PAHP: Building Dreams, Transforming Lives

Submitted By: Punjab Affordable Housing Program (Pakistan)



Organization Profile

Organization Name: Punjab Affordable Housing Program

Organization Type: Subnational government

Website: https://pahp.gop.pk/

Practice Details

Country(ies): Pakistan

City(ies): Punjab Province

Start Year: 2023

Ongoing: Yes

End Year: N/A

Main Adequate Housing Components:



Housing Thematic Areas:

- Housing Affordability & Financing
- Housing & Climate Adaptation
- Housing, Land & Spatial Planning
- Housing Policy, Legislation & Governance

Relevant SDGs:



UN-HABITAT

Problem & Context

Punjab faces a significant housing shortfall, particularly affecting low-income and vulnerable groups. Despite rapid urbanization, the supply of affordable housing has lagged behind demand, leaving large populations without secure or adequate shelter. The private sector has been unable to play a strong role due to a lack of enabling policies, regulatory clarity, and financial incentives, limiting investment in affordable housing projects. Land scarcity in well-connected, serviced locations further constrains development, pushing low-income families to informal settlements with limited access to services. In addition, lengthy and complex approval processes, coupled with delayed project delivery timelines, have weakened confidence among developers and households alike. Collectively, these factors have created a persistent gap between housing needs and delivery, highlighting systemic shortcomings in existing policy and planning frameworks.

Solution Developed

PAHP is designed around three core objectives: (a) reforming housing policies and regulations, (b) introducing digital systems for efficient delivery, and (c) improving the quality and quantity of affordable housing. To achieve these goals, a series of innovations were introduced. Rules and Regulations governing private housing development and joint ventures were updated to enable broader participation of the private sector. Digital tools such as the Housing Market Information System, Program Management Information System, and Beneficiary Management Information System were developed to streamline approvals, improve transparency, and ensure effective targeting of beneficiaries. In addition, a Locational and Infrastructure Investment Criteria was established to prioritize infrastructure funds for viable and strategic sites, with the purpose of expanding the pipeline of serviced land available for affordable housing. Together, these measures will deliver concrete outcomes by June 2027: more than 35,000 affordable housing units developed targeting bottom 40% of income distribution, with at least 20% of units reserved for women and marginalized segments of society.

Implementation

PAHP was launched in 2022 as the World Bank funded program worth $200 million. The Housing, Urban Development, and Public Health Engineering Department (Government of the Punjab) is the parent department contributing a $50 million matching fund and monitoring overall progress. PAHP has two implementing agencies - the Punjab Housing and Town Planning Agency responsible for executing development funds and subprograms, with technical support by The Urban Unit, and a dedicated Program Management and Implementation Unit for the execution and operations.

The timeline reflects a phased approach. In 2023, foundations were laid with the development of Housing Market and Program Management Information Systems and Locational Criteria for

site selection. In 2024, a Beneficiary Management Information System was introduced, and Infrastructure Investment Criteria were established to guide fund allocation. In 2025, Rules for Private Housing Schemes were amended, Planning Standards revised, and consumer finance linkages created. Recently, Joint Venture Rules are being developed, and site development and construction on public land providing over 3000 units has commenced, with beneficiary selection for these sites to follow. Years 2026–27 will focus on scaling housing delivery across public and private schemes.

Partnerships with private developers, and commercial banks support the delivery of 35,000+ affordable units.

Enablers & Obstacles

Implementation faced several obstacles, including capacity constraints within the partnering agencies , shortages of skilled human resources, and the absence of robust digital systems. Institutional inexperience in collaborating with the private sector and weak private sector confidence in government initiatives also slowed progress. These challenges were mitigated by targeted interventions: an institutional and fiduciary assessment strengthened PHATA's governance, while technical support from the Urban Unit and Program Management Unit helped bridge capacity gaps. The development of Program and Beneficiary Management Information Systems introduced digital workflows and improved transparency. Updated Rules for Affordable Private Housing and new Joint Venture Rules created an enabling framework, while extensive outreach through developer roundtables, built trust, increasing private sector buy-in. These measures helped transform initial constraints into opportunities.

Results & Impact

The program has delivered tangible results for low-income and marginalized households. By May 2026, 3,000 affordable housing units will be completed, of which 600 (20%) will be allocated to female-headed households. Access to affordable housing finance has been expanded, enabling families previously excluded from formal credit to secure homes. These interventions have directly improved living conditions, shifting households from substandard shelter to adequate housing, while generating long-term security and welfare.

At the community level, investments have enhanced urban infrastructure and services, improving connectivity and access to amenities. Economic impacts include substantial employment generated through construction activity, stimulation of related industries, and increased private sector participation in affordable housing delivery. These outcomes support sustainable local economic growth.

Environmental safeguards have been embedded across all developments. Projects are screened for hazard risks and ecological impacts, while design standards promote climate resilience and energy efficiency. At least 50% of all affordable units conform to green design

principles, reducing the environmental footprint and strengthening resilience to climate change. Thus, PAHP is demonstrating scalable solutions that integrate social inclusion, economic growth, and environmental sustainability.

Replication & Scale Up

The program has not been replicated elsewhere as implementation in Punjab is ongoing. However, it is designed with replication potential, introducing digital service delivery, updated legal and institutional frameworks, adaptable design templates and methodology for transparent beneficiary targeting. Alongside these planning, institutional, and regulatory tools, the availability of viable land and private sector participation will form a transferable model that can be adapted in other regions.

Upscaling will be possible by expanding serviced land availability by increasing funding for strategic infrastructure investment, increasing participation of private developers via joint venture frameworks, and enhancing digital platforms for monitoring and beneficiary management. Enhanced housing finance through diverse loan products (e.g. green bonds, microloans) will allow the program to reach more households. These measures may ensure the model can create widespread impact across Punjab.

Policy Uptake

This housing practice has informed or been partially integrated into policy discussions, strategies, or pilot-level policy instruments.

The practice has been partially integrated into policy through legal reforms, institutional strengthening, and pilot-level instruments. In its first two years, a regulatory framework, planning guidelines, and institutional capacity were established. Affordable housing delivery is now being piloted through public, private, and joint venture modes, supported by updated rules and standards. These sub-programs have demonstrated impact and may inform broader policy discussions, laying the foundation for full adoption and long-term replication with additional investment.

Lessons & Takeaways

Key lessons include the need for stronger engagement with local governments and institutional stakeholders during implementation, and the value of adopting innovative construction methods such as modular and prefabricated housing to cut costs and reduce timelines.