

Government of Pakistan
Poverty Alleviation and Social Safety Division
Press Release

Interest free loans worth Rs 500 Million rolled out for people of Sindh under Ehsaas Program



December 30, 2019 -Islamabad: Under the ambit of the Ehsaas Strategy which is a part of the National Poverty Graduation Initiative, Interest free loans worth Rs 500 million were rolled out in 10 lagging districts of Sindh. The cheques were distributed amongst the beneficiaries by Governor Sindh, Imran Ismail who was the Chief Guest at the ceremony held in Karachi, on Monday.

Under the Ehsaas program, loans worth Rs. 13.8 billion have been disbursed so far to 413,390 borrowers. 46% of the borrowers are women. In Sindh alone, interest free loans of around Rs. 500 million have been rolled out to more than 15,000 borrowers of which 70% are women. The initiative draws funds from the Government of Pakistan, International Fund for Agricultural Development (IFAD) and the Asian Development Bank (ADB).

In total Rs 42.65 billion have been set aside for 100 districts across the country under the Ehsaas Program. The amount will impact 16.28 million people with 50% women including youth, persons with disabilities, transgender, minorities and marginalized communities. During the next 4 years, as many as 3.8 million interest free loans will be provided to 2.28 million households. In total, 14.7 million people will benefit from this component. The program is being executed through Pakistan Poverty Alleviation Fund (PPAF) and Akhuwat Foundation.

Speaking at the event, Governor Sindh, Imran Ismail said, “Millions of households in Pakistan suffer from extreme poverty, they are unable to access basic necessities of life. Ehsaas Program’s interest free loan program can help them forge a better future for themselves. It is our government’s priority to serve the underprivileged sector of Pakistan and through the Ehsaas program we envision to drive millions out of the circle of poverty. This initiative will not only allow us create employment opportunities but will also be crucial towards economic prosperity.”

Talking about this program, Chief Executive Officer, Pakistan Poverty Alleviation Fund, Qazi Azmat Isa expressed hope that such initiatives will help bring major transformation in the lives of the poor. “Societies can only thrive if people work in collaboration to uplift each other. Ehsaas program is one such example of a fruitful partnership which shall immensely benefit the people of Pakistan.”

National Poverty Graduation Initiative has three major components and will provide relief to the masses through asset transfers, vocational & skills trainings and interest-free loans. 80,000 interest free loans are being disbursed every month while the maximum loan size is Rs. 75,000.

Another component of this initiative is asset transfers, 225,000 assets will be provided to the poorest of the poor to start their businesses. The average cost of the asset which will be given as a grant is Rs. 50,000. A transparent process has been followed to enable the poor to seek asset of their choice. The asset recipients will also be provided business trainings to draw maximum benefit from the asset provided to them. Under this component over 9,000 assets will be distributed every month over the next two years. In total 1.45 million people will benefit from this component. Recipients of asset transfer and interest free loans will be provided skills, business development and financial literacy trainings as needed to ensure sustainable livelihoods.

Ehsaas is Pakistan’s biggest program for poverty mitigation which aims to collaborate with all stakeholders—public, private, civil society, philanthropists, and expatriate Pakistanis towards one collective goal, poverty alleviation. At present loans worth Rs 468,477,000 have been disbursed amongst more than 15,000 deserving individuals, out of which 10,000 are women in Sindh province.

Any Pakistani aged between 18-60 years belonging to the listed 100 districts can get these loans. Detailed information is also available on the websites Pakistan Poverty Alleviation Fund and Poverty Alleviation and Social Safety Division. PPAF is ensuring timely distribution of funds amongst the deserving which has resulted in creating a stronger impact.

As one of the largest sources of pro-poor spending in the country, the Pakistan Poverty Alleviation Fund is the lead agency for poverty reduction in Pakistan. It embodies the spirit of public-private partnership to address the multi-dimensional issues of poverty with a view to achieving social and economic change. PPAF outreach extends throughout Pakistan as it has partnered with 130 organizations working in over 100,000 villages/settlements with more than 133,000 community organizations and 440,000 credit/common interest groups at the grassroots level in 137 districts.