



Mr. Mahfooz Ali Khan
Business/Professional
Category Member



Mr. Nadir Gul Barech
Chief Executive Officer

COMPANY INFORMATION

Executive Strategy & Design Committee:

Mr. Mohammad Tahseen	Chairperson
Mr. Navid Ahmed Shaikh	Member
Ms. Shabina Ayaz	Member
Ms. Farida Shaheed	Member
Ms. Mariam Kayani	Member
Mr. Sher Jehan Mir	Member
Mr. Nadir Gul Barech	Member
Mr. Salman Ahmad	Secretary

HR Committee:

Mr. Mohammad Tahseen	Chairperson
Mr. Mahfooz Ali Khan	Member
Ms. Sabina Qureshi	Member
Mr. Sher Jehan Mir	Member
Mr. Nadir Gul Barech	Member
Mr. Salman Ahmad	Secretary

Risk Management Committee:

Dr. Muhammad Suleman Shaikh	Chairperson
Mr. Mahfooz Ali Khan	Member
Ms. Mariam Kayani	Member
Mr. Nadir Gul Barech	Member
Mr. Salman Ahmad	Secretary

Search & Nomination Committee:

Dr. Muhammad Suleman Shaikh	Chairperson
Mr. Navid Ahmed Shaikh	Member
Ms. Shabina Ayaz	Member
Mr. Nadir Gul Barech	Member
Mr. Salman Ahmad	Secretary

Audit Committee:

Mr. Mahfooz Ali Khan	Chairperson
Ms. Sabina Qureshi	Member
Dr. Bashir-ur-Rehman Kant	Member
Mr. Sher Jehan Mir	Member
Mr. Salman Ahmad	Secretary

Tax Advisors:

A. F. Ferguson & Company,
Chartered Accountants

Company Secretary:

Mr. Salman Ahmad

Chief Financial Officer:

Khawaja Nayyar Riaz

Auditors:

Yousuf Adil & Company,
Chartered Accountants

Legal Advisors:

1. Azam Chaudhry Law Associates
2. Ahmar Bilal Soofi & Company

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GENERAL BODY

- Mr. Navid Ahmed Shaikh:** Secretary, Ministry of Poverty Alleviation & Social Safety, Ex-Officio Member
- Ms. Sabina Qureshi:** Additional Secretary, Ministry of Economic Affairs, Ex-Officio Member
- Ms. Mariam Kayani:** Joint Secretary (EFCB), Ministry of Finance, Ex-Officio Member
- Mr. Rafiullah Kakar:** Member (SSD) Planning Commission, Ministry of Planning and Development, Ex-Officio Member
- Mr. Muhammad Ali Kemal:** Chief SDGs Section, Ministry of Planning Development and Special Initiatives, Ex-Officio Member
- Dr. Farah Masood:** Additional Secretary, Ministry of Poverty Alleviation & Social Safety, Ex-Officio Member
- Mr. Ahmad Jan Malik:** Joint Secretary (Admin), Ministry of Poverty Alleviation & Social Safety, Ex-Officio Member
- Dr. Rashida Panezai:** Chairperson, MEHAC Helping Council, Ex-Officio Member
- Mr. Kamal Hyat:** Development Sector Specialist, Business/Professional Category Member
- Prof. Dr. Aijaz Ahmed Qureshi:** Professor, Karachi University, Academia Category Member
- Dr. Naved Hamid:** Member, SBP Monetary Policy Committee, Economist/Professor, Lahore School of Economics, Academia Category Member
- Dr. Bashir-Ur-Rehman Kant:** Dean, Health Sciences, AJK University, Academia Category Member
- Dr. Ijaz Nabi:** Member, Prime Minister's Economic Advisory Council, Country Director, International Growth Centre, Pakistan Programme, Professor (Economics) LUMS, Director Punjab Skill Development Fund, Academia Category Member
- Lt. General (R) Nadeem Ahmad:** Ex-CEO, National Disaster Risk Management Fund (NDRMF), Business/Professional Category Member
- Mr. Sher Jehan Mir :** Ex-Banker, Ex-Chief Minister GB, Business/Professional Category Member
- Mr. Shoaib Sultan Khan:** Chairman, Rural Support Programmes Network, NGO Category Member
- Dr. Rashid Bajwa:** Chief Executive Officer, National Rural Support Programme, NGO Category Member
- Dr. Muhammad Suleman Shaikh:** Advisor to Chairperson / Co-Chairperson, SZABIST University, Academia Category Member
- Mr. Mohammad Tahseen:** Executive Director, South Asia Partnership Pakistan (SAPPK), NGO Category Member
- Ms. Khawar Mumtaz :** Director, Pakistan Centre for Philanthropy, Ex-Chairperson, National Commission on the Status of Women, Ex-Director-BISP, NGO Category Member
- Ms. Shabina Ayaz:** Executive Director, Aurat Foundation, NGO Category Member
Ex-Secretary Finance, Government of Balochistan
- Ms. Farida Shaheed:** CEO, Shirkat Gah Women's Resource Centre, NGO Category Member
- Mr. Mahfooz Ali Khan:** Board Member, State Bank of Pakistan, QESCO, Ex-Chief Secretary, Finance Secretary, AGPR (Balochistan), Business/Professional Category Member
- Mr. Navaid Qureshi:** Chairman of the Board of Trustees, Jamshed Akhtar Qureshi Education Trust, NGO Category Member



CHAIRPERSON'S MESSAGE

2025 has been a defining chapter in PPAF's journey toward empowering communities and fostering inclusive, climate-resilient growth across Pakistan. Guided by our enduring values of inclusion, participation, accountability, transparency, and stewardship, PPAF has continued to reach the most marginalised communities with empathy, innovation, and strategic vision.

Over the year, PPAF has further solidified its role as a catalyst for poverty alleviation and community-led development. We deepened our impact through a blend of economic empowerment, social mobilisation, and resilience-building initiatives that enable people not only to recover from adversity but to thrive sustainably. Our work reflects a deliberate shift from short-term relief to long-term transformation—supporting communities to plan, implement, and sustain their own development.

Our partnership ecosystem has continued to expand through new, high-impact collaborations. With the support of the European Union (EU), we advanced two major initiatives—the Growth for Rural Advancement and Sustainable Progress (GRASP) project promoting rural enterprise and value chain development, and the newly launched Post-Floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan (PRRLS-B), which is driving climate-resilient recovery and strengthening livelihoods in flood-affected districts. Similarly, through the KfW-funded Livelihood Support and

Promotion of Small Community Infrastructure Programme (LACIP-II), we continued to integrate infrastructure, livelihoods, and social capital to improve the quality of life in vulnerable communities.

The Pakistan Economic Survey 2024–25 recognised PPAF's transformative Poverty Graduation Approach as a scalable model for moving households from social protection to sustainable livelihoods—affirming our position as a trusted national partner in poverty reduction. This acknowledgment reflects the dedication of our team, the commitment of our partner organisations, and, most importantly, the resilience and aspirations of the communities we serve.

Our initiatives this year also bridged economic inclusion with cultural and social development—from promoting Gandhara's heritage and eco-tourism in Taxila to equipping youth and women with technical and vocational skills. These efforts show PPAF's belief that sustainable progress requires not just economic growth, but empowerment rooted in dignity, and social cohesion.

As we look ahead, PPAF remains steadfast in its mission to create opportunities that are equitable, climate-smart, and inclusive. We are committed to strengthening our partnerships with the Government of Pakistan, particularly the Ministry for Poverty Alleviation and Social Safety, and our valued donors and partner organisations, whose collaboration is central to our shared success.

Together, we continue to build pathways of hope, opportunity, and resilience—laying the foundation for a more just, prosperous, and self-reliant Pakistan.

Mohammad Tahseen

Chairperson of the PPAF Board

CHIEF EXECUTIVE OFFICER'S MESSAGE



The year 2025 was a milestone in PPAF's journey toward inclusive, climate-resilient, and evidence-driven poverty alleviation. Guided by our Poverty Graduation Approach, we strengthened our role as a national platform that bridges the continuum from social protection to sustainable livelihoods, enabling vulnerable households to achieve self-reliance and dignity. Amidst a challenging economic environment and escalating climate shocks, PPAF continued to deliver high-impact programmes, drive institutional innovation, and foster partnerships that link public, private, and community resources for sustainable change.

This year's achievements highlighted PPAF's national relevance and credibility. The Pakistan Economic Survey 2024–25 acknowledged our Poverty Graduation Approach as a transformative and scalable model for poverty reduction. A preliminary analysis of Benazir Income Support Programme (BISP) and PPAF common beneficiaries found that 108,043 (32%) of 334,596 households are eligible to graduate from social protection—strong evidence that PPAF's integrated model delivers results at scale.

In financial inclusion, PPAF through the Prime Minister's Interest Free Loan (PMIFL) Programme, has disbursed 3.57 million loans¹ worth PKR 131.94 billion², with 57% of loans to

women. Of the total loans, 102,787 loans worth PKR 3 billion were provided to BISP beneficiaries, including 58,133 individuals who received support more than once. During FY 2024–25 alone, 264,117 interest free loans worth PKR 12.4 billion were disbursed, 67% to women. Through the Pakistan Microfinance Investment Company (PMIC)—in which PPAF holds a 49% equity share—2.23 million loans worth PKR 125.1 billion have been disbursed cumulatively, with 86% to women, further advancing inclusive economic participation. During this year, PMIC disbursed 275,175 microfinance loans (95% to women) worth PKR 20.6 billion.

Under the EU-funded GRASP Project, PPAF extended 371 grants worth USD 3.59 million to small and medium enterprises, with 38% supporting women-led businesses, and facilitated USD 2.28 million in SME loans, 54% to women-led enterprises, creating over 15,000 jobs, including 4,520 for women and 4 for transgenders. Similarly, the KfW-funded Livelihood Support and Promotion of Small Community Infrastructure Programme (LACIP-II) completed 23 Integrated Area Upgradation Projects benefitting 70,000 people, alongside 685 productive assets and livelihood trainings to 896 individuals—strengthening economic resilience and social inclusion.

Climate resilience and green growth remained central to our agenda. Through LACIP-II, Restoring Social Services and Climate Resilience (RSS&CR), Renewable Energy and a number of other initiatives, PPAF conserved 2.23 million cubic metre of water, built 72 km of flood protection walls, planted over 140,000 trees, generated 14 MW of clean energy offsetting 121,579 tons of carbon sequestration. These

1 - It includes loans disbursed by Akhuwat.
2 - The loan amount includes refloows.

initiatives not only protected communities but also created green jobs and strengthened local adaptive capacities in flood and drought-prone regions.

Our work across livelihoods and value chains expanded through new, climate-smart investments such as the Post-Floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan (PRRLS-B)—a EUR 14.8 million EU-funded project that will support over 40,000 households through livestock asset transfers, training, and enterprise development. Other initiatives such as the Economic Empowerment of Marginalised Communities and the Promoting Gandhara's Civilisation and Heritage for Sustainable Eco-Tourism project further linked livelihoods with cultural preservation and youth empowerment.

In social sector, our investments continued to make tangible impact. During the reporting year, 90 schools supported by PPAF benefitted over 15,000 students (37% girls), while 2,352 scholarships were awarded. Cumulatively, 2,866 schools have been supported, enrolling 432,939 students (44% girls). In health, the Deaf Reach Centre of Excellence in Nowshera, completed this year in partnership with the Government of Khyber Pakhtunkhwa and Family Educational Services Foundation (FESF), now provides inclusive education to 127 students, setting a new standard in social inclusion. Cumulatively, PPAF supported 971 health facilities and provided 15.47 million consultations, with 56% women beneficiaries.

Knowledge generation and research remained a cornerstone of our institutional ethos. Our collaboration with the London School of Economics (LSE) and the Centre for Economic Research in Pakistan (CERP) on the Humanitarian Aid and Its Consequences study engaged 2,100 economically vulnerable women in a randomised controlled trial to assess the long-term effects of aid on food security, nutrition, and wellbeing. Similarly, evaluations such as the LACIP-II Final Impact Assessment confirmed that 62% of participating households improved their poverty scorecard ranking, with average monthly incomes nearly doubling—a clear validation of our integrated model.

PPAF's work received recognition across key national platforms. We were honoured with the Best Organisation for Olive Value Chain Promotion Award at the 2nd Grand National Olive Gala, while two young entrepreneurs supported by PPAF were acknowledged by the Prime Minister at the PMYP International Youth Day event for their remarkable achievements. Additionally, PPAF and its partners organised 282 community events for Youm-e-Takbeer and Tashakur across 71 districts, engaging over 18,000 participants and reinforcing our deep community outreach.

During the year, PPAF also strengthened its branding and communications, deepening engagement with government, partners, and communities nationwide. With a growing social media following of over 65,000, more than 3,200 shared posts, and 1,700 media features across national outlets, PPAF's visibility and outreach reached new heights. Strategic support to partners enhanced their communication capacity, reinforcing PPAF's position as a leading voice for inclusive and resilient development and a champion of civil society's transformative role at the grassroots. Our institutional capacity also grew stronger. PPAF's SAP HCM automation, updated HR policy framework, and 44 training programmes ensured a skilled, motivated, and compliant workforce.

I extend my deepest appreciation to our Board of Directors, the Government of Pakistan, donors, our development partners, and the resilient communities who remain at the heart of our mission. Together, we are building pathways of dignity, opportunity, and resilience — reaffirming PPAF's vision of Restoring Hope, Securing the Future, and Ending Poverty for all Pakistanis.

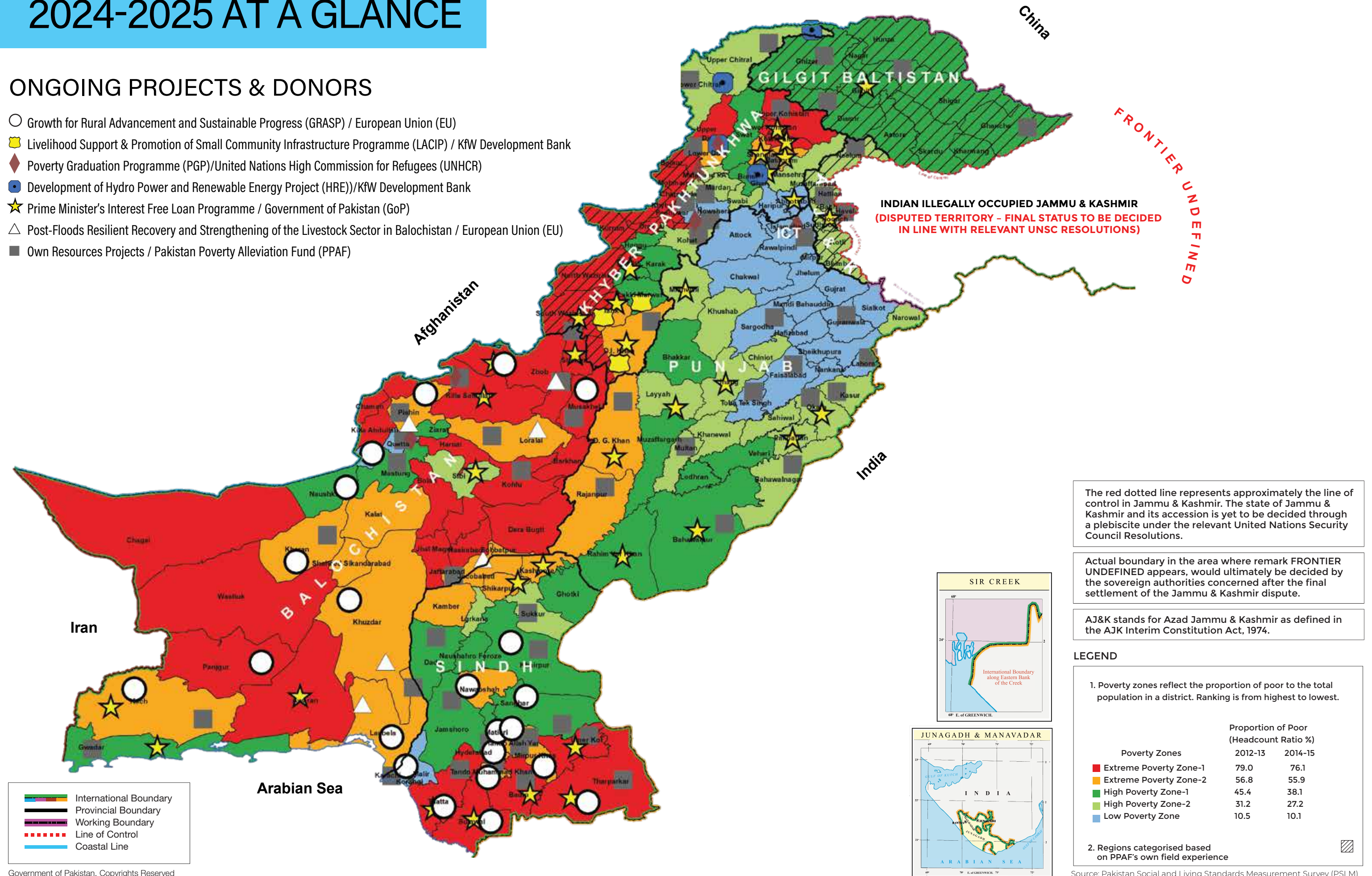


Nadir Gul Barech
Chief Executive Officer

2024-2025 AT A GLANCE

ONGOING PROJECTS & DONORS

- Growth for Rural Advancement and Sustainable Progress (GRASP) / European Union (EU)
- Livelihood Support & Promotion of Small Community Infrastructure Programme (LACIP) / KfW Development Bank
- ◆ Poverty Graduation Programme (PGP)/United Nations High Commission for Refugees (UNHCR)
- Development of Hydro Power and Renewable Energy Project (HRE)/KfW Development Bank
- ★ Prime Minister's Interest Free Loan Programme / Government of Pakistan (GoP)
- △ Post-Floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan / European Union (EU)
- Own Resources Projects / Pakistan Poverty Alleviation Fund (PPAF)



SECTORAL HIGHLIGHTS

COMMUNITY EMPOWERMENT THROUGH SOCIAL MOBILISATION AND IMPROVING LOCAL GOVERNANCE



At the heart of PPAF's theory of change is a participatory approach that empowers communities to define and articulate their socio-economic development priorities and lead their own development journey. Communities are organised into inclusive, democratic, transparent, accountable, and sustainable institutions of the people enabling them to represent their collective voice, advocate, and mobilise resources for their needs. Through sustained investments in capacity building of civil society organisations, PPAF has nurtured a nationwide network of community platforms that not only deliver essential services but also contribute to local governance, foster downwards accountability, and demonstrate resilience against social, economic and environmental shocks. Anchored in the core principles of inclusion, participation, accountability, transparency, and stewardship, these community institutions increasingly serve as credible voices of the poor, effectively bridging the gap between citizens and state institutions.

During the year, over 30,000 households were organised through the formation/revitalisation of 1,537 Community Institutions (CIs). In addition, 16,291 community members including 48% women received training in leadership, planning, and governance. These efforts have significantly enhanced local capacities to manage development initiatives and respond effectively to emerging challenges.

Cumulatively, through its community mobilisation interventions, PPAF formed/revitalised over 171,000 Community Institutions (CIs) and organised 2.7 million households — a remarkable scale that goes beyond

Sector's Overall Achievements

Households Organised

2,674,917



CIs Formed /Revitalised

171,141

(62% Women CIs)



Community Members Trained

681,627

(49% Women)



numbers to represent a vast network of empowered communities increasingly capable of planning, implementing, and sustaining their own development. These local institutions are evolving into platforms that are engaged in village and union council levels governance, ensuring transparency, inclusion, and participatory decision-making.

"Initially, I was hesitant to participate in community activities and to speak in public. However, after attending Social Mobilisation, Leadership, and Gender Sensitisation trainings under the PPAF-supported RSS&CR project, I gained confidence and learned the importance of women's active involvement. Later, I was selected as an Emergency Response Team (ERT) member and received three days specialised training.

Applying my skills, I organised a one-day ERT training for 20 women and another session on GBV for 12 women in my village. I also mobilised women and young girls, arranging their meetings with different line departments and other actors to highlight women's issues and their role in disaster preparedness and response. These experiences have transformed me into a confident leader, and I now feel empowered to drive positive change in my community."



Nausiya, ERT & VO Member, Village Bumburate, District Lower Chitral

CLIMATE CHANGE AND DISASTER RISK REDUCTION



Pakistan remains among the most climate vulnerable countries, ranking as the most affected globally in 2022 following the devastating floods, while ranking at 56th in long-term vulnerability (1993–2022) according to the Climate Risk Index 2025³. The increasing frequency and intensity of climate-related disasters highlight the country's acute exposure and limited adaptive capacity, making resilience-building an urgent national priority. PPAF continues to align its interventions with the Paris Agreement and supports Pakistan's Nationally Determined Contributions (NDCs) by promoting green jobs and livelihoods, inclusive growth, climate resilience, social equity, and sustainable infrastructure and services. These efforts help communities adapt to climate change while supporting long-term sustainable development.

During the year, under Restoring Social Services and Climate Resilience (RSS&CR) project with a financial outlay of PKR 3.34 billion, 6,700 community members (54% women) and 160 Emergency Response Teams (ERTs) were trained on Community-Based Disaster Risk Management (CBDRM). Furthermore, 188 disaster-affected infrastructure facilities, including schools, health centres, and community schemes were restored/retrofitted, benefiting over 529,000 individuals (49% women) and strengthening community resilience against anticipated climate shocks. Additionally, innovative projects such as bamboo plantations, zinc-biofortified rice cultivation, and farmer field schools were introduced to pilot scalable, climate-resilient solutions enhancing livelihoods and community resilience.

This year, PPAF launched Local Area Development Programmes in AJK and GB to promote inclusive, climate-resilient growth through climate-smart agriculture, renewable energy, ecosystem restoration, and skills training for youth and persons with disabilities.

Over the years, through its integrated interventions, PPAF helped conserve 2.23 million cubic metre water, constructed 72 km protective walls shielding 156,000

Sector's Overall Achievements

Seismically Safe
Houses Constructed

122,000



CBDRM Training to
21,471
Beneficiaries



Completed
1,296
Flood Protection Works



Completed **38**
Drought Mitigation
and Preparedness Projects



Distributed
753,891
Food Packs to Households



Distributed
157,762
Distributed Non-Food Items and
Hygiene Kits to Households



households from floods, and generated 14 MW of renewable energy offsetting 121,000 tons of carbon sequestration. More than 140,000 trees were planted and 7,000 students in 64 schools engaged in environmental awareness programmes.

"Our lives have changed because of the PPAF's Bamboo Plantation Initiative in Rajanpur. Bamboo's high capacity to absorb carbon, will help clean our village environment and mitigate climate impacts. Once fully grown, the bamboo groves will protect our land and homes from floods and erosion. So far, 3,000 bamboo plants have been planted along irrigation channels, in government schools and health centres, and on public land, creating livelihood opportunities for local labourers through plantation work. In about 18 months, the plants will be ready for sale, helping us generate green livelihoods. A business model has been developed to share the earnings between households and public facilities like schools and health centres. Today, we feel more secure, more hopeful, and better prepared to face a changing climate."



Talib Hussain and Ghulam Fareed, UC Burewala, District Rajanpur

Projects

Restoring Social Services and Climate Resilience (RSS&CR)

The project aims to restore basic social services, retrofit and build climate-resilient community infrastructure, improving income and food security and strengthen disaster resilience among rural communities and local governments through capacity building. Significant progress has been made in restoring essential services, including health, education, WASH, DWSS, and irrigation facilities. The project is also contributing to long term resilience by constructing climate-resilient infrastructure. Additionally, it is strengthening community preparedness through the formation of Emergency Response Teams and Disaster Risk Management trainings. These initiatives are not only restoring essential services but also equipping communities with the skills and systems needed to better withstand climate shocks.

Indicators	Achievements
Community Institutions Formed/ Revitalised	1,396
Retrofitted/Restored Social Services Facilities and Community Physical Infrastructure	188 projects
Capacity Building Training Events	699

DONOR
PPAF

BUDGET
PKR 3.34 billion

DURATION
May 2024 to April 2026

PARTNERS
34

GEOGRAPHICAL COVERAGE 19 districts
(Balochistan: 04, Punjab: 06, Gilgit Baltistan: 02, Khyber Pakhtunkhwa: 04, Sindh: 03)



Azad Jammu & Kashmir Local Area Development Programme

The AJK Local Area Development Programme aims at building climate resilience, promoting inclusive development, and enhancing livelihoods. It supports climate-smart agriculture by training 160 farmers, establishing three pilot organic farms, setting up agriculture collectives, and restoring 10 gravity-fed water supply schemes with tools and inputs to strengthen food systems and reduce greenhouse gas

DONOR
PPAF

BUDGET
PKR 150 million

DURATION
December 2024 to November 2026

PARTNERS
02

GEOGRAPHICAL COVERAGE
03 districts in Azad Jammu & Kashmir

Indicators	Achievements
Village Organisations Formed	18
ERT Formed and Trained	15

emissions. Additionally, the programme will empower youth and people with disabilities through vocational training and inclusive facilities, promote ecosystem restoration, and disaster preparedness through disaster committees, land use planning, afforestation, flood protection, and provide clean energy to households through green energy intervention. It also promotes gender equality and community empowerment through knowledge-sharing and advocacy.



LIVELIHOOD AND VALUE CHAINS



PPAF places strong emphasis on strengthening livelihoods of ultra-poor and vulnerable households by providing productive economic assets and enhancing skills that enable sustainable income generation and access to productive employment opportunities. As part of PPAF's poverty graduation approach, ultra-poor and vulnerable households are supported with productive economic asset transfers, coupled with financial inclusion initiatives and technical and entrepreneurship training to enhance income, improve productivity and socio-economic resilience.

Under the European Union funded Growth for Rural Advancement and Sustainable Progress (GRASP) project PPAF supported 371 SMEs through matching grants with a strong focus on gender-inclusive growth, income generation, and improved profitability across multiple value chains, creating over 15,000 jobs, including 4,520 for women and 4 for transgenders. Furthermore, PPAF secured a EUR 14.83 million EU grant for the Post-Floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan. This five-year initiative, spanning six flood-affected districts, aims to strengthen value chains, support MSMEs, and empower livestock farmers, especially women and youth through producer groups formation, market linkages, restocking, and income-generating grants.

PPAF also launched the Economic Empowerment of Marginalised Communities through Strengthening Technical and Skills Sector Project in Punjab and Sindh, Pakistan project, targeting 500 individuals, including women, youth, and minorities across 13 districts of Sindh and Punjab. The project provides training in technical trades, healthcare, IT, digital skills, and creative services to build sustainable livelihoods and enhance social inclusion.

Additionally, PPAF is promoting culture and eco-tourism through the Promoting Gandhara's Civilisation & Heritage for Sustainable Eco-Tourism

Sector's Overall Achievements

Transferred
204,261
Productive Economic Assets
(63% to Women)



Provided
498,450
Livelihood Skills Training
(45% Women Beneficiaries)



Matching grants worth PKR
874.50 million provided to
371 SMEs
(38% Grants to Women-led
Businesses)



project. This initiative focuses on artisan skill development, women's economic empowerment, digital marketing skills, and eco-tourism promotion to safeguard cultural heritage while generating local income.

During the reporting period, PPAF transferred 685 productive economic assets, of which 54% were provided to women, enabling ultra-poor and vulnerable households to strengthen their livelihoods. In addition, 1,081 individuals, including 50% women, received livelihood skills training to enhance income-generating opportunities. Moreover, 65 matching grants were awarded to SMEs (63% women-led SMEs).

"With the support of PPAF and PTCL, my embroidery journey has grown from a small home-based setup to a platform with national and international reach. Under this initiative, we developed the Instagram page 'Dil Se Ba-Ikhtiar,' which showcases the work of over 100 women and receives orders from across Pakistan. My income has increased six times, and I've proudly represented my work on global platforms, a proof when given the opportunity, women can achieve the extraordinary."



Marium Hussain, Ba-Ikhtiar Project Beneficiary, District Haripur

Projects

Growth for Rural Advancement and Sustainable Progress (GRASP)

The EU funded GRASP project, implemented by ITC in partnership with PPAF, FAO and SMEDA, aims to reduce poverty and promote sustainable economic growth in rural areas. It focuses on strengthening SMEs including producers and farmers within the horticulture and livestock value chains. The project emphasises gender-inclusive income and employment generation, improved productivity, and enhanced SME profitability across diverse value chains. Through its various initiatives, GRASP has provided substantial financial support and capacity building opportunities, enabling farmers and SMEs to improve their businesses practices, build resilience and expand market linkages.

Indicators	Achievement
Matching Grants to SMEs	371 (worth PKR 874.50 million)
SMEs Capacitated on Financial Literacy and Business Plan Development	1,063 (44 % women led)
Loans mobilised by SMEs through Financial Institutions	357 worth PKR 620 million (54% women-led)

DONOR European Union (EU)	BUDGET EUR 48 million (PPAF Portfolio: USD 14.069 million)
DURATION April 2021 to November 2025	PARTNERS 07
GEOGRAPHICAL COVERAGE 22 districts (Balochistan: 10, Sindh: 12)	



Digital Hub and Women Strivers Ba-Ikhtiar Project (Phase-II)

Following the successful completion of Phase-I in Haripur, where 100 women entrepreneurs were trained with 70% launching virtual businesses and achieving income growth, PPAF and PTCL have scaled up the initiative nationally through the Digital Hub and Women Strivers Ba-Ikhtiar Project (Phase-II). This phase aims to

capacitate 2,100 women in digital literacy, financial skills, entrepreneurship, and e-commerce, while also installing 100 drinking water supply facilities. By expanding digital access and market linkages, the project seeks to increase women's incomes, promote virtual businesses, and improve community health through safe drinking water.

DONOR PPAF and PTCL	BUDGET PKR 303.5 million (PPAF Share: PKR 167.5 million)
DURATION June 2025 to May 2027	PARTNERS 36
GEOGRAPHICAL COVERAGE 22 districts (Balochistan: 04, Punjab: 07, Gilgit Baltistan: 02, Khyber Pakhtunkhwa: 06, Sindh: 03)	



FINANCIAL INCLUSION



Financial inclusion remains a cornerstone of poverty alleviation, enabling individuals, and households to access essential financial services for investment, productive economic asset-creation, and better management of financial challenges. PPAF advances this agenda through its majority shareholding in the Pakistan Microfinance Investment Company (PMIC), which provides wholesale financing and advisory services to microfinance banks and institutions. This supports the delivery of affordable and accessible financial services to marginalised rural and low-income households, contributing to their economic empowerment and poverty reduction.

As the implementing agency entrusted by the Government of Pakistan, to design, mobilise, implement, and monitor poverty alleviation programmes, PPAF works in partnership with organisations dedicated to microfinance, interest free loans, and sustainable livelihood initiatives. Under the Prime Minister's Interest Free Loan (PMIFL) Programme, PPAF has disbursed over 3.57 million interest free loans⁴ worth PKR 131.95 billion⁵, supporting microenterprises with 57% of loans extended to women, and an average loan size of PKR 36,912. During the reporting year, 264,117 loans amounting to PKR 12.44 billion were disbursed, of which 68% went to women. Among these, 102,787 loans worth PKR 3 billion were provided to BISP beneficiaries, including 58,133 individuals who received support more than once under the programme.

Sector's Overall Achievements

Disbursed

3,574,550

Interest Free Loans
worth of PKR 131.95 billion*
(57% Loans to Women)



Disbursed

2,231,000

Loans through PMIC worth of
PKR 125.1 billion
(86% Loans to Women)



As a sector developer for Pakistan's microfinance industry, PPAF, through PMIC, provides wholesale financing and advisory services to 26 microfinance providers. To date, this has facilitated PKR 125.1 billion⁶ disbursements across 2.23 million microfinance loans, with women accounting for 86% of the borrowers. In the reporting year, PMIC disbursed 275,175 loans worth PKR 20.6 billion, with 95% directed to women. Furthermore, in pursuit of Small and Medium Enterprise (SME) development initiatives, PPAF has supported access to financial services by mobilising PKR 620 million and providing PKR 874.50 million in matching grants to SMEs, including primary producers and farmers.

"There was a time when meeting daily expenses seemed impossible. My husband's income as a labourer barely covered our needs. Everything changed when I received my first interest free loan of PKR 45,000, which helped me buy a sewing machine and I started making handmade bags from home. As the business grew, I took another loan of PKR 40,000 to purchase more machines and employ nearby women and men. Today, I proudly run a small enterprise that supports my family and creates jobs for others — a journey that brought me confidence, independence, and dignity."



Ruqiya Bibi, PMIFL Beneficiary, District Bahawalpur

* - The amount includes reflows.

4 - It includes loans disbursed by Akhuwat

5 - The amount includes reflows.

6 - The amount includes reflows.

Projects

Prime Minister's Interest Free Loan (PMIFL) Programme Phase-II

PPAF is implementing the Government of Pakistan's funded Prime Minister's Interest Free Loan (PMIFL) Programme to promote microenterprise development among poor and marginalised households across the country. Anchored in PPAF's poverty graduation strategy, the programme aims to enhance access to financial services while supporting the creation of sustainable livelihoods. The Loan Centres established under the initiative not only provide interest free loans but also offer business advisory services and connect borrowers with input suppliers, markets, and skills training institutions. These integrated services enable beneficiaries to strengthen and expand their enterprises, fostering long-term economic empowerment.

Indicators	Achievements
Number of Loans Disbursed	411,267 (73% of loans to women)
Amount Disbursed (PKR Billion)	20.15 ⁷

DONOR

Government of Pakistan

BUDGET

PKR 5 billion

DURATION

June 2021 to
June 2026

PARTNERS

17

GEOGRAPHICAL COVERAGE 27 districts

(AJK: 01, Balochistan: 06, Gilgit-Baltistan: 01, Khyber Pakhtunkhwa: 09, Punjab: 06, Sindh: 04)



7 - The amount includes reflows.

COMMUNITY PHYSICAL INFRASTRUCTURE



PPAF places strong emphasis on bridging critical gaps in community physical infrastructure as a cornerstone for poverty reduction and inclusive development. Access to reliable infrastructure is essential not only for delivery of basic social services such as clean drinking water, sanitation, energy, irrigation, and agricultural facilities, but also for stimulating local economies, improving health outcomes, and protecting communities from climate-induced disasters. By investing at the grassroots level, PPAF empowers underserved communities, to strengthen their resilience, create sustainable livelihood opportunities, and improve access to markets and value chains. Community physical infrastructure projects not only provide practical benefits such as safe water, sanitation, and agricultural infrastructure but also foster organisational capacity, community participation, and social cohesion.

Over the years, PPAF has successfully implemented around 35,000 infrastructure schemes that have benefitted approximately 17.5 million people across Pakistan, transforming lives and empowering communities. During the reporting year, 236 infrastructure sub projects, directly reached 564,321 individuals (over 66,000 households), with women making up 49% of the beneficiaries. These investments reflect PPAF's commitment to building resilient, inclusive, and thriving communities.

Sector's Overall Achievements

Completed
34,777
Community Physical
Infrastructure Schemes



Benefited
17,461,805
People (51% Women)



Benefited
2,501,419
Households



"I am proud to share how our community came together through the CPI process to identify and prioritise our most urgent needs in the Village Development Plan. The devastating 2022 floods left us vulnerable, damaging homes, roads, and basic infrastructure. Through collective planning we identified our priorities and under the IAUP, we completed a 355 ft long and 19 ft high flood protection wall, a 3,250 ft link road, a 1,926 ft sewerage line, 550 ft of repaired covered drains, a waiting area, and tree plantation. These projects have restored access, improved sanitation, and safeguarded our homes and livelihoods, brought resilience and hope to over 5,000 residents of Gara Baloch."



Allaudin President of Gara Baloch Village Organisation, District Tank

Projects

Livelihood Support and Promotion of Small Community Infrastructure Programme (LACIP-II - 2023-26)

The Livelihood Support & Promotion of Small Community Infrastructure Programme (LACIP) funded by the Federal Republic of Germany through KfW, is an integrated poverty reduction programme that aims to improve the living conditions of vulnerable communities, with a strong emphasis on the inclusion of women and persons with different abilities. The interventions focused on building disaster-resilient Community Physical Infrastructures and generating employability through livelihood enhancement and protection interventions with community institutional development as the basis for all the activities.

Indicators	Achievements
Community Institutions Formed/ Revitalised	755
Climate Resilient VDPs Developed	85
IAUPs Completed	23 (32 Sub-Projects)
Individuals Received Skills Training	896 (49 % women)

DONOR

Federal Republic of Germany through KfW

BUDGET

EUR 9.5 million

DURATION

January 2023 to December 2026

PARTNERS

02

GEOGRAPHICAL COVERAGE

03 districts in Khyber Pakhtunkhwa



Sustainable Development Through Clean Drinking Water Supply

The "Sustainable Development Through Clean Drinking Water Supply" project, funded by PPAF's own resources has been successfully completed in Districts Nowshera and Charsadda, Khyber Pakhtunkhwa. With a total investment of PKR 41.9 million, the initiative constructed and rehabilitated five solar-powered Drinking Water Supply Schemes and One Flood Protection Wall, benefitting more than 6,200 people across multiple

villages. The schemes are now providing reliable access to safe drinking water to households, thereby reducing dependence on contaminated wells and hand pumps. By ensuring clean water for domestic use, schools, and communities, the project not only improved health outcomes but also strengthened resilience, enhanced community participation, and contributed to sustainable rural development.

DONOR PPAF	BUDGET PKR 41.99 million
DURATION October 2023 to December 2024	PARTNER 01
GEOGRAPHICAL COVERAGE 02 districts in Khyber Pakhtunkhwa	

Indicators	Achievements
Community Institutions Formed/ Revitalised	21
Drinking Water Supply Schemes Completed	05
Flood Protection Works Completed	01



RENEWABLE ENERGY



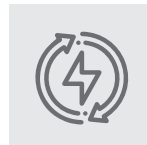
A green, reliable, affordable, and inclusive energy transition remains central to improving the quality of life in off-grid and underserved regions of Pakistan. PPAF's Renewable Energy (RE) portfolio continues to expand through investments in hydropower, mini-grids, and energy-efficient technologies, while fostering community engagement in planning and operations to promote local ownership and long-term sustainability.

To date, over 14 MW of clean energy has been generated through 1,450 RE projects, directly benefitting more than 586,000 individuals by reducing dependence on fossil fuels, improving livelihoods, and promoting environmental sustainability. These initiatives not only mitigate climate change but also create new economic opportunities, particularly for women, while enhancing health outcomes. Through its renewable energy initiatives, PPAF is enabling communities to thrive, safeguarding the environment, and paving the way for a sustainable and brighter future for Pakistan.

During the year, notable progress was achieved with the successful completion of four renewable energy (RE) projects and the rehabilitation of five mini/micro hydropower projects (MHPs). These initiatives are directly benefitting 11,680 individuals, 51% of whom are women. These interventions not only provide reliable and affordable access to clean energy but also enhance livelihoods, reduce reliance on fossil fuels, and strengthen climate resilience. By empowering women and marginalised groups, the projects are

Sector's Overall Achievements

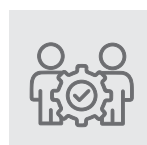
Completed
1,450
Renewable Energy
Projects



Benefited
586,195
People
(53% Women)



Benefited
78,472
Households



laying a strong foundation for inclusive, sustainable, and climate-smart development in the target communities. This milestone reflects PPAF's commitment to advancing renewable energy, climate resilience, and inclusive development in Pakistan's most remote regions.

"Our work used to stop at sunset, and the whole village would fall into darkness. Since the installation of renewable energy systems, everything has changed. Now, shops, tailoring units, computer composing services, and even ice-cream stalls stay open late. People are earning more, children can study at night, and many young men no longer need to migrate to cities for work. Access to clean and reliable electricity has brought new hope, livelihood opportunities, and stability to our community".



Badshah Rehman, Renewable Energy Beneficiary, Village Bella District Dir Upper

Projects

Hydropower Project Bella

The Micro Hydropower Project Bella, funded by PPAF's own resources has been successfully completed in Village Bella, District Dir Upper. With an installed capacity of 200 kW, the project is now providing uninterrupted electricity to more than 2,400 residents across 300 households, along with one Basic Health Unit and three government schools. By replacing

reliance on firewood and kerosene, the initiative not only protects the environment and reduces carbon emissions but also supports economic growth, improved education and health services, and better livelihood opportunities through the productive use of clean energy.



DONOR
PPAF

BUDGET
PKR 116 million

DURATION
October 2021 to
September 2024

PARTNER
01

GEOGRAPHICAL COVERAGE
01 district in Khyber Pakhtunkhwa

Scaling-up Renewable Energy Initiatives in Balochistan Province

PPAF has implemented Scaling-up Renewable Energy Initiatives project from its own resources in district Kharan of Balochistan. Through this initiative, PPAF has successfully transformed the off-grid village of Eri Kallang in District Kharan, by providing 250 households with clean, reliable and affordable electricity through solar home systems. The project also ensures access to safe drinking water via solar powered water pumps, enhanced community safety with solar streetlights and built the capacity of residents to operate and maintain these systems. To further promote environmental sustainability and create income generation opportunities, 1,200 date trees were planted.

As Balochistan remains one of the most underdeveloped and energy-deprived regions of the country, this initiative not only improves living standards but also sets a replicable model for scaling up renewable energy solutions in partnership with the government and potential donors.

DONOR
PPAF

BUDGET
PKR 53.91 million

DURATION
November 2023 to
November 2024

PARTNER
01

GEOGRAPHICAL COVERAGE
01 district in Balochistan



HEALTH AND NUTRITION



Health is central to achieving economic, social and environmental objectives, including poverty reduction and a sustainable development. Recognising the strong interlinkages between health, malnutrition, and poverty, PPAF has continued its health and nutrition initiatives to improve access to comprehensive primary health care and nutrition services for marginalised communities, with a particular focus on maternal, neonatal, and child health. Cumulatively, PPAF has supported over 970 community-based and government health centres by improving infrastructure, providing essential medicines, and deploying trained healthcare professionals. These interventions have facilitated around 15.5 million health consultations, addressed gender disparities and contributed to overall well-being of underserved population.

During the reporting year, PPAF strengthened community health services by training 75 Lady Health Workers and Community Midwives, establishing 15 family health outlets and 15 health nutrition clubs, and distributing 25,678 supplements (Zinc & ORS, Vitamin A, Iron Folate). A total of 4,259 health and hygiene sessions engaged 68,365 individuals. Moreover, 70,392 health consultations were facilitated in PPAF's supported 15 health centres, with women and girls comprising 55.4% of beneficiaries. Under the Deaf Reach project, a formal school session launched for the 2025-26 academic session, with 127 students enrolled (35% girls).

"The United Foundation Thalassemia Centre in Kohat, supported by PPAF, has been a true lifeline for my daughter. Before treatment, managing her condition was a constant struggle. Thanks to regular blood transfusions and compassionate medical care, her health has improved significantly, allowing her to lead a more active and fulfilling life. This support has given her hope and strength to face each day with confidence. I am deeply grateful to PPAF and the Centre for making such a meaningful difference in her life."

*Statement from the Patient's Mother

Sector's Overall Achievements

Supported

971

Health Facilities



15,467,145

Health Consultation Visits
(56% Women)



Tehreem, Thalassemia Patient from District Kohat

Projects

Integrated Project for Community-Based Health and Nutrition

PPAF, in collaboration with Nutrition International (NI), is implementing a health and nutrition initiative to enhance health and nutrition outcomes in Balochistan and Khyber Pakhtunkhwa. The initiative focuses on enhancing the well-being of women, men, youth and under five children through strengthened community-based health services and awareness.

Key progress included training Lady Health Workers and Community Midwives, establishing family health outlets and health nutrition clubs, distributing essential supplements, and conducting widespread health and hygiene sessions.

Indicators	Achievements
Distribution of Zinc & LOORS, Vitamin A, Iron Folate	28,478
No. of Awareness Sessions	4,943 (75,302 participants)
Health Consultation visits	70,392 (55% women and girls)

DONOR PPAF & NI	BUDGET PKR 108.99 million (PPAF share PKR 96.50 million)
DURATION October 2023 to October 2025	PARTNERS 02

GEOGRAPHICAL COVERAGE 03 districts
(Balochistan: 02, Khyber Pakhtunkhwa: 01)



Establishing a Deaf Reach Centre of Excellence in Khyber Pakhtunkhwa

PPAF in partnership with the Government of Khyber Pakhtunkhwa and Family Educational Services Foundation (FESF) is implementing a project in Nowshera to enhance educational opportunities for deaf learners. The project aims to empower deaf

students to ultimately reach their full potential and become contributing members of the society. The initiative aims to empower students to realise their potential and actively contribute to society.

DONOR PPAF, FESF & Government of Khyber Pakhtunkhwa	BUDGET PKR 181.07 million (PPAF share PKR 66.05 million)
DURATION November 2023 to November 2026	PARTNER 01
GEOGRAPHICAL COVERAGE 01 district in Khyber Pakhtunkhwa	

Indicators	Achievements
Construction of Deaf Reach Centre building	Completed
Students Enrolled	127



EDUCATION



Access to education has the power to transform lives and create lasting opportunities. PPAF is committed to make equitable quality education accessible to children in the most underserved and marginalised communities, with a special emphasis on girls' education, ensuring that no child is left behind. A significant number of children now enrolled in PPAF-supported schools were previously out of school, demonstrating the tangible impact of these interventions.

Beyond formal education, PPAF's approach also fosters social cohesion and inclusivity. Through the Bridging Educational Polarisation for Social Harmony project in Balochistan, PPAF is creating opportunities for madrassa students while encouraging dialogue, tolerance, and respect among diverse communities. Similarly, under the Chamalang Balochistan Education Programme with support from the Pakistan Armed Forces, youth are being enabled to study outside the province or as day scholars in Quetta, Loralai, and Kohlu, helping them build brighter futures.

At present, PPAF is supporting 90 schools, benefitting over 15,000 students (37% girls). Alongside this, 2,352 scholarships have been provided (24% to girls). To date, PPAF's support has reached 2,866 educational

Sector's Overall Achievements

Supported

2,866

Schools



Enrolled

432,939

Students
(44% Girls)



facilities, including more than 1,500 public schools and five tele-education centres, enabling the enrolment of 432,939 students, including 10,127 blind and deaf children, with girls making up 44% of the total. Efforts have also focused on building capacity, with more than 4,000 teachers and 6,000 community resource persons and school management committees trained to improve the quality of education.

"I grew up in a small village with limited resources, but my passion for learning never faded. At MIED Phander College, I received a scholarship that motivated me to work even harder and I'm proud to have achieved the highest marks in my first-year exams. This opportunity has strengthened my belief that hard work truly pays off. I now dream of pursuing higher studies and giving back to my community".



Nahida Bibi, PPAF's Supported MIED Phander College Student- District Ghizar

Projects

Continued School Support Project (CSSP) Phase-III

The Continued School Support Project (CSSP) aims to ensure continuous support and improvement in the quality of education for children in marginalised areas of Sindh and Gilgit-Baltistan. The project seeks to strengthen the educational capacities of targeted schools, enhance equitable access to quality learning opportunities, and promote inclusive, gender-responsive, and community-driven education. By integrating quality education and life skills into mainstream development efforts, the initiative aspires to empower children, particularly girls with the knowledge and competencies necessary for improved socio-economic opportunities, while reinforcing PPAF's broader commitment to achieving SDG 4 (Quality Education) and advancing human capital development in underserved regions.

Indicators	Achievements
Students Supported	11,660 (40% girls)
Teachers Provided	124
Schools Supported	54

DONOR
PPAF

BUDGET
PKR 183 million

DURATION
July 2024 to June 2027

PARTNERS
04

GEOGRAPHICAL COVERAGE 07 districts
(Gilgit-Baltistan: 01, Sindh: 06)



Bridging Educational Polarisation for Social Harmony Phase-II

This project aims to promote social cohesion, interfaith harmony, and peaceful coexistence by integrating madrassa students into formal education in Quetta, Pishin, and Mastung. It reduces vulnerability to radicalisation, promotes tolerance, and creates livelihood opportunities, contributing to long-term peace and stability in Balochistan.

Key activities include capacity building of teachers on

Accelerated Learning Programme, provision of textbooks and learning materials, and monthly stipends for teachers. Using the ALP, the project bridges religious and formal education by offering advanced ALP courses (Package C) for students who have completed primary-level courses (Packages A & B) in previous phase of the project, enabling them to transition into the mainstream system with formal certification from the Balochistan Assessment and Examination Commission (BAEC).

DONOR PPAF	BUDGET PKR 25.52 million
DURATION January to December 2025	PARTNER 01
GEOGRAPHICAL COVERAGE 03 districts in Balochistan	
Indicators	Achievements
Teachers Trained on ALP	26
Academic Support Provided to Madrassah Students	1,168 (65% girls)



PPAF'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Government of Pakistan has adopted a multi-pronged approach, demonstrating its commitment and ownership at the highest level, which is instrumental for the successive steps in implementing SDGs. PPAF, as a supporting arm of the federal government has participated in various SDGs

forums organised by the Ministry of Planning, Development, and Special Initiatives (M/o PD&SI) and has shared updates on its contributions to achieving the SDGs. From inception to date, PPAF's key contributions towards the SDGs are shown in the following infographic:



KNOWLEDGE GENERATION

PPAF remains committed to continuous learning and adaptive improvement as a cornerstone of its development approach. Significant investments have been made in evaluation, research, and knowledge generation, underscoring the organisation's dedication to accountability, innovation, and excellence.

Positioned as a national knowledge hub, PPAF collaborates with leading institutions such as the London School of Economics (LSE), the World Bank, and the Centre for Economic Research in Pakistan (CERP) to advance research on poverty alleviation and sustainable development. These partnerships have produced rigorous studies and randomised control

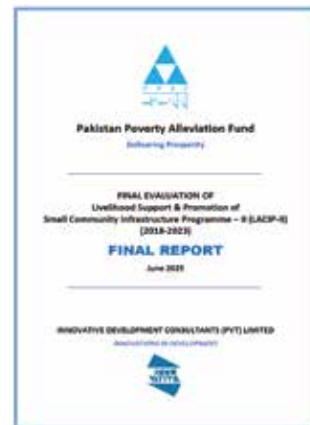
trials (RCTs) generating actionable insights that shape development policy and practice. Independent evaluations by organisations including the World Bank's Independent Evaluation Group (IEG), Gallup Pakistan, WWF Pakistan, IZI Spa (Italy), CGAP, ITC, and other credible firms have further validated PPAF's effectiveness.

To date, over 60 major evaluations and research studies have been completed and are accessible through PPAF's Knowledge Centre on its website, reinforcing its role as a leader in knowledge-driven, accountable, and impactful development in Pakistan. The following major assessments and research studies were concluded during the reporting period:

Ex-Post Evaluation of Livelihood Support and Promotion of Small Community Infrastructure Programme - LACIP-II (2018-2023)

The third-party ex-post evaluation of LACIP-II Programme (2018–2023) funded by BMZ through KfW assessed programme's performance, outcomes, and sustainability across infrastructure, livelihoods, and institutional development components. This phase was implemented in Shangla, Buner and Lakki Marwat districts of Khyber Pakhtunkhwa. The evaluation revealed that 62% of surveyed households experienced positive improvement in their Poverty Scorecard (PSC) scores, with the proportion of ultra-poor households declining from 33% at baseline to 17% at final evaluation. Average monthly household income nearly doubled, increasing from PKR 18,043 to PKR 35,100, reflecting significant socio-economic mobility. Productive economic asset transfers and skills training proved highly effective, with 84% of households reporting income gains and 63% of trained individuals using their new skills for income

generation, largely within their own villages. Community infrastructure schemes enhanced access to services, saving households time and reducing disease occurrence by 74%. Beneficiary satisfaction was



overwhelming, with 98% satisfied with livelihood assets and 100% satisfied with training quality, while 82% of schemes are actively maintained by communities and 100% sustainable, underscoring the programme's sustainability, community ownership, and long-term impact.

Humanitarian Aid and its Consequences: Research Study by London School of Economics

PPAF, in partnership with LSE and CERP, is leading a rigorous research initiative to evaluate humanitarian aid delivery mechanisms through randomised controlled field experiments. The study, designed in consultation with PPAF, examines the impact of aid on nutritional diversity, food security, and mental wellbeing across diverse urban contexts. To operationalise this initiative, PPAF signed MoUs with CERP and its implementing partners FDO, AGAHE, and Sindh Rural Support Organisation (SRSO) and

successfully conducted three pilot projects in Multan, Rajanpur, and Shikarpur. Building on these pilots, a large-scale randomised controlled trial was completed in Shikarpur, Qambar Shahdadkot, and Sukkur, targeting approximately 2,100 economically vulnerable female-headed households. Early findings are promising, and LSE is in the process of finalising comprehensive reports for dissemination to all stakeholders.

PEOPLE & CULTURE AT PPAF

In FY 2024–25, the Human Resource section played a pivotal role in strengthening PPAF by enabling a capable, engaged, and future-ready workforce. Guided by the PPAF core values, the section prioritised technology adoption, policy reform, staff capacity building, and workplace culture, ensuring people remained central to organisational progress.

A major milestone was the implementation of the SAP HCM S/4 HANA module, which fully automated payroll and HR master data processes. This transition now ensures seamless payroll execution for 142 employees each month, delivering greater efficiency, transparency, and accuracy. Alongside this, the HR Manual was comprehensively reviewed, updated in line with best practices and labour laws, and formally approved by the Board of Directors in February 2025, reinforcing a compliant and future-ready HR framework.

Staff development was advanced through a structured training calendar generated by the Training Needs Assessment. During the year, 44 training programmes were offered, which included National & International trainings, conferences, and customised training programmes, benefiting 156 staff members across various levels. These included customised in-house sessions on technical and behavioural competencies. Furthermore, the staff also participated in international training opportunities, gaining exposure to global best practices in leadership, project management, and organisational effectiveness. A total of 622 participants took part in

various training programmes at PPAF during the year. To sustain a safe and inclusive work environment, HR organised 7 training sessions on the Prevention of Sexual Exploitation and Abuse (PSEA) and Sexual Harassment at the Workplace, attended by 177 participants, reaffirming PPAF's commitment to workplace dignity and accountability. Additionally, innovation was embraced through 3 Artificial Intelligence orientation sessions, equipping 58 employees with insights into applying emerging technologies to improve decision-making and organisational agility.

Recognising that diversity enriches organisational capacity, PPAF's recruitment efforts during the year emphasised gender balance, regional representation, and inclusivity. A total of 15 new hires were inducted across various departments, of which 20% were women, strengthening the organisation's diversity profile and aligning with its commitment to equitable opportunities. The performance management system was further refined to strengthen the alignment between individual contributions and organisational objectives.

Through these initiatives, HR advanced digital transformation, reinforced institutional systems, and nurtured human capital, positioning PPAF to respond effectively to the evolving challenges of the development sector. The year's achievements underscore HR's role in strengthening systems while investing in people as the cornerstone of organisational success.



PPAF'S ACTIVE PARTNER ORGANISATIONS





FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021
Funds deployment - Rs. in million					
Microcredit					
Loans receivable from POs (Gross)	798	806	812	893	928
Loan to PMIC	3,521	4,584	5,647	6,689	7,832
Equity investment in PMIC	4,480	4,465	4,167	3,645	3,386
Guarantee facility	-	-	-	-	-
PMIFL	5,519	5,519	6,782	7,190	7,415
	14,318	15,374	17,408	18,417	19,561
Grant					
Donor financed	1,950	1,409	1,808	2,093	7,905
Relief & Reconstruction Operations	2,426	1,333	817	1,297	252
	4,376	2,742	2,625	3,390	8,157
	18,405	19,075	20,920	24,763	23,177
Total funds deployment	18,694	18,116	20,033	21,807	27,718
Balance Sheet- PKR in million					
Total Assets	35,500	35,206	32,791	32,168	34,228
Endowment Fund	1,000	1,000	1,000	1,000	1,000
Reserves					
Capital adequacy reserve	528	688	847	1,003	1,176
Grant fund	16,182	15,042	13,856	13,032	12,364
Reserve for lending activities	4,480	4,465	4,167	3,645	3,386
General reserve	2,843	2,642	2,432	2,287	2,169
Reserve for grant-based activities	5,906	5,727	3,978	2,927	3,026
	29,939	28,564	25,280	22,894	22,121
Total equity (endowment + reserves)	30,939	29,564	26,280	23,894	23,121
Lease liabilities	126	152	200	173	195
Long term loans	3,722	4,913	6,104	7,229	8,509
Operational Results- Rs. in million					
Total income	5,007	5,576	4,968	3,399	3,003
General and admin expenses	789	943	1,229	1,006	863
Project Activities	425	260	202	-	-
Surplus before loan loss prov. and relief work	3,452	4,078	3,147	2,073	1,791
Net Surplus	1,376	3,291	2,369	777	1,538
Financial Ratios- Percentage					
Surplus before provisions & relief/total income	69%	73%	63%	61%	60%
Return on equity	11%	15%	12%	9%	8%
Return on assets	10%	12%	10%	6%	5%
G&A/funds deployed	4.29%	4.94%	5.87%	4.06%	3.72%
Debt/equity	11:89	15:85	19:81	24:76	27:73

DIRECTORS' REPORT



DIRECTORS' REPORT

The Board of Directors of Pakistan Poverty Alleviation Fund (PPAF) is pleased to present Annual Report along with audited financial statements and auditors' report thereon for the year ended 30 June 2025.

During the financial year 2024-25, Pakistan continued to grapple with complex economic challenges arising from persistent macroeconomic imbalances, external vulnerabilities, and the lingering impacts of global and domestic shocks. Elevated fiscal pressures, a heavy debt burden, and high inflation constrained public sector capacity to invest in critical development initiatives, while energy shortages, political uncertainty, and heightened climate-related vulnerabilities further weighed on the country's growth trajectory. Recurring natural disasters and environmental stresses compounded these difficulties, posing considerable hurdles to achieving sustainable and inclusive development.

In the face of these challenges, the Pakistan Poverty Alleviation Fund (PPAF), with the steadfast support of its donor partners, remained committed to fostering resilience, empowering communities, and contributing meaningfully to national development priorities during the year under review. Looking ahead, PPAF is confident that through comprehensive reforms, stronger partnerships, and a continued focus on climate adaptation and community-driven development, Pakistan can overcome these constraints and set the course for sustainable growth, social equity, and long-term prosperity.

Livelihood Support & Promotion of Small Community Infrastructure Programme (KfW)

PPAF, through its two partner organisations continued to implement the KfW-funded Livelihood Support & Promotion of Small Community Infrastructure Programme (LACIP-II) (2023-2026), a supplemental phase of LACIP-II (2018-2023). KfW has provided EUR 9,500,000 for Institutional Development (ID), Community Physical Infrastructure (CPI), and Livelihoods Enhancement and Protection (LEP) interventions, which is planned to be completed by 31 December 2026. PPAF envisages to reconstruct/rebuild around 70-80 Climate Resilient Infrastructure Projects, awareness and capacity-building training of 5,000 persons under

Institutional Development, and Skills training of 2,000 women/men in marketable vocational and technical trades.

As of June 2025, 40 large infrastructure projects have been initiated on ground and 23 have been completed; 1,148 participants were enrolled, and 896 participants completed the technical skills training. Under institutional development component, 755 Community Institutions (613 COs and 142 VO) have been formed/revitalised and 3,188 community members underwent awareness session on state-citizen dialogue and climate resilience.

Poverty Graduation Programme (UNHCR)

The fifth phase of the UNHCR-funded Poverty Graduation Programme (PGP), launched in January 2024, aims to lift ultra-poor Afghan refugee households out of poverty by enhancing gender equality and self-reliance. The project, with a budget of PKR 142.06 million, was implemented in the targeted districts in Khyber Pakhtunkhwa (Upper Dir, Malakand, Peshawar), Balochistan (Killa Saifullah, Quetta), and Islamabad, and was successfully completed in December 2024. The programme focused on providing sustainable livelihood opportunities, boosting employment and entrepreneurship, and supporting business startups. Key activities completed include cash transfer, basic asset management & enterprise development training, and entrepreneurship skill training, benefiting 990 households and DAFI scholars.

Growth for Rural Advancement and Sustainable Progress (EU)

Under the Memorandum of Understanding (MoU) signed between PPAF and International Trade Centre for "Growth for Rural Advancement and Sustainable Progress (GRASP) project" with an overall budget of US\$ 15.23 million⁸, as of the June 2025, significant progress has been made in the intervention areas including, **1) Rural Mobilisation:** 38,803 SMEs (14,364 women-led) including primary producers and farmers were identified for Farmer Climate Business Schools (FCBS), and 6,874 SMEs (3,003 women-led)

8 - Project amount has been reduced from US\$15.23 million to US\$14.069 due to internal adjustment with the donor.

received training in areas like agri-business management and wool processing; **2) Access to Finance:** SMEs were awarded \$3.59 million in matching grants and \$2.28 million in loans. Notably, 357 SMEs, including 192 women-led enterprises, accessed these loans; and **3) Outcome Survey Results:** 5,626 SMEs adopted climate-smart technologies, resulting in a 46% increase in sales turnover and creating 15,287 jobs, with 30% of these positions filled by women.

Post-floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan (EU)

The European Union's EUR 14.83 million, five-year project will support climate-resilient recovery in six flood-affected districts of Balochistan (Loralai, Lasbela, Jaffarabad, Khuzdar, Pishin, Zhob). It will provide livestock assets to 10,000 poorest farmer households, train 30,000 households in livestock management, and offer grants to 1,700 stakeholders for innovative livestock enterprises. The initiative aims to revitalize agriculture and livestock sectors post-2022 floods by strengthening value chains, improving market linkages, and enhancing access to finance, with a strong focus on women and youth. PPAF will facilitate producer groups, community-led markets, and MSMEs in sheep, goat, and poultry value chains.

The project is in its inception phase, as of June 2025, key milestones include notification of the Project Steering Committee's composition and approval of its ToRs, selection of six target districts, and initiation of on-ground implementation through PPAF's Partner Organisation i.e. BRSP. All professional staff have been recruited and trained, while the Project Implementation Manual, Knowledge Management and Communication Strategies, and M&E Framework have been developed. The baseline survey procurement process has been initiated, and EUR 2.94 million in pre-financing has been received from the donor.

Government of Pakistan - Prime Minister's Interest Free Loan Programme

The Government of Pakistan (GoP) launched the Prime Minister's Interest Free Loan Programme (PMIFL) on 26th June 2014 with an initial allocation of PKR 3.86 billion as the first tranche. After successfully completing the first phase, a second tranche of PKR 5 billion was allocated in June 2021. As of June 30, 2025, PMIFL programme has disbursed 1,307,872 loans with a total amount of PKR 46,481,332,499 through efficient fund revolving.

This transformative initiative enables the targeted households to launch and sustain microenterprises, unlocking new economic opportunities that elevate their livelihoods and foster inclusive economic growth. Pakistan Poverty Alleviation Fund has been entrusted by the GoP to spearhead the design, mobilisation, implementation, and monitoring of this programme, in collaboration with partner organisations dedicated to poverty alleviation through microfinance, interest-free loans, and sustainable livelihoods interventions.

By June 2025, with total funding of PKR 8.1 billion, PPAF has disbursed more than 1.30 million loans, amounting to PKR 46.48 billion, achieving a high recovery rate of 96%. Notably, in 2024-25 alone, 264,117 Interest Free Loans, valued at PKR 12.54 billion, were disbursed to the eligible beneficiaries across the country, with 67% of these loans provided to women. Of the total loans, 102,787 loans worth PKR 3 billion were disbursed to the Benazir Income Support Programme (BISP) beneficiaries, including 58,133 individuals who received support more than once through the PMIFL.

PPAF is entrusted with the responsibility of reporting progress for the IFL component implemented by its Partner Organisations (POs), to whom funds were channeled through PPAF and are now being revolved by the POs. In addition to this, under National Poverty Graduation Initiative (NPGI), PPAF reports on PKR 9 billion available with Akhuwat from sources other than PPAF. Implementation progress of the PMIFL Programme (managed by PPAF funds since 2014 and Akhuwat funds since July 2019) as of June 30, 2025, is as follows.

Key Achievement Indicators	Status as of June 30, 2025
Number of Partner Organisations	26
Outreach (Districts)	110
No. of loan centres/branches established	736
No. of loans disbursed to borrowers	3,574,550
Amount Disbursed (in billions)	131.94
Average loan size (PKR)	36,912
Percentage of loans to women	57%

PPAF also contributed for the alleviation of poverty from its own resources under:

Community Infrastructure for Inclusive Growth

PPAF's investments in critical community infrastructure are a proven driver of poverty reduction and local growth. By improving access to essential services, enabling livelihoods, and strengthening social inclusion, these structures have transformed living standards and enhanced resilience across underserved areas. To date, over 36,000 physical infrastructure projects have been completed including 1,450 renewable energy projects, reaching 18.50 million people (51% women). Independent assessment highlights: 61% of communities gained improved drinking water access; 28% saw better

sanitation; 76% of schemes directly benefited poor households; agricultural output rose by 35% where irrigation access improved, 100% utilisation and maintenance of renewable projects, along-with complete elimination of fossil fuel consumption for lighting, and 30% reduction in expenditure for 46% households. PPAF infrastructure portfolio with a cumulative investment of PKR 25.76 billion reflects community needs and development priorities: In terms of numbers, drinking water supply are 31% of total, irrigation (31%), communication/roads (15%), drainage and sanitation (14%), energy (4%), disaster risk reduction (4%), and integrated area upgradation - IAUP (1%), all of which deepen service access, market connectivity, and resilience. The following are the ongoing projects:

Project	Rs. in million
Sustainable Development through Clean Drinking Water Supply Schemes in Charsadda and Nowshera Districts	41.99
Strengthening and Upgradation of Relief, Rehabilitation & Settlement Department, Government of Khyber Pakhtunkhwa	42.00
Micro Hydro Power Project Bella, Upper Dir	116.00
Scaling Up Renewable Energy Initiatives in Balochistan Province	53.91
Commissioning and Operationalization of the Olive Process Plant (OPP) and Strengthen the Olive Value Chain	23.08
Promoting Community Based Tourism in Neelam Valley, AJK phase-II	24.00
Public Restrooms Facilities on Pakistan's Coastal Highway to Support Tourism, Hygiene/Sanitation, Environmental Protection, and Economical Growth initiatives	47.00

Access to Social Services (Education, Technical Training, Health & Nutrition, and Disability Inclusion)

PPAF recognises the profound nexus between education and poverty, with education serving as a cornerstone for human development and socio-economic progress. Independent assessments reveal that 25% of out-of-school children in target areas have been enrolled, with overall enrolment rising by 30% girls comprising 49% of new admissions. To date, PPAF has benefitted 432,939 students (45% girls) through community, public and tele-education facilities, with additional support for 10,000 visually and hearing-impaired children and 17,782 students under the Chamalang initiative. The Madaris project has enrolled 1,168 learners, while the Continued School Support Project has reached 11,660 students across Sindh and Gilgit-Baltistan.

Health remains integral to PPAF's strategy for poverty reduction. In partnership with Nutrition International, interventions target 45,000 diarrhea cases with Zinc and LO-ORS, alongside the establishment of 15 Family Health Outlets and 15 Health & Nutrition Clubs. The programme further trains 75 women entrepreneurs, 30 community mobilisers, and sensitises 45,000 caregivers on nutrition, reproductive health, and healthy timing and spacing of pregnancies.

PPAF also prioritises disability inclusion, recognising the disproportionate link between disability and poverty. Since 2007, 39,481 people with disabilities have benefitted from assistive devices, caregiver support, skills training and entrepreneurship initiatives. In partnership with Family Education Services Foundation (FESF), over 1,400 individuals at Deaf Reach Schools have received scholarships and

vocational training, with 450 graduates employed. PPAF has supported the development of Pakistan's first Sign Language dictionary, introduced 6,000 new words, and established a Deaf Reach Centre of Excellence in Nowshera. Khyber Pakhtunkhwa with 127 students enrolled.

Together, these interventions reflect PPAF's comprehensive approach to poverty alleviation, social inclusion and inter-generational well-being, ensuring that no one is left behind. The following is a list of ongoing projects:

Project	Rs. in million
Continuous Support to the Balochistan Education Scholarship Programme	100.00
Continued Support to PPAF's Established Schools in Sindh and GB – Phase III	183.00
Bridging Educational Polarisation for Social Harmony Project Balochistan	61.89
Enhancing Capacity, Sustainability, and Outreach for United Foundation's Blood Transfusion Services in District Kohat	42.00
Integrated Project for Community-based Health and Nutrition Interventions in the marginalised districts of Balochistan and Khyber Pakhtunkhwa	108.99 ⁹
Strengthening Institutional Capacity to Elevate Blood Transfusion Services in Kohat	23.00
Establishing a Deaf Reach Centre of Excellence in Khyber Pakhtunkhwa	181.07 ¹⁰
Economic Empowerment of Marginalised Communities through Strengthening the Technical and Skills Sector in Punjab and Sindh, Pakistan	80.00
Development of a Modern TVET Centre and Renovation of the Public Library in Jaffarabad, Balochistan	70.00
Bridging Educational Polarization for Social Harmony	25.52

Innovation Through Entrepreneurship and Digitalisation

PPAF is at the forefront of innovation through its focus on entrepreneurship and digitalisation, aiming to empower underserved communities. By encouraging high-potential startups and facilitating digital and entrepreneurial skills training, PPAF is enhancing economic opportunities and inclusiveness. These initiatives not only support emerging entrepreneurs with crucial resources and training but also integrate modern digital tools to bridge gaps in access and economic growth. Through these efforts, PPAF is expanding opportunities for marginalised population.

Making Social Entrepreneurship Accessible to the Emerging Youth of Balochistan

PPAF has partnered with the Balochistan University of Information Technology, Engineering and Management Sciences (BUIEMS) and the National Incubation Centre Quetta (NIC Quetta) to support start-ups through the Incubation Cycle. This initiative aims to invest in high-potential Sustainable Development Goals (SDGs)-focused start-ups via seed funding grants and to facilitate micro-entrepreneurship bootcamps and hackathons

for youth from marginalised communities across Balochistan. Making social entrepreneurship accessible to the poor is aligned with PPAF's strategy of poverty reduction and inclusion. By investing in the potential of rural entrepreneurs and start-ups, PPAF supports non-traditional entities to help alleviate poverty. This also encourages enterprising youth in both rural and urban communities, positioning PPAF on the global map of start-up supporters. Under the project, PPAF has supported three start-ups and fifteen seed grants, disbursing PKR 10 million by June 2024. Under Phase II of the project, three additional start-ups have been supported and eleven SDG-focused seed grants awarded, with PKR 14.34 disbursed as of June 2025. A total of 20 SDG-focused seed grants is planned under this phase.

Digital Hub & Women Strivers Project

The "Digital Hub & Women Strivers" Ba-Ikhtiar project is a flagship women's empowerment initiative of PPAF in collaboration with the PTCL Group and is implemented by National Rural Support Programme

9 - Including PKR 12.50 million of Nutrition International (NI) contribution.

10 - Breakup of PKR 181.07 million is [PPAF share: PKR 66.05 million (PKR 49.59 million programme cost and PKR 16.05 million PPAF M&E and project management cost), Government of Khyber Pakhtunkhwa share: PKR 98.35 million and FESF share: PKR 16.67 million].

(NRSP). Launched as a pilot in Haripur, Khyber Pakhtunkhwa, the programme aimed to transform the socioeconomic landscape for young women artisans, unlocking the potential that had remained hidden in their homes and villages. The project is in line with SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth) and aligned with PPAF's five-year strategy (2021–2025). The project increased economic opportunities for young women entrepreneurs by equipping them with digital entrepreneurial skills and creating market linkages and improving their access to finance. The project provided vocational and technical skills training to 100 women, which included financial literacy, life skills training, the opening of Upaisa Wallet accounts, and access to UBank's microloan facility. For sustainability, women were linked with online e-commerce platforms such as Daraz, Facebook, YouTube, and TCS, enabling them to establish virtual businesses and online sales. In addition, participants received smartphones with SIM cards and one-year data packages, along with digital marketing training. A micro-challenge award was presented to the top 10 women participants who produced high-quality products and demonstrated strong capacity in online commerce. By 30 June 2024, PPAF disbursed PKR 4.29 million, while PTCL contributed PKR 5.3 million towards the project cost. PPAF & PTCL Group are now working to scale the programme far beyond Haripur, to 22 districts, many of them flood-affected, where communities continue to rebuild their lives. In this next phase, 2,100 skilled / semiskilled women entrepreneurs across Pakistan will be trained. Ba-Ikhtiar is embracing the richness of Pakistan's social fabric by promoting inter-faith harmony and extending opportunities to women from Christian, Hindu and Kalash community, as well as women with disabilities, ensuring that empowerment truly reaches every corner of society.

Promoting Culture, Heritage and Sustainable Eco-tourism

Pakistan's cultural assets, Gandhara's Buddhist heritage, living crafts, and high-value mountain landscapes are not only patrimony; they are job systems. Tourism is labour-intensive, with strong linkages in hospitality, transport, food, crafts and digital services. Global evidence shows that when tourism is developed sustainably, it advances decent work (SDG 8) and broad local benefits; "greening" tourism further amplifies economic, social and environmental gains. In Pakistan specifically, research

links tourism growth with higher GDP and employment, underscoring its potential as a poverty-reduction engine when communities are positioned to capture value. PPAF's entry point is community-led economic development: organise producers, improve place-based infrastructure, build market access (including e-commerce), and protect the very heritage and ecosystems that attract visitors.

Geographically, PPAF's three current projects sit on high-signal heritage nodes. Taxila, the epicentre of Gandhara and a UNESCO World Heritage Site, is a natural hub for responsible cultural tourism and artisan markets. Neelum Valley in AJK has recognised potential for eco-tourism and heritage bazars when planned with communities and conservation in mind. And adaptive re-use of historic assets like Ain Fort aligns with good international practice: safeguarding fabric while creating enterprise spaces that channel visitor spends into local livelihoods.

Promoting Gandhara Civilisation & Heritage for Sustainable Eco-tourism (Taxila)

A heritage-led, livelihood-first model that couples conservation awareness with market access for artisans and better visitor services. During the year, the project delivered seven cultural festivals/exhibitions/workshops, ten stakeholder networking events, twenty artisan trainings linked to e-commerce platforms, three guide-capacity sessions to develop eco-tourism packages, plus ten health & hygiene campaigns, ten school programmes, a public awareness campaign and five community seminars. These actions simultaneously build demand, readiness and community ownership around Gandhara sites. By anchoring artisans and guides to a globally recognised heritage cluster (Taxila), the project converts cultural capital into household income and decent work, particularly for women and youth.

Development of a New Tourist Destination at Tehjian, Neelum Valley (AJK)

This is a place-making and MSME readiness programme centred on the Tehjian Heritage Bazar. During the year, four Community Organisations and a

Bazar Management Committee were formed; a master plan for the bazar was completed; priority street paving improved access; 30 girls completed tailoring training; 30 students finished skills training (seven placed in apprenticeships in Islamabad); a gabion flood-protection wall was built; CMST was delivered to all COs; and 20 women established kitchen gardens supplying local inputs to restaurants. These steps professionalise the visitor offer, strengthen disaster resilience, and seed women-led micro-enterprises, classic poverty-tourism linkages in a fragile, high-potential landscape.

Adaptive Re-Use of Ain Fort (AJK) to Uplift Marginalised Communities

This heritage-economy pilot is to rehabilitate Ain Fort and create tourism-linked enterprise opportunities for surrounding communities. A Fort Improvement Plan is being prepared with NUST and the PPAF Implementing PO, positioning the site for responsible public access and micro-business use (guiding, crafts, food and cultural experiences). The adaptive-reuse pathway preserves heritage while generating local income streams, a proven model for inclusive urban-rural regeneration.

The following is a summary of the projects:

Project	Rs. in million
Promoting Gandhara’s Civilisation and Heritage for Sustainable Ecotourism in Pakistan	60.00
Development of a New Tourist Destination at Tehjian, Neelum Valley, AJK	24.00
Adaptive Re-Use of Ain Fort in AJK to Uplift the Marginalised Community	17.00

Climate Resilience, Disaster Preparedness, and Food Security

Over the years, these successive disasters, besides loss of precious lives, have destroyed and damaged infrastructure, increased food insecurity, and hunger, and caused loss of livelihoods. The country witnessed that the 2022 floods caused significant damage to education and health facilities, infrastructure, and livelihoods. These disruptions highlight the severe impacts of the climate crisis. As climate patterns continue to shift, Pakistan faces escalating challenges that demand effective resilience-building measures. To address these evolving threats, adaptation and preparedness remain essential for managing and mitigating the impacts of climate change, while timely relief assistance is equally critical to protect vulnerable communities from immediate risks.

Emergency Relief Assistance and Food Security

In 2023, floods in Punjab along the Sutlej River caused extensive damage as the river swelled, spelling disaster for districts along its banks. Investing in

disaster relief and management is crucial for PPAF to achieve its mission of poverty alleviation. In January 2024, PPAF provided PKR 150 million in assistance through winterised kits and non-food items to 3,213 households in nine of the worst-hit Union Councils across Okara, Kasur, Bahawalpur, and Bahawalnagar, in collaboration with AGAHE, MOJAZ Foundation, and Farmers Development Organization (FDO). Flood-affected beneficiaries shared their stories of devastation and expressed their gratitude for this emergency relief, which equipped them with basic household items and hygiene kits. Timely relief enabled communities to cope with the impacts of floods and recover quickly, thereby reducing long-term vulnerabilities. The project was concluded this year.

In February 2024, the district of Gwadar in Balochistan was hit by a severe rainstorm, resulting in substantial flooding of residential areas. In response, PPAF, in collaboration with the Strengthening Participatory Organization, provided protection assistance in Union Council Surbandar to enhance food security and address immediate social needs. Food bags, household items, and hygiene kits were provided to

flood-affected households, with a particular focus on women, disabled-headed households, and other vulnerable groups. Added to this support was USD \$300 in employee matching gifts from the PepsiCo

Foundation, channelled through CAF America, which enabled PPAF to provide food bags to an additional five households. The project was concluded this year.

The following is a summary of the projects:

Donor	Districts	Items	Households	Contribution
PPAF	Okara, Kasur, Bahawalpur, Bahawalnagar	Winterised kits and household items	3,213	Rs. 150 M
PPAF	Gawadar	Dry food packages and household items and hygiene kits	400	Rs. 20 M
CAF America / PepsiCo Foundation	Gawadar	Dry food packages	5	US \$ 300

Post-Flood Rehabilitation and Building Climate Resilience

Restoring Social Services and Climate Resilience

Following third-party evaluation of its 2022 flood relief action and guided by national and partner-led Post-Disaster Needs Assessments, consultations with local authorities, and lessons from earlier interventions, PPAF designed the Restoring Social Services and Climate Resilience (RSS&CR) project—a long-term effort to rebuild livelihoods, restore rural infrastructure, and strengthen communities against future climate shocks.

This project, designed for 61 worst flood-affected Union Councils (UCs) from among the 1,000 PPAF priority UCs in 19 districts, valued at PKR 3.4 billion, focuses on rehabilitating livelihoods, collaborating with local governments to rebuild critical rural infrastructure for restoring social services, strengthening community capacity and resilient to withstand future climate-induced challenges.

By June 2025, the programme has progressed against its goals, successfully retrofitting 18 health facilities, 69 educational facilities, 15 Water, Sanitation and Hygiene facilities, 26 water supply schemes, 31 climate resilient infrastructure/flood protection works, and 29 irrigation channels. The restored facilities are helping to bridge critical service delivery gaps in health, education, and water supply, while climate-resilient infrastructure and improved irrigation are contributing to safeguarding livelihoods

and ensuring more reliable access to resources. Collectively, the progress achieved so far reflects a dual focus on improving quality of life and strengthening livelihoods, ensuring that communities not only recover from immediate climate-induced damage but are also better equipped to achieve economic and climate resilience.

The project supports the most vulnerable households to improve income and food security by piloting innovative solutions for climate adaptation and mitigation at the Union Council level. Initiatives in progress in Punjab include sustainable farming techniques and zinc-biofortified rice cultivation, farmer field schools promoting climate-resilient agriculture, bamboo plantations to generate income and restore ecosystems, and the introduction of artificial insemination services are being introduced to improve breeds and enhance productivity. In Sindh communities were trained in low carbon construction techniques for addressing the basic needs of a safe shelter, a clean space to prepare food, and safe water and sanitation.

In parallel, the programme has progressed in capacity building and disaster preparedness, which are essential for long-term resilience. A total of 160 Emergency Response Teams have been trained in collaboration with disaster management specialists and Rescue 1122, which have equipped these teams with knowledge and skills for effective emergency response. The project has linked up with national and provincial disaster management authorities, local governments, and civil society organisations to integrate the teams into national disaster management frameworks.

To further enhance community resilience and ensure the availability of resources for emergency response, PPAF provided emergency stockpiles to each project Union Council.

The project employs an integrated approach to disaster risk management and climate-resilient planning and development. One of the envisaged outcomes is to enhance the knowledge and capacity of a diverse range of stakeholders including community members, school staff and students, healthcare personnel, government officials, and policymakers. To this end, 249 Community-Based Disaster Risk Management training events for community institutions, 810 School-Based Disaster Risk Management training events, and 186 Health Centre-Based Disaster Risk Management training events have been organised. By promoting climate-resilient planning, the initiative empowers these target groups to identify potential hazards, develop adaptation, mitigation, and recovery strategies, and implement sustainable solutions, some of which are to be implemented under the project.

A key aspect of the project is cultivating local leadership through a gender-mainstreaming lens, ensuring inclusive and equitable participation and creating an ecosystem to develop synergies for implementing resilient-building efforts. The project aims to enhance knowledge and capacity of local government officials, elected representatives, community resource persons, and partner organisations to effectively manage and respond to climate-related challenges. Capacity gap analysis has been conducted across 19 districts as evidence-based overview of institutional and professional capacity to inform on the design of the capacity building workshops and awareness and networking opportunities.

To communicate critical information, enhance community engagement, and raise awareness among local authorities, schools, health centres, and households, PPAF developed a wide range of high-quality Urdu visual materials. These included 16,000 posters, 1.7 million flyers, 73,000 brochures, and 3,000 booklets, complemented by the reprinting of materials originally developed by the National Disaster Management Authority.

Overall, while physical rehabilitation and restoration of services is still scaling up, the programme has progressed in equipping communities with the knowledge and structures required to withstand climate shocks and disasters.

Azad Jammu & Kashmir Local Area Development Programme

The Azad Jammu & Kashmir Local Area Development Programme is implemented in partnership with Hamza Development Foundation (HDF) and Basic Education and Reform & Development (BERD) Foundation across Hattian Bala, Haveli districts, and Neelum with a focus on building climate resilience, promoting inclusive development, and enhancing local livelihoods. The programme will empower youth and people with disabilities through vocational training and inclusive facilities, while promoting ecosystem restoration, disaster preparedness, and access to renewable energy.

The programme has initiated its foundational activities to set the stage for implementation. The programme launch ceremony was conducted with participation from both federal and AJK government representatives, marking ownership at multiple levels. Rapid Needs Assessment has been conducted providing an evidence base to inform programme design and interventions in target districts.

Eighteen village organisations and three women led village organisations have been formed to implement the programme activities. Ten farmers committees have been formed, and 150 farmers have been oriented on climate-smart agriculture.

In Neelum, ten emergency response teams, comprising 15 members each, have been formed and trained to strengthen skills in disaster preparedness and early warning, understanding disaster risks and vulnerabilities, creating emergency plans and conducting drills, and emergency response and recovery.

Eight emergency stockpiles were provided to communities as investment in community-led disaster preparedness and building resilience at the grassroots. When a tragic road accident occurred in Village Bani Hafiz, district Hattian Bala, these tools and skills allowed local volunteers to rescue and provide first aid to the injured, saving two lives.

Orientation sessions on Disaster Risk Reduction (DRR) in District Neelum equipped the households, community leaders, and volunteers and local authorities with essential knowledge and skills to mitigate disaster risks, respond effectively during emergencies, and strengthen resilient planning.

In Hattian Bala and Haveli, twenty-two disaster management committees have been established to strengthen community preparedness and coordination in disaster response at village and UC levels.

A total of 1,183 menstrual hygiene (MHM) kits were distributed among the students in four schools and colleges of the three project districts.

A total of 250 trees and saplings were planted by school children across erosion-prone slopes, boundary areas, and open patches in Neelum.

Gilgit-Baltistan Local Area Development Programme

The Gilgit-Baltistan Local Area Development Programme, implemented in partnership with Mountain and Glacier Protection Organisation (MGPO) and Hashoo Foundation in Ghanche and Diamer, aims to enhance social and environmental resilience of the communities by restoring ecosystems, improving governance capacity, infrastructure to reinforce natural buffers against climate hazards, and expanding access to renewable energy solutions.

The Programme has advanced in preparatory and capacity-building activities. The Rapid Needs Assessment exercise was completed. A total of 17 community organisations has been formed for community led programme implementation. Groundbreaking ceremonies were held for pipe irrigation schemes, gabion flood protection walls, and a mother nursery to improve water management, enhance disaster protection, support sustainable livelihoods, and restore ecosystems in the project districts.

A session on disaster risk reduction at UC Gunar Farm, Diamer strengthened the capacities of schoolteachers, home-based workers, health workers, students, early childhood development trainees, and housewives, with essential skills in hazard identification, first aid, risk management, and evacuation procedures, thereby enhancing overall community readiness and resilience. Three emergency stockpiles were distributed to communities in Ghanche ensuring preparedness for crises. Alongside, 450 MHM kits were distributed to girls from four schools to support the health and dignity of adolescent girls.

Research and Contributions to Policy Discourse

PPAF is committed to promoting innovation and sustainability across its strategies and practices. By connecting the development sector with the research community, PPAF enables a vibrant exchange of knowledge and insights. This not only enriches the existing body of literature on development in Pakistan but also contributes to policy discourse and opens new avenues for exploration and progress.

PPAF, in collaboration with the London School of Economics (LSE) and the Centre for Economic Research in Pakistan (CERP), is implementing a rigorous research initiative to evaluate humanitarian aid delivery mechanisms through randomized controlled field experiments. The study, designed in consultation with PPAF, assesses the impact of aid on nutritional diversity, food security, and mental wellbeing across diverse urban settings. To operationalize the initiative, PPAF signed MoUs with CERP and its implementing partners—Farmers Development Organization (FDO), AGAHE, and Sindh Rural Support Organisation (SRSO)—conducted three pilot projects in Multan, Rajanpur, and Shikarpur.

Subsequent to these pilots, a large-scale randomized controlled evaluation has been designed and launched in Shikarpur, Qambar Shahdadkot, and Sukkur, targeting around 2,100 economically vulnerable female-headed households. Initial results are highly encouraging. LSE is in the process of finalizing reports for all stakeholders.

This partnership reinforces PPAF's commitment to advancing evidence-based humanitarian response models that strengthen resilience and deliver meaningful outcomes for vulnerable communities.

Resource Mobilisation

Pakistan Poverty Alleviation Fund continues to pursue its goal of eradicating poverty across the country and demonstrate its unique value proposition. Despite growing competition for limited resources, PPAF amplifies its impact by fostering collaborations with key stakeholders at all levels and availing opportunities for innovation. PPAF strategically partners with federal and provincial governments, international development partners, private sector,

and grassroots communities. It pursues active dialogue with national and international development partners, corporate sector, policy fora, think tanks, and other stakeholders, to enhance PPAF's profile, for influencing poverty alleviation policies and approaches, and to leverage technical and financial support for its mission.

To strategically position itself as a relevant and credible partner and to mobilise resources in response to the changing socio-economic context and growing resource competition, and to highlight the intrinsic link between poverty alleviation and the emerging sectors such as climate change and digitalisation, PPAF has launched a strategy formulation process for the period 2027-2032. Using an evidence-based approach, impact assessment of previous work demonstrated through measured outcomes will highlight the effectiveness of PPAF's past collective actions and inform the development of the next five-year strategy. In its efforts to strategically position PPAF and its approach, PPAF developed during the reporting year, its Green Growth and Climate Change (GGCC) Strategy 2025–2030 providing a framework to integrate climate resilience, low-carbon development, and natural resource sustainability into its poverty alleviation mandate. The strategy emphasises community-led adaptation, green livelihoods, renewable energy, and institutional climate readiness, aiming to move PPAF from causing “no net loss” to becoming net-positive for the environment.

In the reporting year, the European Union awarded a €14.83 million “Post-Floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan” project to PPAF. This five-year project aims at promoting climate-resilient recovery in the six flood-affected districts of Balochistan.

PPAF was successfully shortlisted for its concept note on ***YOUTHRISE: Empowering Youth for Inclusive Growth, Democratic Leadership, and Climate Resilience in Pakistan*** – Youth Empowerment and Leadership project amounting to EUR one million under the European Union's call for proposals. The intervention aligns with the global objective of strengthening Civil Society Organisations (CSOs) as key actors in governance and development, with a specific focus on empowering youth in Pakistan. A full proposal is being prepared to be submitted in August 2025.

PPAF, under the Italian Agency for Development Cooperation programme, submitted a proposal to

Food and Agriculture Organisation (FAO) for a three-year dairy value chain development initiative in Pakpattan, Jhang, and Okara/Muzaffargarh districts of Punjab, with an estimated budget of € 0.7 million. The project aims to strengthen food security, improve milk quality, and enhance the livelihoods of small to medium-scale dairy farmers through farmer-led, climate-resilient practices. The project is in approval process with the Government of Punjab.

PPAF submitted four concept notes to UNHCR on: 1) Livelihoods and Economic Inclusion Intervention for Refugees in Pakistan; 2) Sustainable Housing and Settlements; and 3) Education. Based on this submission, UNHCR has selected PPAF on its roster of partners for education and livelihoods sectors for the period 2025-27. Once the funds are available to UNHCR, PPAF will be reengaged for the way forward.

PPAF submitted two community-driven development initiative proposals to Oil and Gas Development Corporation Limited. The first was developed for Karak and Lakki Marwat districts with a total anticipated contribution of PKR 1 billion. The second concept note on Sustainable Livelihoods through Green Skills Rajian, District Chakwal, valuing PKR 30 million will be submitted in August 2025.

PPAF designed and submitted to the Ministry of Planning, Development & Special Initiatives a Partnership Framework Proposal for the operationalisation and localisation of the URAAN Pakistan Economic Transformation Plan. The Framework maps areas where PPAF can leverage the capacities of delivery institutions to translate national frameworks into community-level results through grassroots platforms, multi-stakeholder coordination, and scalable models.

PPAF pursued collaboration with USAID, focusing on key development areas such as health, education, and women's empowerment. Building on its strong track record in implementing large-scale programmes, PPAF submitted a comprehensive technical and financial proposal in November 2024 for USAID's Global Health Security Activity in Pakistan. Leading a consortium of experienced partners—URC, Kaizen, SRSO, HANDS, and Prime Genetics, the proposal aims to strengthen health systems and community resilience. In parallel, PPAF developed a proposal for the Inclusive Water Governance Activity, targeting climate-related water challenges such as flooding, scarcity, and urban groundwater management through sustainable, community-led approaches. However, recent changes in the U.S. government and

the global closure of USAID operations have significantly hindered our efforts. Despite this, PPAF remains optimistic and continues to engage USAID, anticipating improved prospects for future collaboration as the situation evolves.

PPAF contributed to the discussion for integrating social protection with sustainable, climate-resilient livelihoods. Working with the Ministry of Poverty Alleviation & Social Safety (MoPASS) and Amnesty International, PPAF highlighted how climate risks compound poverty and advocated programmes that pair safety nets with income-earning opportunities, local enterprise, and resilience measures. PPAF showcased its community models at high-level platforms, including the Panjwani Hisaar Water Institute, CSCCC panels, WWF–NIBAF dialogue on Climate Finance and Action, the World Bank iCARE Innovation Fund dialogue, AusAid partners' exchanges, and NDCs 3.0 forums, positioning PPAF with donors and policy stakeholders for resource mobilisation and scale. PPAF also organised and moderated a flagship session at SDPI's 27th Sustainable Development Conference - "Fragility to Resilience through Citizen-led Accountability"-chaired by Mohammad Tahseen, Chair, PPAF Board. The dialogue explored how organised communities can improve governance through participation and accountability, strengthening the social contract and resilience to shocks. These engagements translate PPAF's field-tested approaches into national policy conversations - linking safety nets, climate finance, and community-driven enterprise, poor and climate-vulnerable households move from coping to resilient.

As part of policy advocacy, PPAF's two articles on *"Building Resilient Model Villages for Local Economic Development"* and *"Innovation for Resilient Rural Communities"*, were published in The News. The first article discusses the concept of model villages as a transformative, community-driven approach to addressing rural poverty, climate resilience, and economic empowerment in Pakistan. Drawing on global development frameworks and Pakistan Poverty Alleviation Fund's implementation experience, it highlights how integrated, place-based development can support inclusive growth and long-term sustainability. Highlighting PPAF's experience of village development, the articles brings both policy perspective and grassroots insights to contribute to the national conversation on climate adaptation and rural development.

PPAF held dialogue with Reko Diq to share its operational experience and to explore avenues of collaboration. PPAF pitched to Reko Diq the poverty

graduation model for uplifting rural communities in Chagai, Balochistan.

Associated Company

Pakistan Microfinance Investment Company Limited (PMIC)

PPAF ensures financial inclusion through provision of interest free loans to the poor for productive purposes to help them sustain their livelihoods and conventional market-based microfinance through PMIC. For the FY 2024-25, PMIC generated a total comprehensive income of Rs. 100 million. PPAF has recognized a share of profit of Rs. 49 million (as its 49% share) during the year.

The net investment of PPAF in PMIC as of 30 June 2024 is reflected as follows:

Description	FY 2024-25 Rs in million	FY 2023-24 Rs in million
Opening balance	4,465	4,167
Share of profit of the Associate		
Recognised in statement of income and expenditure	48	307
Recognised in statement of other comprehensive income	1	(9)
	49	298
Divident recieved	(34)	-
Closing balance	4,480	4,465

With the creation of Associate Company, the lending operations (except for interest free loans) carried out by PPAF are managed by PMIC. As a result of the agreement between PPAF and PMIC, the amounts recovered by PPAF from POs under microcredit facility are disbursed to PMIC as subordinated loan. During the year PPAF did not provide any subordinated loan to PMIC. The total outstanding subordinated loan to PMIC stood at Rs. 3,521 million as of June 30, 2025 (June 30, 2024: Rs. 4,584 million). These subordinated loans carry a markup rate of six months KIBOR plus 1% and are repayable in instalments by FY 2032.

Financial Performance

Financial Position

Description	2025 Rs. in Million	2024 Rs. in Million
Fund and Reserves	30,939	29,563
Debts – repayable to Govt of Pakistan	3,722	4,913
Investments	23,136	22,706
Loan to POs - Gross	798	806
Equity investment in PMIC	4,480	4,465
Subordinated debt to PMIC	3,521	4,584

During 2025, the financial data highlights a notable improvement in the entity's financial health and strategic positioning. The increase in Fund and Reserves by 4.6% suggests a stronger financial base and enhanced stability, while the 24% reduction in debts repayable to the Government of Pakistan reflects effective debt management and a decrease in liabilities. Investment activity surged by 2%. There is

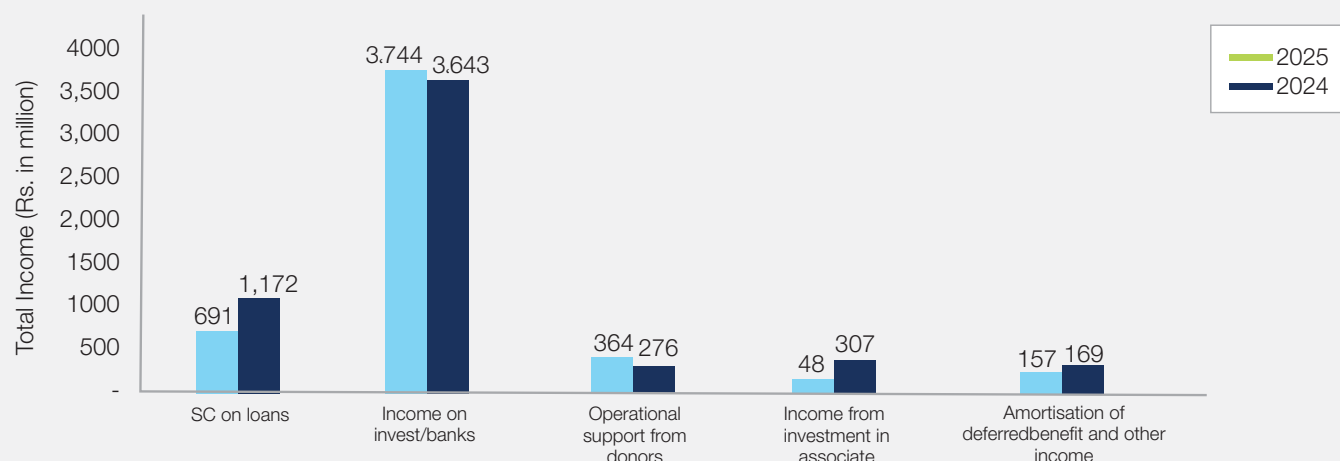
nominal increase in investment in PMIC of 0.33%. Conversely, the 23% reduction in subordinated debt is the annual repayment as per the agreed schedule. Overall, these trends collectively point to a well-managed, growth-oriented financial strategy with strengthened reserves and a more balanced approach to debt and investment.

Operational Performance

Total income earned during FY 2024-25 was Rs 5,004 million with decrease of 10% from last year. Service charges on loans to PMIC and POs decreased by 41% (Rs 481 million). Income from investments/saving accounts increased by -3% (Rs 101 million). The policy rate remained at 11% for FY 2024-25 (FY 2023-24: 22%). The profit after tax of PMIC for FY 2024-25 amounted to Rs. 99 million. PPAF has recognized a profit of Rs. 48 million (as its 49% share). The decrease in profit of PMIC was due to the higher provision for expected credit losses and increase financing costs owing to the increase in KIBOR. Donors' grants in support of operational and other expenses increased by 32% to Rs 88 million. In line with the requirement

of the International Financial Reporting Standard, loans (payable by PPAF) were carried out at present value and computed at a market-based interest rate. The difference between present value and loan proceed was recorded as deferred benefit which is recognized as income over loan period. Amortized income during the year was Rs. 157 million (FY 2023-24: Rs 169 million). Other income was Rs. 3 million (FY 2023-24 - 9 million).

Total expenditure during the year increased by 4% to Rs 1,554 million from Rs 1,499 million in FY 2023-24. The surplus before project and relief activities and actuarial losses was Rs 3,452 million as against 4,078 million in FY 2023-24 showing decrease of 15% (Rs. 626 million). Net surplus for the year decreased by 58% to Rs 1,376 million (FY 2023-24 – Rs 3,291 million).



People and Organisation

Throughout the year, HR continued to serve as a strategic enabler for PPAF, dedicating its efforts to building a more efficient, capable, and engaged workforce. Guided by the values of inclusion, accountability, participation, and transparency, the department focused on strengthening institutional systems while investing in people as the driving force behind organisational progress.

A major milestone achieved this year was the successful implementation of the SAP HCM S/4 HANA module. Payroll and other prerequisites for it, i.e., HR Master Data, are now fully automated and being executed through the system, bringing greater efficiency, accuracy, and agility to HR operations. In parallel, the HR Manual underwent a comprehensive review, was updated to align with best practices and relevant laws and formally approved by the Board of Directors. These steps have ensured that PPAF's HR framework is well-structured, compliant, and future-ready.

Considerable emphasis was placed on staff capacity development. Following a thorough Training Needs Assessment (TNA), a training calendar was devised, leading to the rollout of a series of customised learning opportunities. Programmes were designed to enhance operational efficiency, sharpen technical and behavioral competencies, and build resilience to meet evolving challenges. In addition, leadership and managerial development remained a priority, with focused interventions for specialists, section heads, and mid-to-senior managers. National and international avenues were utilised to provide exposure and access to best practices in leadership, project, and organisational management.

This year also marked further strengthening of the annual performance review structure. By refining the appraisal process, HR ensured greater alignment between staff performance and organisational goals, while creating opportunities for continuous professional growth. To reinforce a positive and respectful workplace culture, multiple training sessions on the Prevention of Sexual Exploitation and Abuse (PSEA) and Sexual Harassment at the Workplace were conducted, reaffirming PPAF's commitment to a safe, inclusive, and accountable work environment. In addition to this, Artificial Intelligence (AI), a new buzzword in the innovation panorama, was also explored, and the PPAF staff

received orientation sessions on how to integrate this AI innovation into their development work. This step positions PPAF to adopt modern practices that can further enhance decision-making and organisational agility.

In summary, by leveraging technology, upgrading policies, nurturing human capital, and embracing innovation, HR has positioned PPAF to continue its journey of growth and resilience in an ever-changing development landscape.

Treasury & Funds Management

An effective cashflow management system forms the basis for successful treasury management and safeguards the Company from any cashflow risks. The Company maintains a dynamic and flexible portfolio of investments for placement of surplus cash in diversified portfolio. Treasury function is governed by Board approved Treasury Management Manual (TMM) and managed by a Treasury Management Committee (TMC).

Key objectives of the TMM are as follows:

- **Security of Capital:** Protection of principal will be given high priority by limiting the company's investments to Government and other high credit rated securities.
- **Maintain Liquidity:** The portfolio will be managed to cater for the company's operational, capital, disbursement and repayment requirements.
- **Competitive Rate of Return:** Keeping in view the risk factor and liquidity requirements, portfolio is expected to achieve a competitive rate of return (where applicable)
- **Support for Programme Activities:** This includes funds provided by PPAF as bridge financing from its own resources (as it waits donor funding) to ensure continuity of project activities. On receipt of donor funding PPAF gets reimbursement of funds spent on bridge financing. Also, the funds shall be made available for our own resources' projects.

Risk Management

Effective risk management is fundamental to the delivery of PPAF's strategic priorities. Vigorous risk management strategies and proactive risk mitigation techniques are cornerstones in accomplishing strategic objectives and protecting business assets, personnel, and reputation. Since its inception PPAF has seen significant transformation, and this has naturally resulted in heightening risks related to strategic choices, strategy execution along with traditional operational and compliance related risks. Management at PPAF periodically reviews major financial and operating risks faced by the Company, devises and implements measures to mitigate the potential impact of the risks with the aim of ensuring quality decision making. The Board of Directors and Risk Management Committee of the Board have overall responsibility for establishment and oversight of the risk framework and risk register of PPAF.

Risk management at PPAF is integral to all aspects of the organization including strategic planning, decision making, operational planning and resource allocation. It clarifies the accountability, the reporting and escalation processes, as well as the communication and consultation mechanisms for internal and external stakeholders. Key risks with the potential to adversely impact Company's ability to achieve its strategic targets are identified as following:

- Financial risks
- Credit risks
- Liquidity risks
- Market risks (Interest rate risk, Price risk, Fair value risk and Capital risk)

In coordination with internal and external stakeholders, PPAF continuously gauges the possible impact of these risks along with the emerging risks and takes all needed measures to mitigate/reduce the impact, in line with its approved risk appetite.

Corporate Governance

PPAF believes that good corporate governance is an essential foundation for long term sustainable corporate success and enhances the stakeholders' confidence. The Company's integrity and credibility is demonstrated by adherence to global best practices beyond the stipulated regulatory requirements. PPAF

has demonstrated continued commitment towards adherence to corporate best practices and to ensure maximum compliance with legal and regulatory framework. PPAF Board and management ensures that all the activities are carried out in line with the Companies Act 2017 and other statutory, regulatory and compliance requirements that are applicable to the companies set up under section 42 of the Companies Act, 2017.

Compliance With the Best Corporate Practices

Key features of PPAF's corporate governance framework are:

- Existence of an appropriate governance framework for Company contained in its Memorandum and Articles of Association.
- An effective Board which is collectively responsible for the long-term success of the company. The Board promotes the company's and all its stakeholder's interests. The size and composition of the Board reflect the scale and complexity of the company's activities.
- Board structures contain Directors with a sufficient mix of competencies and experiences to act objectively in their opinion and judgment.
- Regular meetings of the Board are held to help discharge its duties. The Board is supplied with appropriate and timely information.
- The Board is responsible for risk oversight and has maintained a sound system of internal control to safeguard the Company's investment and assets.
- There is a clear division of responsibilities between the running of the Board and the running of the company's business.
- The structure of remuneration is sufficient and appropriate to attract, retain, and motivate executives of the quality required to run the company successfully.
- The Board has established five Board Committees (Audit Committee, HR Committee, Executive Strategy and Design Committee, Risk Management Committee and the Search & Nomination Committee) with terms of reference to allowing a more effective discharge of its duties.

- The Board presents a balanced and understandable assessment of the company's position.

- The Management places high priority on true and fair presentation and circulation of periodic financial and non-financial information to governing bodies, donors, and other stakeholders of the Company. A statutory audit of PPAF is conducted by a Chartered Accountant firm having satisfactory QCR rating. In addition to preparing financial statements abreast of statutory requirements, PPAF produces separate financial statements for different donors' projects, duly audited by its external auditors. The annual audited financial statements along with the Directors' Report as well as half yearly unaudited financial statements along with Management Reviews of the Company were approved by the Board of Directors and circulated to the stakeholders. The annual audited financial statements were also made available on the Company website. Other financial and non-financial information to be circulated to governing bodies and other stakeholders was also delivered in a timely manner.

The Directors confirm compliance that:

- The financial statements prepared by the Management present fairly its state of affairs; the result of its operations; cash flows; and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- The Company's ability to continue as a going concern is well established.
- There has been no material departure from the best practices of corporate governance.

Code of Conduct and Conflict of Interest

PPAF's Code of Conduct aims to ensure that business operations are conducted in accordance with the highest ethical considerations complying with all statutory regulations and standards of good corporate governance. The code provides guidelines on fair employment practices, equitable treatment of the employees and procedures to report financial malpractices, damage to assets and actions likely to harm the reputation of the Company. The Company's commitment to abide by the Code of Conduct along with portraying transparent corporate governance in all business dealings are pivotal in achieving the desired business growth and success.

To avoid any known or perceived conflict of interest, formal disclosure of vested interests is mandatory for all General Body, Board, and staff members. The Code defines what constitutes a conflict of interest and how such a conflict will be managed. The directors and employees adhere in letter and spirit to all laws and avoid conflict of interest, which if any (real or perceived) are to be notified to the Company immediately.

Adequacy of Internal Financial Controls

Internal control serves to provide an independent and objective appraisal of the organizational dealings leading to continuous improvement in processes and procedures. Internal control ensures that methods and measures are in place to safeguard the business assets, monitor compliance with the best practices of Corporate Governance, check the accuracy and reliability of accounting data and adherence to prescribed rules and policies.

Board of Directors:

The Board exercises the powers conferred to it by the Companies Act, 2017 and the Memorandum and Articles of Association of the Company, through Board meetings.

Size and Composition of the Board

The present Board comprises of 12 directors. All members of the Board are non-executive Directors except the CEO. The Chairperson of the Board is also a non-executive director. The Board possesses the necessary skills, competence, knowledge, and experience to deal with various business issues.

Role and Responsibilities of the Board

The primary role of the Board is that of trusteeship to protect and enhance Company value through strategic direction. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. A formal schedule of responsibilities has been specifically ordained for the Board by virtue of provisions of the Articles of Association of the Company, the Companies Act, 2017 and other applicable regulations. The Board participates actively in major decisions of the Company.

Meetings of the Board

The Board is required to meet at least every quarter to monitor the Company's performance aimed at effective and timely accountability of its management. During the year six (6) meetings of the Board of Directors were held. The Board reviewed and approved PPAF's progress during the year; financial

assistance for POs; quarterly progress; annual targets and budget; un-audited financial statements along with Management Reviews; audited financial statements along with Directors' and Auditors' Reports; Project specific audited financial statements.

The notice and agenda of the meetings were circulated in a timely manner beforehand. Decisions made by the Board during the meetings were clearly stated in the minutes of the meetings maintained by the Company Secretary, which were duly circulated to all the Directors for endorsement and were approved in the following Board meetings. It was ensured that all meetings of the Board had the minimum quorum attendance as stipulated in the Articles of Association through arrangements for virtual attendance of the meetings by directors as well.

In view of amendments in the Regulation 7(vi) of the Associations with Charitable and Not for Profit Objects Regulations, 2018 made by SECP vide S.R.O. 131(I)/2021, dated February 1, 2021, the Board of directors of the Company determined that directors shall be entitled for reimbursement or payment of actual expenses incurred by them for attending meetings and they shall also receive fee at the rate of Rs. 125,000 per meeting for attending meetings of the Board or a committee of the Board.

The details of name of Board of Directors, and the number of Board meetings held and attended by each director during the year is shown below:

Sr.	Name	No. of Meetings Eligible to Attend	No. of Meetings Attended
1	Mr. Mohammad Tahseen	6	6
2	Mr. Navid Ahmed Shaikh	6	4
3	Ms. Sabina Qureshi	2	1
4	Ms. Mariam Kayani	4	3
5	Dr. M. Suleman Shaikh	6	6
6	Mr. Mahfooz Ali Khan	6	6
7	Ms. Farida Shaheed	6	1
8	Mr. Sher Jehan Mir	6	6
9	Ms. Shabina Ayaz	6	6
10	Dr. Bashir-ur-Rehman Kant	6	6
11	Prof. Dr. Aijaz Ahmed Qureshi	6	4
12	Ms. Samar Ihsan	1	-
13	Ms. Nasheeta Maryam Mohsin	1	-
14	Mr. Nadir Gul Barech	6	6

Appointment of Directors:

As per the Articles of Association of the Company, all Members of the Board, except Government nominees, are appointed for a term of three years, on completion of which they are eligible for re-election through a formal election process. However, no such Member of the Board of Directors shall serve for more than two consecutive terms of three years each except for Government nominees.

Change of Directors:

The last election of the Board of Directors other than government nominees was held in February 2023 and the new Board was reconstituted accordingly. Eight (8) new directors were elected from civil society / academia / professional category of members through election process under applicable provisions of Articles of Association and Companies Act 2017. The previously elected directors stand retired as a result of fresh elections. Three Government nominated directors continued and the CEO acts as twelfth (12th) member of the board. During the year, Mr. Yusuf Khan, Secretary PASS Division, transferred through Government notification and Mr. Navid Ahmed Shaikh, the new Secretary PASS posted in his place and appointed against the casual vacancy on PPAF Board. Ms. Nasheeta Maryam Mohsin, representative of Finance Division, has been replaced by Ms. Mariam Kayani, and Ms. Samar Ihsan, representative of EAD, replaced by Ms. Sabina Qureshi due to transfer/posting through Government notifications. We look forward to benefiting from the vision and valued experience of the newly appointed/nominated directors, which we are confident will go a long way towards the future growth and prosperity of the Company.

Board Committees

Audit Committee:

The Audit Committee comprises of four (4) non-executive directors, including the Chairman, having relevant expertise and experience. The Chairman is an independent non-executive Director. The Company Secretary acts as Secretary to the Committee. The Chief Internal Auditor (CIA) functionally reports independently to the Audit Committee.

The primary objective of the audit committee is to monitor and provide effective supervision of the

Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity, and quality of financial reporting. The Audit Committee reviews the financial and internal reporting processes, the system of internal control, management of risk and the internal and external audit processes. The Audit Committee ensures that the Company has a sound system of internal financial and operational controls. It assists the Board in discharge of its fiduciary responsibilities. The Audit Committee reviews periodic unaudited and annual audited financial statements of the Company before their respective presentation to the Board and ensures implementation of relevant controls for the integrity of the information. The Committee recommends to the Board of Directors the appointment of external auditors and discusses major observations highlighted by internal and external auditors.

During the year the Audit Committee reviewed the internal control systems and risk management mechanisms in conjunction with the Internal Audit reports presented to the Committee. The Committee also reviewed and approved the Internal Audit plan of the Internal Audit unit. Furthermore, the Committee recommended for the approval of the Board the appointment of external auditors; un-audited condensed interim financial statements along with Management Review; audited financial statements along with Auditors' and Directors' Reports of the company; annual budget of the Company; project specific audited financial statements as per donors' requirements.

As per the best practices under the Code of Corporate Governance, the Committee held a separate meeting with External Auditors.

HR Committee:

The HR Committee comprises of five (5) members of the Board including the Chairman who is appointed among the non-executive Directors while the Company Secretary acts as a Secretary to the Committee. The Committee has a mandate to assist the Board in overseeing Company's HR policies, placing particular emphasis on ensuring a fair and transparent compensation policy and ensuring continuous development and skill enhancement of employees.

Risk Management Committee:

The Risk Management Committee comprises of four (4) members of the Board including the Chairman who is appointed among the non-executive Directors. Company Secretary acts as Secretary to the Committee.

The Committee reviews/asses effectiveness of overall risk management framework at PPAF; adequacy of risk management policies and procedures in identifying, measuring, monitoring and controlling risks; structure/composition of PPAF's assets and liabilities overall and advise on maturity gaps, interest rate mismatches and exchange rate risk; Treasury Management Strategy (TMS) including composition of Treasury Management Committee and recommend changes, if any; progress and key issues of Pakistan Microfinance Investment Company (PMIC).

During the year, the Committee endorsed investment decisions made by Treasury Management Committee; reviewed risk management framework along with key risks and mitigation plans; assessed performance/progress of PMIC.

Executive Strategy and Design Committee:

The Executive Strategy and Design Committee comprises of seven (7) members of the Board including the Chairman who is appointed among the non-executive Directors. The Company Secretary acts as Secretary to the Committee.

The Executive Strategy and Design Committee assists the Board in the effective discharge of its responsibilities regarding approval of concept notes and financing proposals for partners and that of donors. During the year, the Committee recommended financing proposals, concept notes and projects for the approval of the Board.

Search & Nomination Committee:

The Search & Nomination Committee comprises of four (4) members of the Board including the Chairman who is appointed among the non-executive Directors. The Company Secretary acts as Secretary to the Committee.

The Search & Nomination Committee assists the Board in the effective discharge of its responsibilities regarding searching for suitable candidates to fill any vacant positions among the General Body Members.

Auditors

The present statutory auditor M/s Yousuf Adil (Chartered Accountants) have completed their assignment for the year ended 30 June 2025 and shall retire at the conclusion of 29th Annual General Meeting (AGM). Being eligible, they offered themselves the chance to be re-appointed. The Audit Committee

considered and recommended their re-appointment for the financial year ending 30 June 2026. The Board also endorsed the recommendations of the Audit Committee.

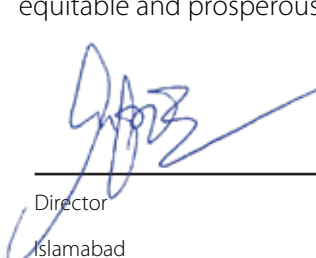
Acknowledgement

In conclusion, the Board expresses its deep appreciation to all stakeholders who have contributed to PPAF's progress during the year. We acknowledge the unwavering guidance and commitment of the Board members, whose strategic oversight has strengthened policies, governance, and accountability across the organisation. We also extend our sincere gratitude to the Government of Pakistan, our financing partners – including the Government of the Federal Republic of Germany (through KfW), the European Union (EU), UNHCR – as well as civil society and private sector partners, whose trust and support have been vital to our success.

The Board further recognises the dedication of PPAF's management and employees, whose professionalism, innovation, and hard work have enabled the organisation to deliver large-scale, multisectoral programmes and sustain its impact at both grassroots and policy levels.

Looking ahead, PPAF will continue to build on its strong institutional networks, robust governance structures, and effective quality assurance mechanisms to scale up its contribution toward poverty alleviation and sustainable development. With a renewed focus on resource mobilization, climate adaptation, innovation, and partnerships – including collaborations with start-ups, social enterprises, and the private sector – PPAF will pursue its vision of becoming a leading national and global influencer in poverty alleviation approaches.

The Board reaffirms that while PPAF strives to expand its impact and influence, it will remain firmly anchored in its core values of inclusion, participation, accountability, transparency, and stewardship. Guided by these principles, we are confident that PPAF will continue to play a pivotal role in fostering resilience, empowering communities, and contributing to a more equitable and prosperous Pakistan.



Director
Islamabad
03 October 2025



Chief Executive Officer



FINANCIAL **STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2025



Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Poverty Alleviation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Poverty Alleviation Fund (the Company), which comprise the statement of financial position as at June 30, 2025, statement of income and expenditure, statement of comprehensive income, statement of changes in funds and reserves, the Statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying statement of financial position, the statement of income and expenditure, statement of comprehensive income, statement of changes in funds and reserves, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the surplus and other comprehensive income, the changes in funds and reserves and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based



Yousuf Adil
Chartered Accountants

on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

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Yousuf Adil
Chartered Accountants

- auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion except for the matters discussed in Basis for Opinion section:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Mr. Syed Asmatullah.

Chartered Accountants
Islamabad
Date: October 03, 2025
UDIN: AR202510414j3FUDARHS

PAKISTAN POVERTY ALLEVIATION FUND
(A Company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		30-Jun-2025	30-Jun-2024
		----- Rupees '000 -----	
ASSETS	Note		
NON-CURRENT ASSETS			
Property and equipment	7	279,667	251,070
Intangible assets	8	578	8,914
Investment in the Associate	9	4,479,825	4,465,061
Long term investments	10	11,986,503	10,004,248
Long term loans to Associate	11	2,457,057	3,520,522
Long term loans and advances	12	1,781	1,025
Long term deposits		10,423	11,102
		19,215,834	18,261,942
CURRENT ASSETS			
Current portion of long term loans to Associate	11	1,063,466	1,063,466
Current portion of Loans and advances	12	369	1,934
Grant fund receivables	13	186,844	123,462
Short term prepayments		6,149	14,707
Profit / service charges receivable	14	393,118	434,921
Advances, deposits and other receivables	15	1,172,387	727,685
Loans to partner organizations	16	-	-
Short term investments	17	11,149,754	12,701,984
Tax refunds due from the Government	18	588,575	579,515
Bank balances specific to projects	19	740,883	475,328
Cash and bank balances	20	983,052	821,562
		16,284,597	16,944,564
TOTAL ASSETS		35,500,431	35,206,506
FUNDS, RESERVES AND LIABILITIES			
FUNDS AND RESERVES			
Endowment fund	21	1,000,000	1,000,000
Grant fund		16,181,793	15,041,753
Accumulated surplus		7,851,368	7,794,373
		25,033,161	23,836,126
Reserve for grant based activities		5,906,470	5,726,921
		30,939,631	29,563,047
NON-CURRENT LIABILITIES			
Lease liabilities	22	64,821	114,312
Long term financing	23	1,951,085	2,984,924
Deferred capital grant	25	72,687	10,127
Deferred benefit	23	580,774	737,556
		2,669,367	3,846,919
CURRENT LIABILITIES			
Current portion of lease liabilities	22	61,348	37,578
Current portion of long term financing	23	1,190,621	1,190,621
Deferred liabilities - grant fund	24	512,128	398,335
Trade and other payables	26	122,888	163,116
Service charges payable	27	4,448	6,890
		1,891,433	1,796,540
TOTAL FUNDS, RESERVES AND LIABILITIES		35,500,431	35,206,506
CONTINGENCIES AND COMMITMENTS	28		

The annexed notes from 1 to 46 form an integral part of these financial statements.


DIRECTOR


CHIEF EXECUTIVE OFFICER

PAKISTAN POVERTY ALLEVIATION FUND
(A Company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2025

	Note	30-Jun-2025 ----- Rupees '000 -----	30-Jun-2024
INCOME			
Service charges on loans to Associate	29	690,412	1,172,147
Income on investments and saving accounts	30	3,744,257	3,643,174
Share of profit of Associate	9	48,468	306,870
Amortization of deferred income - grant fund	25 & 24.2	363,770	276,335
Amortization of deferred benefit	23.2.1	156,782	168,557
Other income	31	3,120	9,393
		<u>5,006,809</u>	<u>5,576,476</u>
EXPENDITURE			
General and administrative expenses	32	788,551	942,676
Project expenditures	33	424,732	260,358
Seminars, workshops and trainings	34	66,467	27,903
Technical and other studies		68,877	32,720
Reversal of allowance for expected credit losses	35	(7,602)	(6,150)
Financial charges	36	213,472	240,952
		<u>1,554,497</u>	<u>1,498,459</u>
SURPLUS BEFORE PROJECT AND RELIEF ACTIVITIES		<u>3,452,312</u>	<u>4,078,017</u>
Expenditure on project and relief activities	37	(2,076,295)	(787,113)
SURPLUS FOR THE PERIOD		<u><u>1,376,017</u></u>	<u><u>3,290,904</u></u>

The annexed notes from 1 to 46 form an integral part of these financial statements.


 DIRECTOR


 CHIEF EXECUTIVE OFFICER

PAKISTAN POVERTY ALLEVIATION FUND
(A Company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	30-Jun-2025 ----- Rupees '000 -----	30-Jun-2024 ----- Rupees '000 -----
SURPLUS FOR THE YEAR		1,376,017	3,290,904
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that will not be subsequently reclassified to statement of income and expenditure			
Share of other comprehensive income of Associate - net of tax	9	567	(8,567)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,376,584</u>	<u>3,282,337</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.



 DIRECTOR



 CHIEF EXECUTIVE OFFICER

PAKISTAN POVERTY ALLEVIATION FUND
(A Company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2025

	Note	FUNDS		RESERVES		TOTAL
		Endowment fund	Grant fund	Accumulated surplus	Reserve for grant based activities	
				Rupees '000		
Balance at 01 July 2023		1,000,000	13,856,085	7,446,356	3,978,269	26,280,710
Total comprehensive income for the year						
Surplus for the year	9.9	-	-	3,290,904	-	3,290,904
Other comprehensive income for the year		-	-	(8,567)	-	(8,567)
		-	-	3,282,337	-	3,282,337
Transfer from accumulated surplus to reserve for grant based activities		-	-	(1,748,652)	1,748,652	-
Transfer from accumulated surplus to grant fund		-	1,185,668	(1,185,668)	-	-
Balance at 30 June 2024		1,000,000	15,041,753	7,794,373	5,726,921	29,563,047
Total comprehensive income for the year						
Surplus for the year		-	-	1,376,017	-	1,376,017
Other comprehensive income for the year		-	-	567	-	567
		-	-	1,376,584	-	1,376,584
Transfer from accumulated surplus to reserve for grant based activities	38	-	-	(179,549)	179,549	-
Transfer from accumulated surplus to grant fund		-	1,140,040	(1,140,040)	-	-
Balance at 30 June 2025		1,000,000	16,181,793	7,851,368	5,906,470	30,939,631

The annexed notes from 1 to 46 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN POVERTY ALLEVIATION FUND
(A Company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	30-Jun-25 ----- Rupees '000 -----	30-Jun-24 -----
CASH FLOWS FROM OPERATING ACTIVITIES		1,376,017	3,290,904
Surplus for the period			
Adjustment for non cash and other items:			
Depreciation of property and equipment	7	105,844	75,048
Amortization of intangible assets	8	8,336	9,273
Share of profit of Associate	9	(48,468)	(306,870)
Reversal of allowance for expected credit losses	35	(7,602)	(6,150)
Amortization of deferred income - grant fund		(363,770)	(276,336)
Amortization of deferred benefit	23.2.1	(156,782)	(168,557)
Gain on disposal of property and equipment		(17)	(29)
Loss / (gain) on remeasurement of lease liabilities		1,150	(1,125)
Financial charges	36	223,485	240,952
		<u>(237,824)</u>	<u>(433,794)</u>
		1,138,193	2,857,110
Working capital changes			
Decrease / (increase) in current assets:			
Loans and advances		1,565	4,304
Grant fund receivables		-	248
Short term prepayments		1,418	(9,048)
Profit / service charges receivable		41,803	(252,872)
Advances and other receivables		(444,702)	(559,304)
(Decrease) / increase in current liabilities:			
Trade and other payables		(40,228)	69,237
		<u>(440,144)</u>	<u>(747,435)</u>
		698,049	2,109,675
Disbursements to partner organizations - Grants	24.2	(1,949,576)	(1,408,682)
Repayment of long term loans of Associate	11	1,063,465	1,063,467
Recoveries of loans to partner organizations		7,602	6,150
Long term loans and advances		(756)	(1,293)
Long term deposits		679	(3,850)
Income tax paid		(9,060)	(51,498)
Service charges paid		(34,617)	(43,544)
Financial charges paid		(141)	(420)
		<u>(922,404)</u>	<u>(439,670)</u>
		(224,355)	1,670,005
Cash (used in) / generated from from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments realised / (made) - net	7 & 8	(819,985)	(3,710,056)
Capital expenditure incurred		(112,969)	(112,823)
Dividend received from the Associate		34,271	-
Proceeds from disposal of property and equipment	7	398	658
Cash used in investing activities		(898,285)	(3,822,221)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid	22	(75,966)	(60,262)
Long term financing repaid	23	(1,190,621)	(1,190,621)
Deferred liabilities - grant fund receipts	24	2,075,807	2,145,317
Deferred income - grant fund receipts		350,510	260,439
Cash generated from financing activities		1,159,730	1,154,873
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		37,090	(997,343)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,173,604	3,170,947
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	43	2,210,694	2,173,604

The annexed notes from 1 to 46 form an integral part of these financial statements.


 DIRECTOR


 CHIEF EXECUTIVE OFFICER



Pakistan Poverty Alleviation Fund | Delivering Prosperity

A Company set up under section 42 of the Companies Act, 2017

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