Farzana at her home-based grocery shop set up with the Ehsaas Interest Free Loan. District Narowal, Punjab

EHSAAS INTEREST FREE LOAN PROGRAMME

The Government of Pakistan has mandated Pakistan Poverty Alleviation Fund (PPAF) to design, implement and monitor the Ehsaas Interest Free Loan (IFL) Programme. The programme is part of the National Poverty Graduation Initiative under the Government of Pakistan's flagship Ehsaas Strategy that aims at graduating the poorest households out of poverty and setting them on the course of social and economic prosperity. Under the Ehsaas Interest Free Loan Programme interest free loans and related services are provided to ultra & vulnerable at their doorsteps to open doors to resources that can change their lives. During the 4 years programme (2019-20 to 2022-23) it is estimated that a total of 3.8 million interest free loans will be provided to benefit 2.28 million households and an estimated population of 1.14 million people.

OBJECTIVES

The Ehsaas Interest Free Loan Programme aims at:
Providing access to interest free loans to men, women, youth and persons with disabilities (PWDs) from extreme & vulnerable poor and marginalised households categorised up to 40 on Poverty Scorecard.
Supporting female participation and inclusion in economic activities by disbursing at least 50% loans to women.
Enhancing the entrepreneurial competencies by linking the borrowers with institutions and programmes for extending capacity building services, e.g. enterprise training, counselling, market linkages, financial literacy and numeracy training.
Encouraging behavioural change among loan beneficiaries around health, education, and environment practices.

ELIGIBILITY CRITERIA

Interest free loans upto Rs. 75,000/-are being provided to the Pakistani citizens fulfilling eligibility criteria.

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

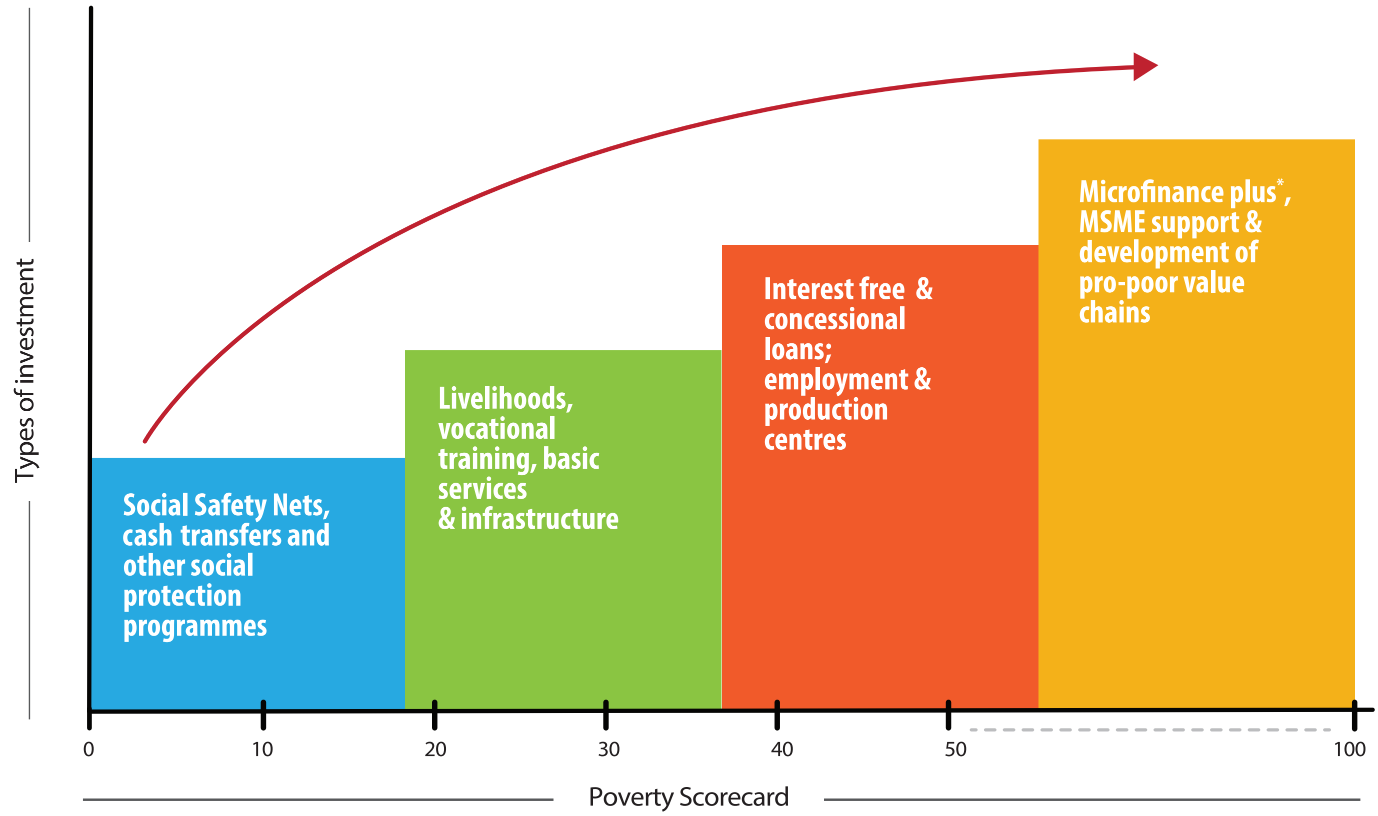
COVERAGE

Financed by the Government of Pakistan, Ehsaas Interest Free Loan programme is being implemented in more than 100 districts in provinces/regions including Punjab, Sindh, Balochistan and Khyber Pakhtunkhwa provinces and three regions namely Islamabad Capital Territory, Gilgit Baltistan and Azad Jammu & Kashmir. The programme is being implemented by 27 partner organizations of Pakistan Poverty Alleviation Fund who are providing interest free loans to the target population through the loan centres established in programme districts.

COLLABORATION WITH STAKEHOLDERS

PPAF collaborates with following institutions for data sharing, trainings, and leveraging financial services to facilitate the beneficiaries of Ehsaas Interest Free Loan Programme.

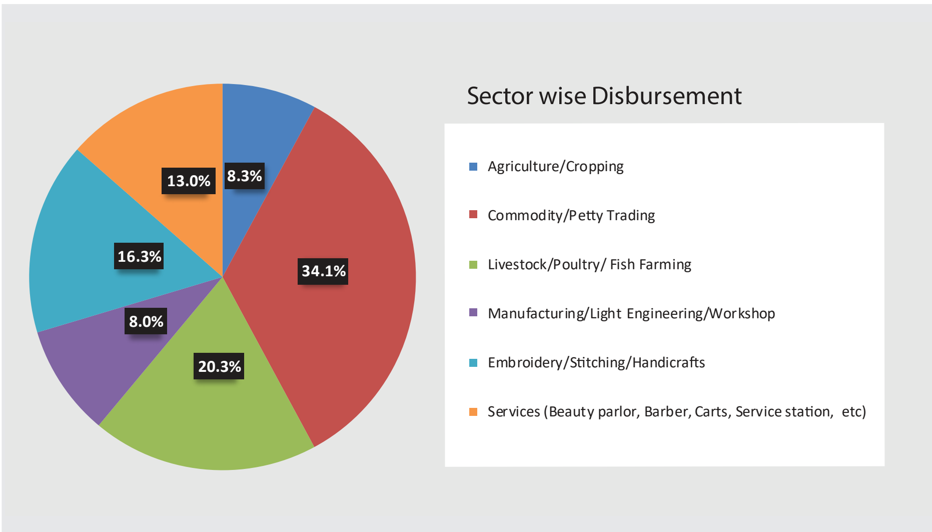
- International Fund for Agricultural Development (IFAD)
- Benazir Income Support Programme (BISP)
- Engro Foundation
- Kamyaab Jawan Programme
- State Bank of Pakistan
- Pakistan Microfinance Investment Company (PMIC)
- Microfinance Association – UK



Credit lines for conventional microfinance institutions are provided through the Pakistan Microfinance Incestment Company Limited (PMIC), jointly setup by PPAF, Karandaaz Pakistan (financed by DFID) and KfW is an Associate Company of PPAF.

Steps of Graduation Ladder:

Step 1:
The first intervention is the Social Protection/ Safety Net (PSC 0-16.17) which include cash transfer through GoP (BISP/ Kafala).
Step 2:
he second intervention is provision of tangible (physical assets) & non-tangible (technical trainings) (PSC up to 23).
Step 3:
The third intervention is interest free loans (PSC up to 40). These loans are provided for sustainable income generation activities.
Step 4:
The fifth intervention is linking Interest Free Loan beneficiaries to regular microfinance programs to contribute to economy of the country further.



PROGRESS UPDATE
(Cumulative as of September 2021)

Number of loans provided:
1,556,808
Loan amount disbursed to borrowers:
Rs. 55,578.82 million

Loan centres established:
781

Women beneficiaries:
51%

Average loan size:
Rs. 32,839

Pakistan Poverty Alleviation Fund
A Company set up under section 42 of the Companies Act, 2017

Plot 14, Street 12, Mauve Area, G-8/1, Islamabad- Pakistan | **Phone:** (+92-51) 8439450 -79 | **Fax:** (+92-51) 2282262 | **UAN:** (+92-51)111-000-102 | **Website:** www.ppaf.org.pk