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# *Apni Chhat Apna Ghar*

**Submitted By:** Housing, Urban Development and Public Health Engineering Department, Government of Punjab

## Organization Profile

**Organization Name:** Project Management Unit (ACAG) Punjab Housing and Town Planning Agency

**Organization Type:** Subnational government

**Website:** https://punjab.gov.pk/apni-chhat-apna-ghar

## Practice Details

**Country(ies):** Pakistan

**City(ies):** Province of Punjab

**Start Year:** 2024 **Ongoing:** Yes **End Year:** N/A

**Main Adequate Housing Components:**




**Housing Thematic Areas:**

- Housing Affordability & Financing
- Housing Rights & Social Inclusion
- Technology & Digital Solutions in Housing

**Relevant SDGs:**



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## Problem & Context

The province of Punjab is home to an 130 million people and an estimate in 2017 indicated that the housing shortage in Punjab is about 2.3 million units which is projected to reach 11.3 million units by 2047. The cost of land and construction have sky-rocketed in last few years which saw massive speculative investment in real-estate sector coupled by double digit inflation. Thus, owing a home became near to impossible for the poor and even for the lower-middle class. The size of Housing Finance Sector in commercial banking is so small and geared towards high-salaried class that made it even worse for the low-income strata of the society. Moreover, governments in the past failed to come up with innovative policy measures to fill the gap of housing for the poor.

Through this innovative Apni Chhat Apna Ghar Program, the Provincial Government of Punjab has tried to fill this gap and in the short span of 1 year, more than 73 thousand families have been given loan.

## Solution Developed

The execution models are two as explained ahead: a) Provision of interest free loans through MFIs acting as disbursement agents for construction of 500,000 homes in 5 years, and b) identification of suitable state land for Joint Ventures with private sector and a certain percentage of housing units will be provided to eligible beneficiaries on easy instalments.

Target Beneficiaries: Very poor households who are living in rented houses in miserable conditions.

Objective: To enable people to own a house through an instalment model where monthly payable amount is less than the amount of one bedroom house in the province. The government shall bear all the interest payment over the tenure of the loan in an arrangement with MFIs.

Innovation: There is minimal governmental inefficiency in the process. Applicants apply online on a dedicated portal, the applications are forwarded to MFIs who scrutinise and approve the loan and money is transferred to bank accounts of beneficiaries in two trenches and they construct their own home. The program has been immensely popular and 73 thousand loans have been disbursed in 01 year and now we are aiming to disburse 12500 loans each month.

## Implementation

Actions Implemented: MFIs have been engaged, more than 750,000 people have submitted applications and daily about 2500 new applicants apply. More than 400,000 people have been contacted by MFIs and 73000 loans have been disbursed.

Actors and roles: Government of Punjab is financing the project, as of today 88 billion in total have been provided. Bank of Punjab and MFIs (Akhuwat, NRSP and RCDP) are scrutinising applications and approving loans.

Timeline: The program was launched in August 2024 by the Chief Minister Punjab, Maryam Nawaz Sharif and loans disbursement started in Oct-Nov 2024 and by 2028 the program aims to deliver 500,000 homes through this arrangement.

Support: The support of the Chief Minister Punjab, Maryam Nawaz Sharif has been instrumental - the target started from 17000 loans in 5 years and now sits at 500,000 loans with financing of 750 billion in loans other than operational expenditures (bank and MFIs charges etc). This is a substantial financial outlay which would not have been possible without the personal interest of the Chief Minister.

## Enablers & Obstacles

Enablers: Political support from the Chief Executive of the province and financial management of the Secretary Finance in ensuring uninterrupted supply of finances whenever needed which currently stands at almost 20 billion. Community engagement and participation have been overwhelming as indicated by more than 750,000 applications and 2500 plus applications daily. Technology has made the process seamless as applicants can apply online without any intermediary and once loans are approved money is transferred to their given bank account. The element of discretion available to government functionaries has been taken away through online processing of applications and scrutiny by the MFIs on an objective criteria.

The one obstacle was the Risk taking ability of the partner bank - Bank of Punjab - as the State Bank Regulations limited its ability to take part in the program beyond a certain amount, 76 billion. It was addressed by the government taking on the risk factor.

## Results & Impact

As of today, 73,750 loans have been disbursed and 12,790 houses have been completed. More than 50,000 houses are under constructions. On average daily 400 new families are given loans - that is 400 families fulfilling their dream of owning a home and living under a roof with respect and dignity. These are those people who otherwise would never be able to own a home of their own. The installment amount is just 14,000 per month and unlike rent it will not increase annually so every year they will pay less and less towards repayment. In the long run, in 5 years about, 500,000 families will be freed from living in a rented house and money thus spared can be used on improving quality of life, can be spent on the education of their children.

## Replication & Scale Up

This is easily replicable given the governments are committed and ready to finance the program.

The more money the governments can use to finance the program, the more it can be scaled up. In our case, the program was conceived to provide 17,500 loans and have been scaled up to provide 500,000 loans.

## Policy Uptake

This housing practice has been fully adopted into formal policy frameworks and legislation, and is being implemented at scale with institutional support.

In our case, the Cabinet granted the approval and the financing mechanism has been made part of the Annual Development Program of Punjab.

## Lessons & Takeaways

We are fairly at a nascent stage compared to the scale of the problem to comment on this aspect.