

# ANNUAL REPORT 2018 - 2019

REDUCING POVERTY, SUSTAINING GROWTH



**Sindh Rural Support  
Organization (SRSO)**

# ANNUAL REPORT 2018 - 2019



## SRSO

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Sindh Rural Support Organization

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# Acronyms

AALTP	Adolescent and Adult Learning & Training Programme	MF	Microfinance
BBSYDP	Benazir Bhutto Shaheed Youth Development Programme	MNCH	Mother & Neonatal Child Healthcare
BCC	Behavior Change Communication	MoU	Memorandum of Understanding
BDG	Business Development Group	NRSP	National Rural Support Programme
BHC	Benazir Housing Cell	O&M	Operation & Maintenance
BISP	Benazir Income Support Programme	PSC	Poverty Scorecard
CBO	Community Based Organization	PKR	Pakistani Rupees
CDD	Community Development Department	PPRP	Peoples' Poverty Reduction Programme
CED	Craft Enterprise Development	PDMA	Provincial Disaster Management Authority
CMST	Community Management Skill Training	PINS	Programme for Improved Nutrition in Sindh
CO	Community Organization	PDD	Planning & Development Department
CPI	Community Physical Infrastructure	PSI	Population Services International
CRP	Community Resource Person	PLW	Pregnant & Lactating Women
CLEWS	Community Livestock Extension Workers	PPAF	Pakistan Poverty Alleviation Fund
CIF	Community Investment Fund	RSPs	Rural Support Programmes
DAFPAK	Delivering Accelerated Family Planning in Pakistan	RSPN	Rural Support Programme Network
DFID	Development Fund for International Development	TRDP	Thardeep Rural Development Programme
DWSS	Drinking Water & Supply Scheme	TOT	Training of Trainers
EU	European Union	TOP	Terms of Partnership
FP	Family Planning	SRSO	Sindh Rural Support Organization
FFS	Field Farmer School	SDGs	Sustainable Development Goals
GoS	Government of Sindh	SUCCESS	Sindh Union Council and Community Economic Strengthening Support
HRD	Human Resource Development	SEF	Sindh Education Foundation
HH	House Hold	UKAID	United Kingdom Aid for International Development
IGG	Income Generating Grant	UCBPRP	Union Council Based Poverty Reduction Programme
IALP	Improving Adolescent Lives in Pakistan	USAID	United States Aid for International Development
IOM	International Organization for Migrants	VO	Village Organization
LSO	Local Support Organization	VTP	Vocational Training Programme
LMST	Leadership Management Skill Training	VRP	Village Rehabilitation Programme
IFL	Interest Free Loan	VHC	Village Health Committee
MHI	Micro Health Insurance	WASH	Water and Sanitation Health

## CEO Message



In 2018-19, SRSO completed its 16 years journey of uplifting poor out of poverty in rural areas of Sindh. By the end of the reporting year, SRSO has successfully reached 1 million households represented by organized women directly through development programmes and multiple interventions which contributing to the Government of Sindh's efforts in reducing poverty. The support and trust of our partners and donors meant that we could continue to deliver our vital mission in empowering rural people especially women to leave poverty behind. The role of the community towards acceptance and execution of SRSO's development programmes is remarkable, for which we are highly thankful to our organized community members.

In the reporting year, our programme focus remained on the formation of community institutions, their capacity development, livelihood, financial lending, education, social protection and awareness on various themes. Our main projects which initiated in

past years were Peoples Poverty Reduction Program (PPRP) and Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Programme funded by Government of Sindh and the European Union respectively. Both programmes focusing on the empowerment of rural women and poverty reduction in rural districts of Sindh province. In addition to this, various interventions, such as, small grants/loans to community institutions, technical and vocational training for poor women, micro health insurance which prevents poor households from health and economic shocks and community physical infrastructures, are provided to rural communities. These interventions are contributing to a significant increase in poor household's incomes, asset creation and establishment of viable livelihood sources in rural areas. The community institutions formed under both programmes are advocating for various causes including education, health, rights etc and creating productive linkages with government departments to get the issues resolved. The efforts of rural organized women are amazing and deserve to be applauded at all levels. The micro credit is growing and clients are increasing year by year. The overall performance of micro credit is exceptional.

For all these results, I am deeply indebted to the Board of Directors for their collective wisdom, care and diligence. Similarly, I must compliment and congratulate the entire SRSO management team and staff for their splendid efforts and ability in translating the organizational objectives and Board policies into commendable results. The support, we have received from our stakeholders, particularly the Government of Sindh and our international and bilateral donors, has been exemplary.

**Muhammad Dittal Kalhoro**  
Chief Executive Officer



“

*“Sindh Government's Poverty Reduction Programme (UCBPRP) is my Favorite Programme. The difference with this programme is that government of Sindh was working with SRSO and that was successful to such an extent that our friends in the European Union saw this and made the decision that they would donate a grant to us (through SUCCESS). Not only does that symbolize an endorsement to the Government and Poverty Programme, but the EU also recognized the SRSO success and development.”*

”

PPP Chairman Bilawal Bhutto Zardari speaks at SUCCESS dialogue to a group of women community leaders. The dialogue was organized by SRSO and European Union on April 1, 2019 in Larkana, Sindh.



“

*'We have been working with other partners including other RSPs and governments of KPK and Baluchistan and what I really found unique in SRSO is approach of working with women. During my visit, I saw tremendous potential amongst community who were able to manage program elements especially Community Investment Fund, small scale physical infrastructure scheme, vocational skill training program etc. This is lesson learnt experience to share that women are certainly going to unlock a potential that this country has never seen so far'*

*H.E Mr Jean-François Cautain – EU Ambassador*

”

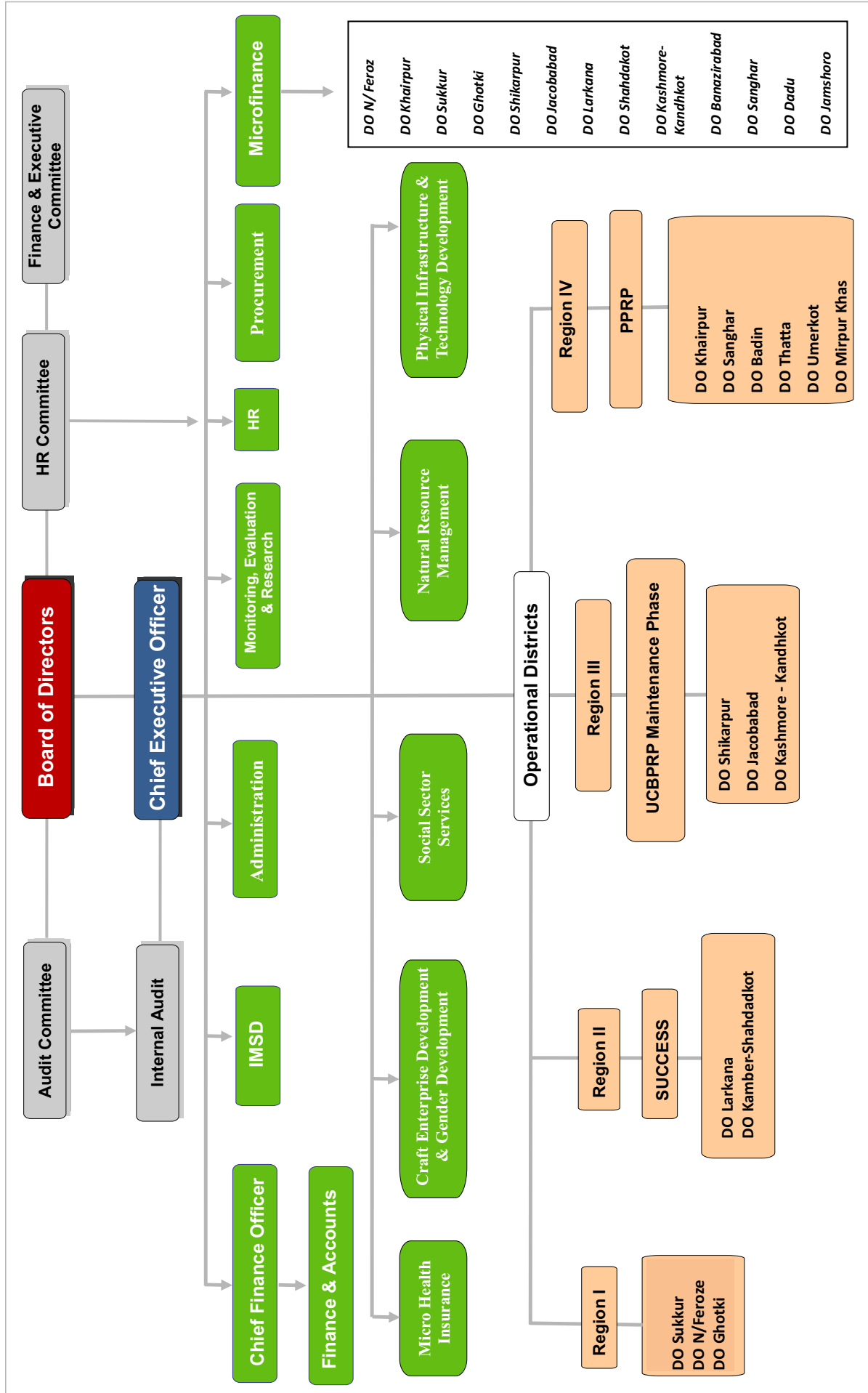
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*'What I saw is important for the program is that we established sustainable local support organizations run by women. They are not there to run only our SUCCESS program but they make platform where other programs from government and other organizations/donors can be brought'*

*Mrs. Sonya Cautain.*

”

# Organogram





# Organizations' Information

## Board of Directors

Mr. Shoaib Sultan Khan (Chairman)  
Ms. Naheed Shah Durrani  
Mr. Tasneem Ahmed Siddiqui  
Mr. Ghulam Sarwar Khero  
Mr. Ghulam Mustafa Abro  
Mr. Suleman G. Abro  
Mr. Aazar Ayaz  
Mr. Muhammad Nazar Memon  
Mr. Naseer Ahmed Memon  
Mr. Muhammad Dittal Kalhoru (CEO)

## Advisor to the Board

Dr. Rashid Bajwa  
Mr. Fazalullah Qureshi

## Ex-Officio Members of SRSO

Chairperson, Planning & Development Board, GoS  
Secretary, Local Government Department, GoS  
Secretary, Finance Department, GoS  
Commissioner – Sukkur Division  
Commissioner – Larkana Division

## Finance & Executive Committee

Mr. Fazalullah Qureshi	(Chairperson/Convener)
Mr. Muhammad Nazar Memon	(Member)
Mr. Ghulam Mustafa Abro	(Member)
Mr. Naseer Ahmed Memon	(Member)
Dr. Rashid Bajwa	(Advisor)

## HR Committee

Mr. Tasneem Ahmed Siddiqui	(Chairperson)
Ms. Naheed Shah Durrani	(Member)
Mr. Fazalullah Qureshi	(Member)

## Audit, Risk Management & IT Committee

Mr. Muhammad Nazar Memon	(Chairperson)
Mr. Ghulam Sarwar Khero	(Member)
Mr. Aazar Ayaz	(Member)
Mr. Ghulam Mustafa Abro	(Member)

## Auditors

Deloitte Yousuf Adil  
Chartered Accountants  
4<sup>th</sup> Floor Mehr Fatima Tower  
Opposite High Court  
Multan Cantt, Pakistan.

## Chief Financial Officer

Mr. Zahid Karim Shar-ACA

## Legal Advisor

Mr. Udha Ram Rajput

## M.A.A Associates

Tax Consultants & Advisors  
Suite No. B-201, 2<sup>nd</sup> Floor  
New Challi Trade Centre,  
Shahra-e-Liaqat, Karachi.

## Company Secretary

Mr. Masood-ul-Hasan Hashmi

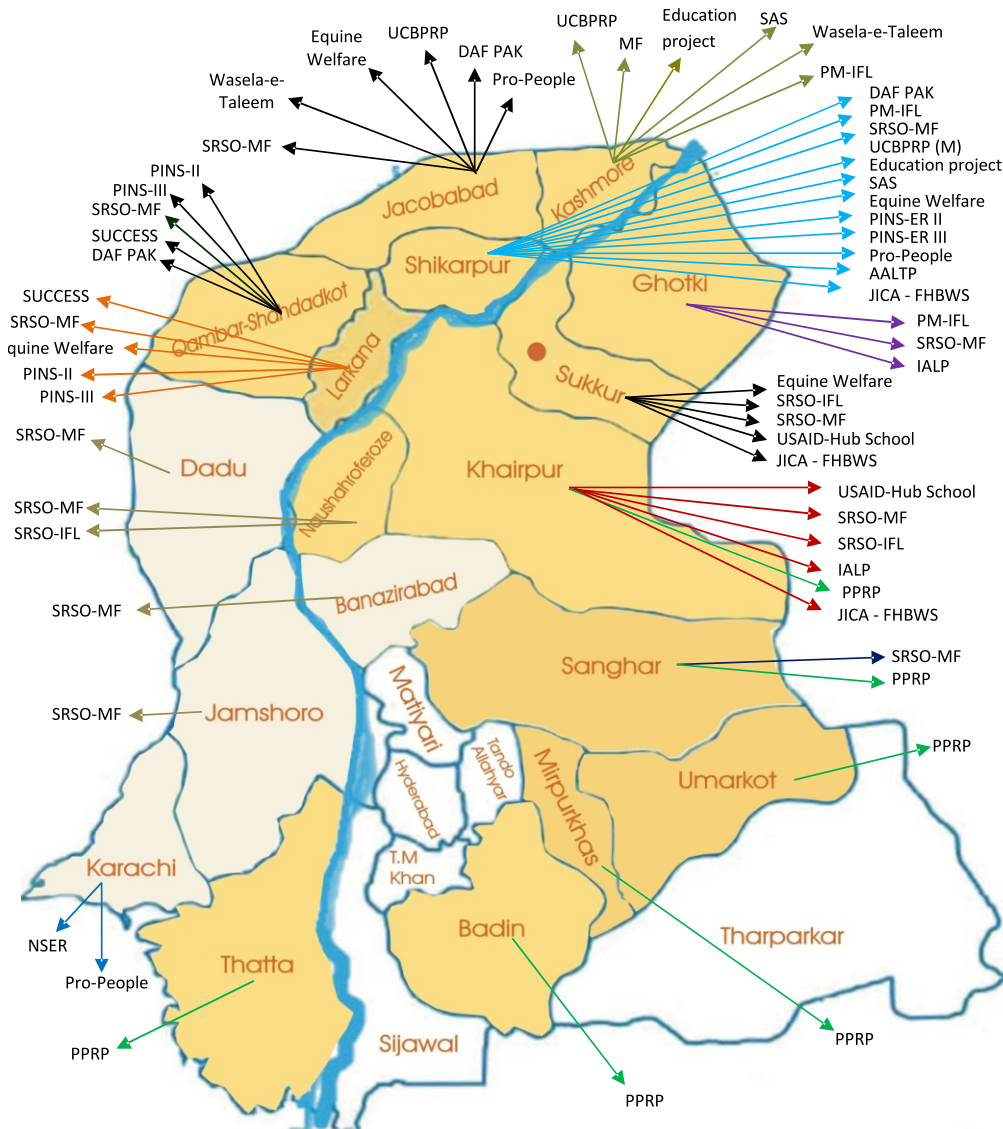
## Registered Office

Head Office - Complex, Shikarpur Road,  
Sukkur

## Website & Facebook

 [www.srso.org.pk](http://www.srso.org.pk)  
 [https://twitter.com/SRSO\\_Official](https://twitter.com/SRSO_Official)  
 <https://www.facebook.com/SRSO.official>  
 <https://www.youtube.com/channel/UC0dWOAavvyDMwjLMjveKPQ>

# Field Map of SRSO Interventions



## ON GOING PROJECTS

### UCBPRP

Union Council Based Poverty Reduction Programme  
Funded by: P&D-GoS

### Equine Welfare Project

Funded by: BROOKE

### PPRP

Peoples' Poverty Reduction Programme  
Funded by: GoS

### SRSO-Microfinance

Funded by: SRSO

### SEF- Assisted School (SAS) Program

Funded by: SEF

### Education Project

Funded by: CDP-GoS

### PM-IFL

(Prime Minister Interest Free Loan)  
Funded by: PPAF-GoP

### USAID-Hub School

Funded by: USAID-GoS

### SUCCESS

(Sindh Union Council and Community Economic Strengthening Support Program)  
Funded by: European Union (EU)

### SRSO-IFL

(Interest Free Loan)  
Funded by: GOS

### AALTP

Adolescent & Adult Learning & Training Program  
Funded by: SEF - GoS

### IALP

(Improving Adolescent live in Pakistan)  
Funded by: IKEA-UNICEF

### PINS

(Programme for Improved Nutrition in Si)  
Funded by: P&D-GoS - EU

### DAF PAK

Delivering Accelerated Family Planning Pakistan  
Funded by: PSI - DFID

### Wasela-e-Taleem

Funded by: BISP-GoP

### NSER

National Socio Economic Registry  
Funded by: BISP-GoP

### JICA - FHBWS

Improvement of Livelihood and Femal Home-Based workers in informal Economic Section in Sindh Province  
Funded by: JICA

### Pro-People

Promotion of the Rights of Older Peop Pakistan (Pro-People) Sindh  
Funded by: HelpAge Germany & BMZ

# SRSO Statistical Highlights

**1,081,509**

Poor household members of women-led grassroots institutions organized into the folds of local community structure

**7 Million**

People reached through our social mobilization programmes

**64,739**

People supported with skills, jobs and decent work interventions

**146,690**

Children, over half of them girls, enrolled in SRSO managed schools

**PKR 14,657 Million**

Total microcredit disbursement (90% female clients)

**27,455**

Low cost houses built with women's entitlement increasing their confidence and status within family

**1.2 Million**

People accessed health insurance cover and free treatment facility

**97,364**

People quit open defecation in rural areas after having access to toilet facility

**45,000**

Potential small farmers equipped with information on modern agriculture techniques

**17,694**

Community resource persons incentivized through multiple projects in reporting year

**80,711**

People accessed safe water

**149,343**

Members benefitted with 54,899 Small scale community physical infrastructure schemes

**PKR 200 Million**

The total amount saved by our community

**828,686**

Trees have planted and managed by community to prevent Climatically Changes

**54**

Children finished ever first high school education in SRSO managed community cluster schools.

**1 Million**

Women from poor households organized and empowered for poverty reduction and gender mainstreaming

# Introduction

## Our Vision

To perceive socially and economically empowered communities especially the marginalized ones and helping create proactive community organizations by the attitudinal change by setting free people's potentials and willingness to alleviate poverty

## Our Mission

- To meet the challenge of battering poverty and help the poor to get above the poverty line and have a standard life.
- To help marginalized rural people harness their potential to bring about change in their quality of life on self-help basis.

## Our Objectives

- To unleash people's potential and willingness to alleviate poverty in Sindh
- To reinforce and complement the

Government of Sindh's policy of Poverty Alleviation

- To support and strengthen the Government of Sindh's efforts to translate poverty reduction strategies into actions, by fostering a framework of grassroots institutions to act as conduit for departmental services and supplies.

## SRSO Cross Cutting Areas

- Gender Equality
- Environment
- Sustainability of the delivered projects.



## Who we are and what we do

Sindh Rural Support Organization's rural development model is based on the approach advocated by Akhter Hameed Khan, A Visionary, practitioner and teacher, originator of the RSP approach in South Asia. The experimental phase was embodied in the Comilla Pilot Project of the East Pakistan and the Aga Khan Rural Support Programme in Gilgit Baltistan. As the RSP movement grew it manifested this model countrywide, SRSO was established in 2003 with endowment fund support of 1 billion from Sindh Government. It is licensed under section 42 of Companies Act, of Pakistan.

SRSO works on the RSPs' three tier social mobilization approach of fostering community organizations for govt: services and supplies to use as conduit to reducing poverty by adopting a holistic approach using multiple interventions. SRSO aims to facilitate economic development in rural areas of Sindh through a range of community based programmes, and to support communities, to become self-sustainable to live, work and raise families above poverty line.

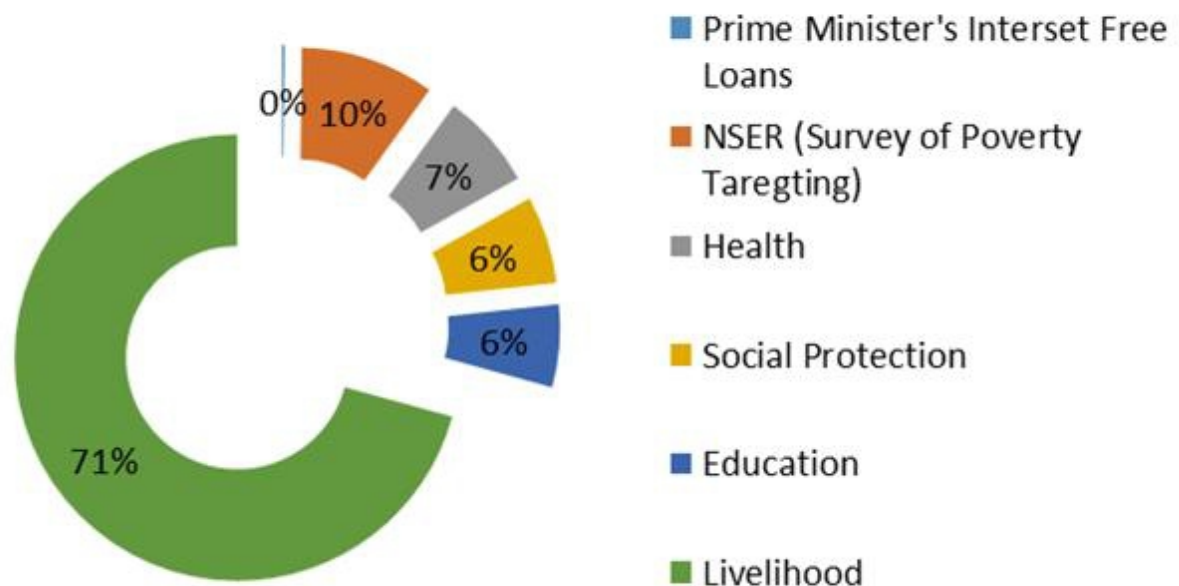
*In Pakistan, development will not come from the top. It will come from the bottom and happen in pockets ñ one island formed here, one island there and "one will be formed by you."*

*Akhter Hameed Khan*

*For last 16 years, SRSO has significantly contributed to empowering of over **61,987** community Based organizations covering **1 million** poor households and around **7 million** populations, in rural areas and communities through various development packages.*

In 2018-19, SRSO implemented more than 20 development projects, with more than 100 schemes, all aligned with the SDGs. Main thematic areas of the reporting year livelihood, Health, Education and Social Protection.

### Funds Utilization by Theme in 2018-19



### Inclusion of women

Women are regarded as a key element to all dimensions of development. SRSO programmatic initiatives have done a lot for women in the operational area because these programmes particularly included women and helped them generate an income. SRSO operational area is not so conducive for implementation of such programmes but it is women community member who have made these community driven initiatives success in real terms. Their participation at this scale is entirely unique phenomenon in Pakistan; therefore SRSO appreciates its women community members for making SRSO the first RSP ever who started 100% interventions with women community organizations.

### Sustainability

Sustainability heavily depends on the economic opportunities available. SRSO women community institutions are sustainable because they have a way to ensure a good flow of money. This includes

Community Saving, pool of revolving fund called Interest Free Community Investment Fund (CIF), Business Development Groups (BDGs) for artisan entrepreneurs and jobs placements through developing vocational skills. – As a consequence, the community organizations are expected to become financially sustainable.

### What went right?

The success of SRSO increasing outreach is attributed to the fact that its programme reached at grassroots level targeting real poor with needs identified by them. Willingness on the part of the poor to help themselves; volunteer honest and competent activists and support organization are the key factors for RSPs approach of successful community driven programme interventions along with mainly support of Govt: of Sindh. In addition, support of European Union (EU) and community's response collaborated so well while sharing same vision resulting poverty graduation positively.

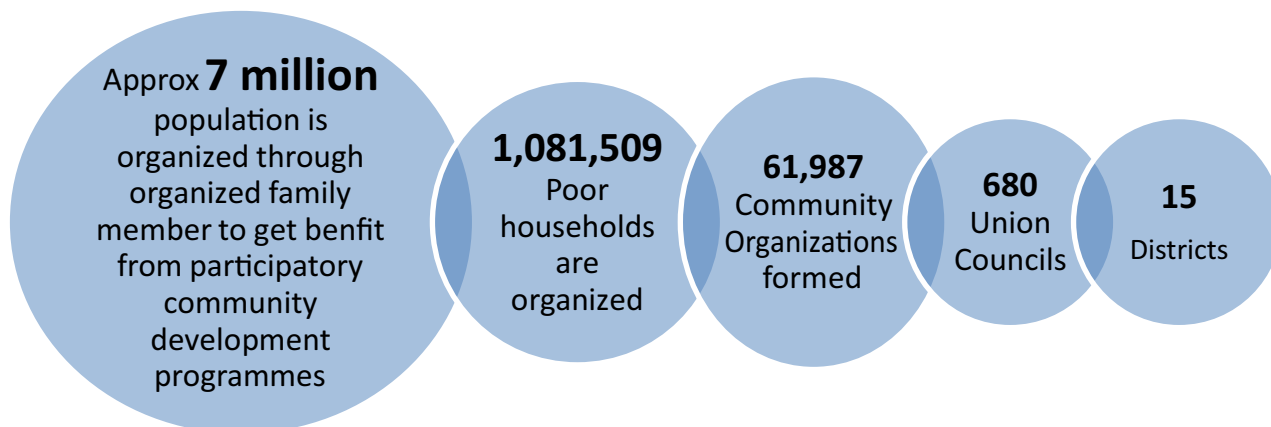


European Union Ambassador to Pakistan, Mr Jean-François Cautain with Mrs Sonia Cautain, participating in Women Organization

## Outreach & Scaling Up

With the support of Govt: of Sindh and a number of donors and community members, SRSO has expanded quite rapidly to cover major part of the rural areas of Sindh province. It started its journey from 3 union councils in 2003 and has now reached to 15 districts, eventually working with a population of

about one million poor households across 680 Union Councils of Sindh. Around 7 million populations are organized through their family members to get benefit from participatory community development programmes.



## Acknowledging RSPs approach & Support of Government of Sindh

Since 2009, after successful implementation of GoS pilot project Union Council Based Poverty Reduction Program, GoS became the biggest source of funding for SRSO that allowed SRSO to considerably expand its work to reach maximum poor while on the other hand GoS also has been able to execute its poverty reduction programs at grassroots level in efficient manner which ultimately created good will and positivity in community towards public sector. Many of the GoS' leading poverty reduction

programmes have been implemented by SRSO since inception till reporting year.

Some of the major programmes include:

- Union Council Based Poverty Reduction Programme (UCBPRP)
- Peoples Poverty Alleviation Programme (PPRP)
- Low Cost Housing Schemes
- Benazir Bhutto Shaheed Youth Development Programme (BBSYDP)
- WDD Interest Free Loans
- Education Project- Cluster Schools
- Crop Maximization Project (CMP)
- Landless Harees Programme (LLHP)
- Prime Minister's Special Initiative for Livestock

### The way forward to a gender equal, poverty free Sindh

• A truly transformative, gender responsive development and poverty eradication agenda can drive change on systemic issues and structural causes of poverty and discrimination, including unequal gender relations, social exclusion and multiple forms of discrimination and marginalization.

SRSO has other specific gender-responsive poverty eradication efforts include:

- Increased women's access to and control over economic opportunities, resources and services;
- Increased women's economic, social and political

leadership at all levels, through women's organizations CO/VO & LSOs;

• Promoting gender-responsive policies and programme interventions to create awareness and investment in physical and social care infrastructure, including water and sanitation, reproductive health & Education;

• Prioritizing interventions to provide gender-responsive social protection for women and men through Micro Health Insurance Coverage, access to Interest Free Loans (called CIF) , Income Generating Grants- IGG, Vocational Skill Development etc.

### SRSO Development Partners & Sponsoring Agencies in FY 2018-19



SINDH  
EDUCATION  
FOUNDATION  
GOVERNMENT OF SINDH





## Social Guidance at Grassroots Level

SRSO programme approach has three key features of rural development. First, it is bottom-up with a basic premise that development is not possible without building inclusive, participative, transparent, and accountable institutions for the poor at the grassroots level. Second, it is more important to equip the poor with relevant skills to access available resources rather than devise top-down solutions of resource-creation and distribution. Third, there is a need to invest in local institutions for the poor through a multi-input poverty alleviation approach.

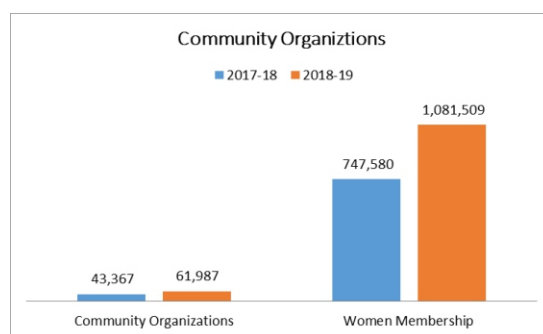


Following a three-tier social mobilization strategy, SRSO fosters community based organizations at mohallah, village and union council level. So far, formation of 61,987 community based organizations (100% women) representing 1,081,509 member households have been formed in 15 districts of Sindh province. These organizations have a combined savings of PKR 200 million.

These community based organizations have also been federated at higher/apex level to form village and Local Support Organizations (LSOs). So far, 400 LSOs have been formed and supported by SRSO.

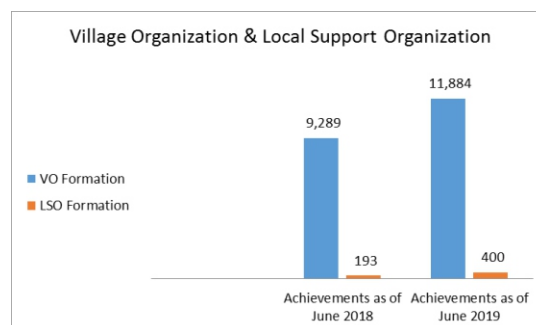
### Women Community Organizations formed as of June 2019

Key Performance Indicators		Achievements as of June 2018	Achievements as of June 2019
CO-Formation	Women	40,944	59,564
	Men	2,383	2,383
	Mix	40	40
	<b>Total</b>	<b>43,367</b>	<b>61,987</b>
CO-Membership	Women	708,918	1,042,847
	Men	38,662	38,662
	<b>Total</b>	<b>747,580</b>	<b>1,081,509</b>



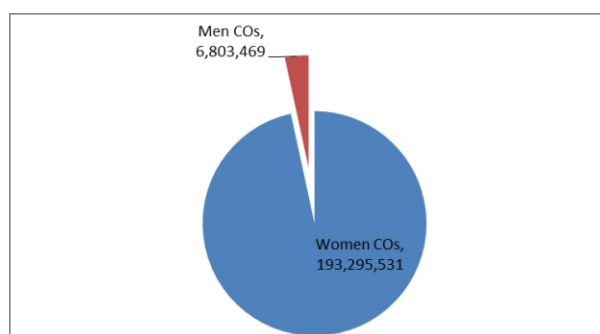
### Village Organizations & Local Support Organizations formed as of June 2019

Key Performance Indicators	Achievements as of June 2018	Achievements as of June 2019
VO Formation	9,289	11,884
LSO Formation	193	400



### Community Savings as of June 2019

Women	193,295,531
Men	6,803,469
<b>Total Community Savings (In PKR)</b>	<b>200,099,000</b>



## Union Council Based Poverty Reduction Programme (UCBPRP)

Government of Sindh had rolled out the Union-Council Based Poverty Reduction programme in 2009-10 on pilot basis in 4 districts to harness social mobilization for assets generation and reducing vulnerabilities. The program employed multi-pronged interventions, including micro-health insurance, income generation grants, community investment funds, low-cost housing and others. This program was directed towards the target population that was extremely poor (poverty band 0-11 under the Poverty score card) and chronically poor (12-18).

UCBPRP interventions/programmes, were designed and implemented so carefully keeping multi-dimensional poverty indicators in view therefore they had great impact, resulting in nearly five-fold increase

in average Poverty score card's scores. Vocational Training (VTP), Community investment funds (CIF), Micro Health Insurance and Low Cost Housing scheme remained on top of the list while assessing project impact.

### Impact and Replication

The project results set such an example that it got replicated in two mega projects PPRP and SUCCESS funded by GoS and European Union respectively. This replication helped expansion and coverage of programme benefits to 18 out of 22 rural districts of Sindh province and is planned to reach whole province.





# Poverty Reduction

## SDG 1: End poverty in all its forms everywhere

### Peoples' Poverty Reduction Programme (PPRP)

In continuation to the Sindh Government's initiative of Union Council Based Poverty Reduction Programme (UCBPRP), GoS has launched Peoples' Poverty Reduction Programme (PPRP) which can be termed as expansion phase of UCBPRP. Since UCBPRP already covered 4 critically poor districts of Sindh viz Shikarpur, Kandhkot Kashmore, Jacobabad and Tharparker, PPRP now covers additional 06 districts named as Khairpur, Sanghar, Umerkot, Mirpur Khas, Thatta and Badin with the total cost of Rs. 6.3 billion.

The Program aims at achieving overall improvement of social sector by enabling public sector services and supplies, directly addressing indicators of health, poverty, environment, social security, shelter, employment and basic livelihood. PPRP will also help in achieving the cardinal targets set under the universally accepted Sustainable Development Goals

(SDGs) 2030.

PPRP is based on the Rural Support Programmes' (RSPs) social mobilization approach to Community Driven Development (CDD) and provides social guidance, technical and financial assistance to the rural poor in Sindh and enables them to build productive assets, reduce vulnerabilities and improve by and large, the condition of their village or locality.



#### PPRP's expected outcomes are

- Increased economic and social services and community benefits from upgraded community infrastructures and productive assets operated and maintained with community involvement.
- An average sustainable increase of poor household incomes by 25 percent.
- Approximately 1,024,000 rural households in six districts mobilized and capacitated through people's own organizations (CO/VO/LSOs) of which at least 75 percent will continue to function effectively at the end of the project.
- 321 Enterprise Development Value Chain Products finalized and implemented in six districts.

#### Statistical Performance of PPRP as of June 2019

Key Performance Indicators	Project Targets	Yearly Progress 2018-19	Cumulative Achievement
Households organized	802,036	327,467	507,382
CO formation	44,560	19,580	30,135
VO formation	5,570	2,575	3,572
LSOs formation	367	189	203
Beneficiaries provided Income Generating Grants (0-11)	34,372	6,104	5,740
Beneficiaries provided Community Investment Fund (0-18)	137,492	21,459	42,107
Beneficiaries provided Vocational Training Programme (0-18)	36,092	4,764	11,290
Beneficiaries provided Low Cost Housing Schemes (0-11)	9,623	1,186	1,579
Formation of Enterprise Development (BDGs) (0-23)	367	23	31
Community member's trained in Community Management Skill Training (CMST) for COs Leaders	89,119	30,015	53,384
Community member's trained in Management & Planning Training for VOs Leaders	11,140	3,651	6,187
Community member's trained in CIF Book-keeping & CO Accounts Auditing Training for Vos	11,140	4,087	5,581
Community member's trained in CIF Appraisal and Monitoring Training Vos	11,140	3,610	5,887
Manager - Activist Conferences of VOs	72,182	12,451	20,332
Community member's trained in Leadership Management Training for LSO members	1,472	387	591
LSO Members (Financial Mgt& Book keeping Trg)	736	262	262



حکومت سندھ  
People's Poverty Reduction Programme (PPR)  
مہتمم جی غربت ختم کرنے کے لیے  
Mentoring and Technical Assistance Conference (M/TAC)  
سرگودھا



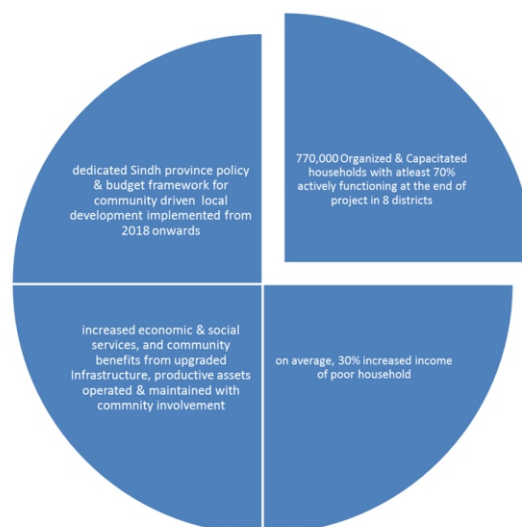
# Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Programme

The Sindh Union Council and Economic Strengthening Support (SUCCESS) Programme builds upon the experiences of the Union Council Based Poverty Reduction Programme (UCBPRP) of Government of Sindh (GoS). SUCCESS is aiming at supporting GoS in developing its local Community Driven Development (CDD) policy and allowing for a wider geographical outreach and providing financial means for important impact in rural Sindh. The Programme is funded by the European Union (EU) and is being implemented by three member RSPs working in Sindh, namely, Sindh Rural Support Organisation (SRSO), Thardeep Rural Development Programme (TRDP), and National Rural Support Programme (NRSP). The SUCCESS Programme covers eight out of the 24 districts of the Sindh province for six years.

The specific objective of the SUCCESS Programme is to reduce poverty through undertaking CDD based on RSPs' proven social mobilization approach. Living

conditions are expected to improve by building the local social capital for better access to basic social, economic services and providing access to income generating and diversification activities with active women participation at the grassroots levels.

## The programme expected results are:



## Statistical Performance of SUCCESS programme as of June 2019

Key Performance Indicators		Project Target	Achievement July-2018 to Jun-2019	Cumulative Achievement as of Jun-2019
Household organized	Household	187,476	20,351	168,452
CO formation	CO	8,577	338	8,015
VO formation	VO	1,319	154	1,199
LSOs formation	LSO	99	37	98
Community members trained in Community Management Skill Training (CMST) for COs Leaders CMST - CO Office Bearers	Person	21,441	1,211	15,249
Community members trained in Community Management Skill Training (CMST) for COs Leaders LMST - VO Office Bearers	Person	3,299	448	2,417
LMST - LSO Office Bearers	Person	396	129	300
Activists Workshops	Event	252	17	104
CRP Trained	Person	990	239	814
Community Book Keepers Trained	Person	1,419	169	596
TVST (participants)	Person	17,733	2,719	3,351
IGG Grant No. of CIs	VOs/LSOs		160	304
IGG Grant Amount (Rs. In Million)	Amount	265.92	104.44	169.54
No. of IGG Disbursed	Household	18,994	4,295	4,295
IGG Amount Disbursed (Rs. In Million)	Amount	265.92	53.05	53.05
CIF Grant No. of CIs	VOs/LSOs		95	260
CIF Grant Amount (Rs. In Million)	Amount	584.99	238.54	503.89
No. of CIF Disbursed	Household	41,785	19,871	25,080
CIF Amount Disbursed (Rs. In Million)	Amount	584.99	280.12	345.14
Micro health Insurance (MHI)	Household	47,984	18,175	42,058
CPIs Initiation	Scheme	752	170	254
CPIs Completed	Scheme	752	76	105



## The Programme Achievements

The programme has successfully completed 3 years and has entered in its 4th year of implementation, empowering organized women by engaging them to reduce poverty at household level. The programme has successfully created a social pillar at the grass root level by organizing 168,452 poor households which forms 8,015 Community organisations [COs], 1,199 Village organisations [VOs] and 98 local support organisations [LSOs]. The CIs are involved in planning and executing development activities through their Micro Development Plans MIPs.

Through CI forums, women are raising their voices and are expanding their role for effective advocacy on critical thematic issues such as the violence against the women, breaching of civic rights, lack of basic information on the rights, gender, education, health and most importantly ability to improve the existing service delivery mechanism at the grass root level.

The CI's plans also help them to execute their income generation activities and physical infrastructures. Till reporting year, income generating grant [IGG] of PKR 169.54 million is disbursed to 4,295 poor households who do not have financial ability to repay the amount obtained from their CIs. Financial assistant of PKR 53.89 million is also disbursed to 25,080 households as soft loans for starting income generating activities.

The CPI schemes are being identified, managed and maintained by the rural women themselves. A total of 254 Schemes have been initiated. A total of 3,351 young boys and girls have been trained in vocational skill for better livelihood. Micro health insurance is provided to 42,058 households having PSC 0-11 to avail free treatment facility.

For smooth working relationship with Govt; the participation of local government authorities, elected representative and the other entities in the different activities of SUCCESS programme, has been very effective throughout the programme.



## Investing in Social Enterprise to Fight Poverty

Social Mobilization centers around the belief that poor people have an innate potential to help themselves. Community Resource Persons (CRPs) are key agents for achieving the transformational economic, environmental and social changes required for sustainable development.

For last 16 years, hundreds of interventions have been extended by SRSO with support of Sindh Government and other funding partners, all aligned with today's SDGs but it is fact that efforts toward community sustainability cannot be done by SRSO alone instead community's social entrepreneurial efforts impacts poverty alleviation. Over the period of time, it is learnt that a focus on women/community in entrepreneurship is a successful anti poverty strategy.

It is clear that while microcredit or any financial assistance is a prerequisite for poverty alleviation, it is more effective when the social development needs of women and their families are met at the same time.

The reporting year evolved in addition to providing microcredit to rural poor, to adopting a broader social development agenda. This focus helped in sustainability of women's businesses and continued upward movement out of poverty. It is clear that women are an integral part of alleviating poverty in any nation. Combining the efforts of women and social entrepreneurship as a method of innovation and creativity toward positively assisting the problems of poverty is a potential route for sustainable development.

### Statistical performance of Community Resource Persons Incentivized in reporting period:

PINS II & III	WASH CRPs	1,164
	Agriculture CRPs	1,148
	Masons	320
	Plumber	315
	CLEWs	65
	Poultry Entrepreneurs	2,632
	Fish Farmers	120
	Small Agriculture Farmers	2,995
	Community Health Workers	324
IALP	Community Influencers identified & trained (for sessions on SM, Sexual Reproductive Health, Birth spacing etc.)	1,290
PPRP	Book Keepers Identified and Trained	5,581
Teachers Hired	Community Cluster Schools	97
	AALTP	15
	USAID HUB School Project	11
WeT project	CRPs hired & Trained	1,617

<b>No. of CRPs identified, Trained and incentivized under multiple projects of reporting year</b>	<b>17,694</b>
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## Micro Health Insurance (MHI)

1.21 million Poor people are prevented from financial burden resulting from sudden health shock (SDG 3.8)

### Poorest of the poor, widows and people with physical disabilities are treated for free

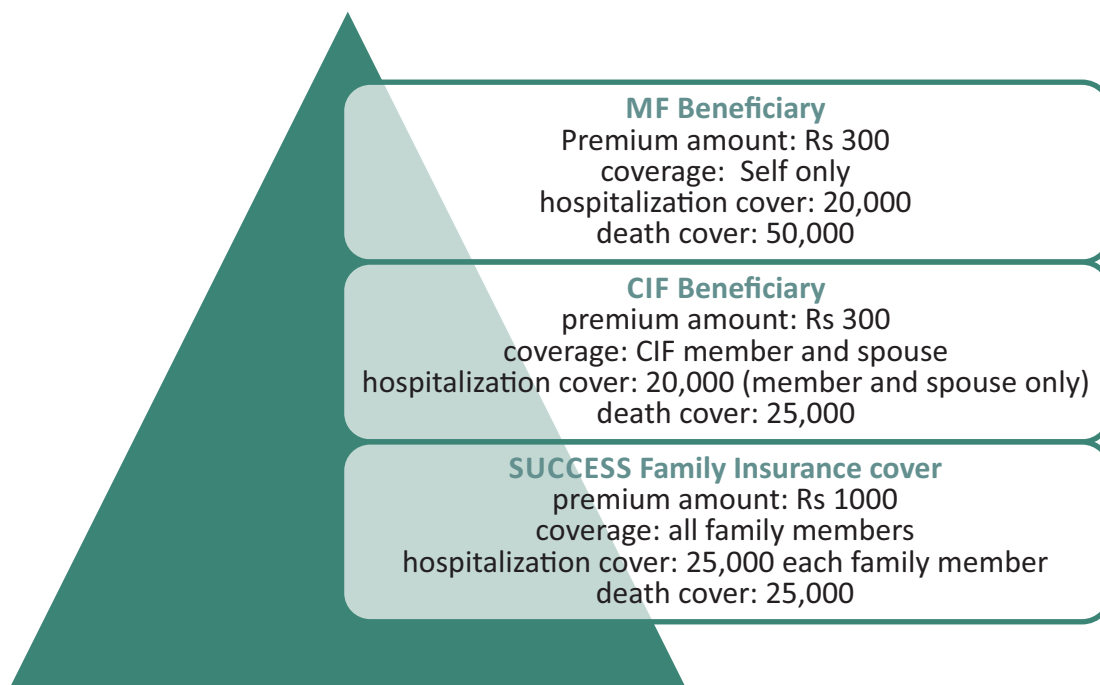
Over the past decade, community based Micro health insurance (MHI) has proved to be a potential health-financing tool for poor in SRSO operational area. The intervention has reached an enrolment of 754,039 poor households covering 1,991,666 headcounts, by the end of the ten years of operation. Government of Sindh in UCBPRP (in past), SRSO Core in CIF and European Union EU in SUCCESS projects are the major funding partners for Micro Health Insurance program.

For those living below the poverty line benefits from the health scheme comprising wide range of free medical indoor services including maternity from the public and private empaneled hospitals of their choice across the province.

#### MHI Benefit Package

- Premium amount PKR 200 –PKR 1,000
- Maximum benefit Rs.25,000 per family member per year, covering all diseases including maternity
- All age groups covered
- Full hospitalization (24 hours or more), procedures which involve day long indoor treatment, Day care surgeries ,Maternal and child health (MNCH) package
- Diagnostic tests during hospitalization
- Transportation cost within the city
- Death cover of beneficiary who received the interventions

SRSO understands its community needs therefore following flexible MHI packages have been designed and being offered Keeping community's affordability:



### Statistical Performance of MHI as of June 2019

Programme	Performance indicators	Achievement as of June 2018	Yearly Achievement July 2018 to June 2019	Cumulative Achievement (Since Inception as of 30th June 2019)
Micro Finance	MHI MF Credit Insurance	452,116	76,900	529,016
	Total premium amount paid to Insurance Company	65,010,762	22,816,900	87,827,662
	Amount Received from Insurance Company	39,734,193	20,570,118	60,304,311
	No. of Patients Treated	2,185	848	3,033
SRSO-CORE	HHs Insured	156,479	15,011	171,490
	Total premium amount paid to Insurance Company	98,817,624	4,355,000	103,172,624
	Amount Received from Insurance Company	90,739,993	4,425,045	95,165,038
	No. of Patients Treated	6,703	251	6,954
SUCCESS	HHs Insured	37,798	42,058	79,856
	Total premium amount paid to Insurance Company	37,798,000	42,058,000	79,856,000
	Amount Received from Insurance company	9,767,741	22,148,064	31,915,805
	No. of Patients Treated	570	1,077	1,647
Total	HHs Insured	646,393	133,969	780,362
	Total premium amount paid to Insurance Company	201,626,386	69,229,900	270,856,286
	Amount Received from Insurance company	140,241,927	47,143,227	187,385,154
	No. of Patients Treated	9,458	2,176	11,634

In reporting year, total 133,969 new beneficiaries enrolled for micro health insurance protection. Major projects providing MHI facility are European Union (EU) funded SUCCESS project, SRSO Microcredit program and Community Investment Fund (CIF) disbursed in other districts under SRSO core funding program. These policies covered 358,870 and 1,351,132 headcounts in reporting year and cumulative since inception respectively. All the beneficiaries belong to the poorest of the poor households. Out of 56 million paid premium amount, 20 million was reimbursed to the community on account of settled claims in reporting year while since inception till now, healthcare services of PKR 114 million have been provided to the 11,634 MHI beneficiaries through different projects.





## Gender & Development

The road to empowerment through gender-responsive poverty alleviation programming

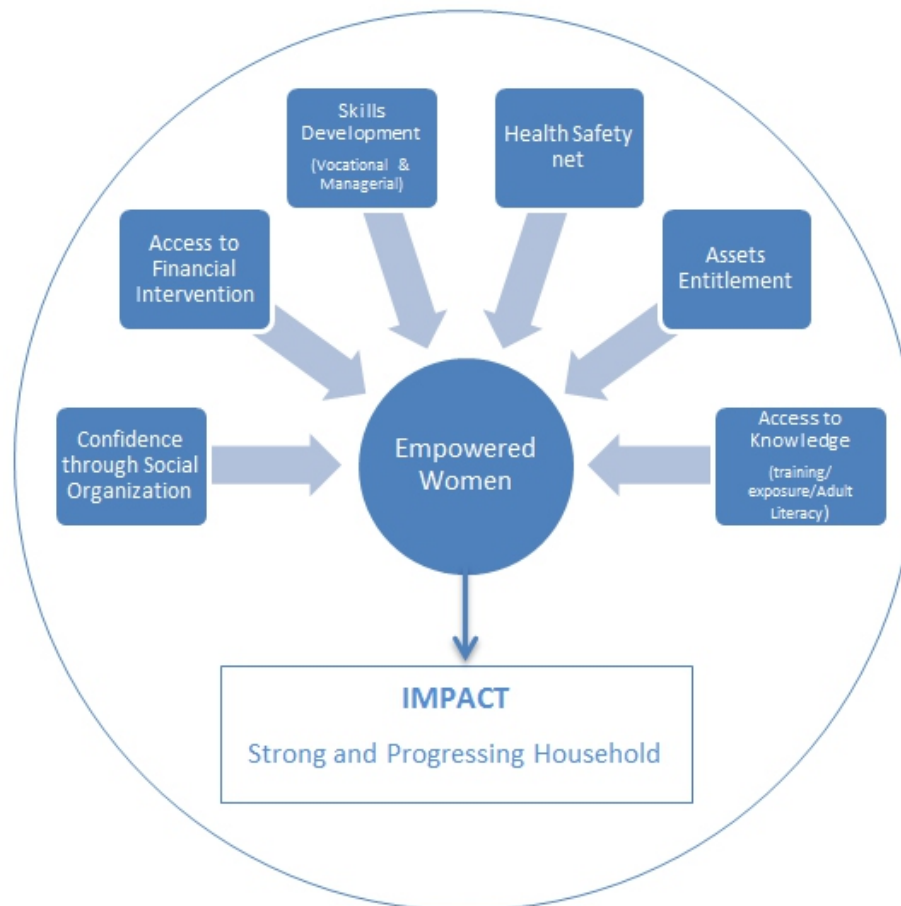
*“Organizing and empowering 1 million women from poor households helps to reduce poverty prevalence, early marriages, increased awareness and access to education specially girls’ education, clean water, better hygiene and nutrition in children and women of reproductive age, in rural areas of Sindh”*

*(Supporting SDG 1, SDG 2, SDG 3, SDG 4, SDG 5B & 5.6, SDG 6, SDG 8, SDG 11.*

Women constitute about half of the total population of the world still in all regions of the developing world women do not enjoy the same legal, social and economic rights as men do. In Sindh too, situation is no different. Women in Sindh are suffering from the inadequate access to employment, income, education, health care, nutrition and skill development despite impressive legislations in province. In this situation, Women's decision about participation in SRSO's call for Social Organization is of critical importance in determining women's potential and

eagerness to improve living standard, dependency burden and saving pattern of their households.

Women are critical agents in the fight against rural poverty. Supporting them in reaching their full potential will enable rural development processes to be more effective. Believing this, gender equality is an integral part of SRSO's Strategic Framework, where it is addressed as a cross-cutting theme. Following diagram shows institutional and programmatic priorities of the organization.



## Integrating gender perspective in poverty reduction programming

Since 2008, focus of SRSO interventions shifted on women. Today, every single intervention is women focused in lined with SDGs to reduce poverty and attain gender equality. This shows SRSO's commitment to empowering women, both economically and socially, and also enhancing their self-esteem. From a state of complete dependence, these women now have a secure job, regular flow of income, bank accounts, and more importantly, a voice that could be heard. The most encouraging aspects are the changes in women's lives, their growing involvement and influence in their local communities. There are stories a plenty of women now being able to help their families move out of vulnerability, investing in their children's education, and gaining the respect of their husband and relatives. They play an active role in decision making bodies of community organizations, through representation on the genera and executive bodies.

### Male involvement in Gender & Development:

SRSO designs and implements awareness workshops that promote male involvement addressing gender needs. These workshops results men's acceptance of

the programme which ultimately supports women. In reporting year awareness workshops were conducted in which 581 male & female counterparts of community members along with SRSO staff participated positively.

### Following activities carried out in year 2018-19

1. International Women's Day celebration at community level 6 events 1200 participants
2. 3 events of Mother's Day celebration for giving tribute to 300 women in remote areas of Sindh.
3. 58 new staff from auxiliary to professional levels was oriented on concept of gender mainstreaming and organization's code of conduct and gender policies to create enabling environment for women staff members.
4. Orientation on gender mainstreaming at community level in all trainings like CMSTs, VO-VMSTs, LSO LMSTs, CRPs, Book Keepers etc , are the routine and cross cutting activity in SRSO programme.
5. Provided exposure visits to staff members at national level for understanding current developments in gender mainstreaming at other stakeholders level.



# Crafts Enterprise Development (CED)

SRSO's mission is making its artisan members self-sustainable and to give them access and control over a significant financial and social resource, a status in their family and society

Women entrepreneurship development is an essential part of human resource development. Any strategy aimed at economic development will be lop-sided without involving women who constitute half of the Pakistan population.

SRSO has proudly contributed in making rural women confident, innovative and creative entrepreneur capable of achieving economic independence individually or in collaboration, generating employment opportunities for self and others through initiating, establishing and running an enterprise by keeping pace with her personal, family and social life.

Since 2007, SRSO Craft Enterprise Department (CED) is striving to provide sustainable alternative incomes for women in rural Sindh. CED provides continuous training to women artisans to improve their skills, a support network to them in their villages and a respectable position in their family and society. To achieve this, skilled artisans are organized in business development groups (BDGs). These groups comprise of 10-20 members trained in same trade. These groups are capacitated in products' value addition as per market need, market linkages, pricing, selling etc. The concept of BDGs is proving to be a helpful instrument for the women empowerment.



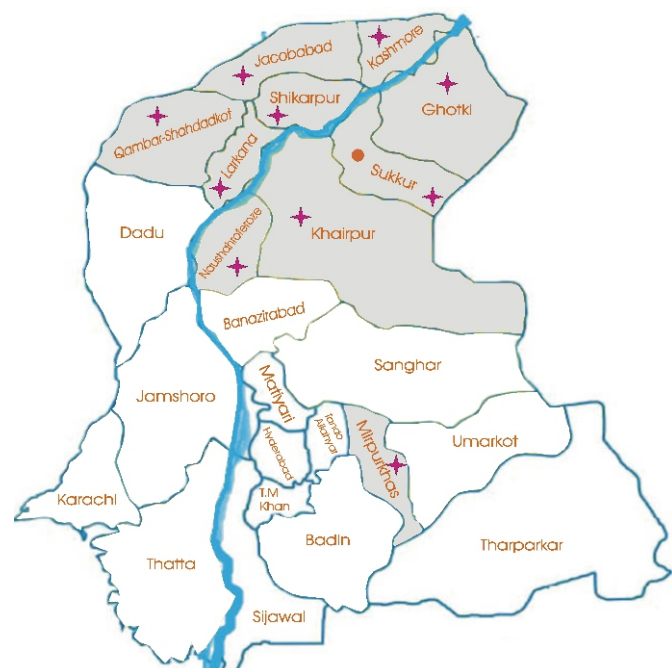
## BDG's Growing Influence

### Sartyoon Sang: Transition to a Social Enterprise

*Sartyoon Sang* is an outlet of SRSO where BDGs work is displayed. It is a platform which gives artisans capacity building and marketing opportunities through exhibitions. All the sale and profit is provided to poor community artisans for increasing their income.

Having started with 15 women, SRSO CED today prides itself of being a 3,508 member family. There are 168 BDG groups spread over 10 districts and each group comprises of 10-20 artisans. These BDG artisans create exquisite and exceptional craft products with their signature handwork and appliqué in *kurtas*, home furnishings and accessories. All products are sold under *Sartyoon Sang* name which represents SRSO rural artisans.

(MAP of SINDH with BDGs marked districts)



**SRSO community artisans earned PKR 7.9 million in the reporting year 2018-19 through participation in 10 exhibitions through Sartayoon Sang CED SRSO.**

**Impact of CED's work:**

SRSO CED's work has catalyzed a noticeable change in the lives of its artisans, who once were not even exposed to their own villages. Today these women artisans are confident enough to make their own decisions within the family as well as in different socio-political groups. Economic empowerment has also created a marked difference in their awareness towards education, healthcare, social status and family life

**Way Forward**

SRSO signed MoU with software company Excellence Delivered ExD to promote artisans' products through online web portal. ExD will develop separate pages for each BDG group to increase outreach. Eb portal will be maintained on daily basis.

A productive linkage with Sindh Indigenous & Traditional Crafts Company (SITCO) was also established in which SITCO agreed to engage community artisans/BDGs in exhibition events and display of their products to increase market reach and income.



# Community Physical Infrastructure (CPI)



**80,711** previously deprived poor souls have now access to clean drinking water at doorstep

**97,364** Poor quit open defecation and got access to the toilet facilities.

## SDG 6

Ensure availability and sustainable management of water and sanitation for all



SRSO, through its CPI unit strives to positively impact the lives of the poor across its operational area by implementing small scale physical infrastructure schemes through community involvement.

SRSO through the operations of its CPI unit supports the building of small scale community physical infrastructure schemes within intervened communities. Main areas of interventions are Drinking Water Supply Schemes (DWSS), Communication, Irrigation, Sanitation and Low cost housing schemes. These projects play a key role in providing access to clean drinking water, improved sanitation and increased transportation and allowing market linkages in remote, inaccessible areas of the Sindh.

The CPI unit works through community organizations to ensure development and sustainability of physical infrastructure at the grassroots level.

In rural Sindh, inadequate physical infrastructure, drainage system and sanitation poses a serious threat to health, hygiene and standards of living amongst poor and vulnerable households. Lack of basic infrastructure exposes the poor to high risk diseases, increases mortality (especially amongst children), increases health and transport costs, and adds a multiplier effect on poverty indicators. Therefore,

Since 2003, SRSO implemented **54,899** CPI projects. These physical improvements led to economic, non-economic, Sanitation and social benefits for the **426,696** poor in rural areas of Sindh. **149,343** of the benefited population are children

### Statistical Performance of PITD as of June 2019

Types of CPI Schemes	No. of Schemes	BHHs
Sanitation	15,958	87,738
Street Pavement & Sanitation	74	13,443
Drinking Water Supply Schemes (DWSS)	9,540	52,556
Low Cost Village Improvement Schemes (LCVI)	72	7,248
Communication	436	39,788
Irrigation	462	14,010
IAUP	1	75
Water Filter Plants by GoS	40	28,570
Street Lighting on solar system	5	301
Schools Renovation/Construction	28	4,288
Low Cost Housing Scheme	18,756	18,756
Benazir Housing Cell (2015-2018)	490	490
<b>Total of CPI Schemes</b>	<b>45,862</b>	<b>267,263</b>

### Flow Chart of CPI Implementation Process



## Strategy for Cross Cutting Issues

Strategy to address the cross cutting issues is also given due importance while implementing CPI projects. The cross cutting areas include: i. community willingness and ownership. ii. Women's involvement and participation. iii. Appropriate gender specific needs iv. Developing a behavioral change communication strategy

## Operations and Maintenance

Operation and maintenance of existing and new schemes, is an important strategy for ensuring continued functioning and sustainability. This should be assigned due priority during planning, budgeting, implementing and monitoring/supervision. To ensure this, O&M committee is formed comprising of women community members. O&M funds are also allocated in the beginning of project.



## SDG 11.1 Adequate Housing Reviving Hopes by Rebuilding Houses

Adequate housing is fundamental to improve living standards among poor and low-income households because it is one of the major components of the social infrastructure, the lack of which begins to offset the positive effects of economic development. In rural areas of Sindh, poor cannot afford even a two-room small house. Their low incomes decline as inflation surges. Estimates are that the province needs more than 2-2.5 million houses for the low-income families every year.

SRSO implemented major housing scheme in 2010 when devastating floods entered Sindh and inundated large parts of the province. According to PDMA Sindh, approximately eight million people were affected with an approximate damage of Rs. 446.80 billion, with the highest losses experienced in the sectors of agriculture, livestock, housing and irrigation.

SRSO through the help of government of Sindh and many other donors initiated housing schemes for the poor in Sindh and till now, 27,455 one and two room low cost

houses have been provided benefitting 178,458 most vulnerable poor. SRSO's main funding partners for low cost housing schemes are Yusra Foundation, Bakhtawar Foundation and IOM during post floods rehabilitation phase and GoS, BHC, PHC since 2009 till now.

The Sindh government and SRSO's approach to rural housing has been based on four considerations: (1) It is for poorest of the poor (2) highly subsidized housing; (3) the poor should use their own labor to construct their houses; (4) low-cost houses should use local materials and local skills.

SRSO through its housing scheme has given entitlement to **27,455** women community members and has increased their confidence and status in family.





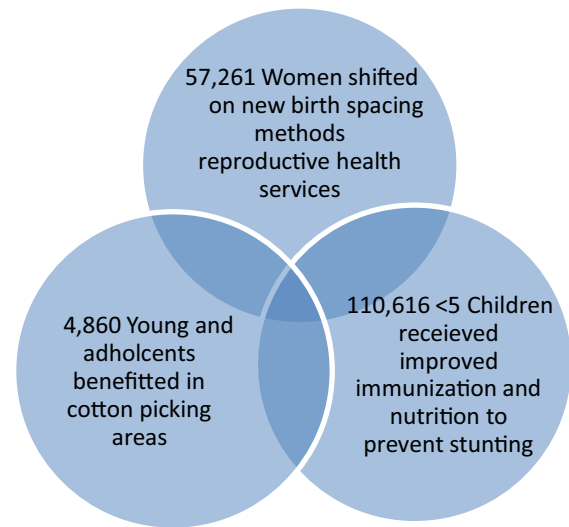


## Social Sector Services

### (Health Component)

Supporting SDG 3 (3.1, 3.2, 3.7 & 3.8)

172,737 Women and children under 5 have improved access to quality healthcare, nutrition and reproductive health in SRSO operational area.



The Province of Sindh is confronted with multifaceted problems related to the delivery of health care and family planning services. These are further compounded by a high population growth rate, widespread illiteracy (particularly in the rural areas and especially among women). The prevalence of malnutrition is unacceptably high. Currently, Sindh has 45.5% stunting rate, a higher than the national average of 40.2% (Ref: National Nutrition Survey 2018) and acute malnutrition rate has touched 23 percent. Based on this, Malnutrition which includes stunting, wasting and obesity have been firmly on the agenda of GoS along with all stakeholders.

Contributing in improving health and nutrition of the community is one of the priority agendas of SRSO. Major focused interventions are Malnutrition and Birth spacing. Following partnerships help us create sustainable change for the people most vulnerable.

#### Contractual details:

**Project Agreement:** 2018-2021

**Contract Value:** US \$ 668 Million

**Financially Assisted By:** EU, PDD, GoS

**Development Partner:** RSPN

**Operational Area:** Shikarpur, Larkana & Kamber Shahdadkot

### PINS (Programme for improved nutrition in Sindh)

PINS's overall aim is to bring substantial and rapid improvement of nutritional status of under-five children and PLW (Pregnant and Lactating Women) in rural Sindh by reducing stunting rate from the existing 48 percent to 40 percent by 2021. This corresponds to the second target indicator of the Sustainable Development Goal (SDG) No 2.

#### SRSO's strategic interventions focus on

Expected Result PINS-III	Expected Result PINS II
Nutrition Sensitive Interventions	Nutrition Specific interventions
Water Sanitation Hygiene (WASH) Agriculture Food Security	Treatment of Malnutrition Referral system IYCF for preventive work at facilities BCC Promote breast-feeding and complementary feeding by engaging community and media



## Statistical Performance of PINS as of June 2019

Key Performance Indicators	Total Programme Targets	Cumulative Achievement as of June 2019
Sub-Granting with LSOs	65	38
Training of WASH CRPs	1,312	1,286
Training of Agriculture Entrepreneur	1,312	1,282
Training of Masons	325	320
Training of Plumber	325	315
Training of CLEWs	65	65
Training of WASH Entrepreneur	320	287
Number of Poultry Entrepreneurs Oriented	3,280	1,181
Numbers of Poultry Entrepreneurs Provided with Support for Demo Poultry Cage	656	182
Number of Demo Cages Constructed	656	170
Number of Community Poultry Entrepreneurs Provided with the Poultry Inputs	3,279	885
Training of Fish Farmers	120	16
Provided financial support to Goat Beneficiaries	1,875	502
Provided financial support to Small Farmer	4,950	2,995
Provided financial support to Progressive farmers	65	30
FFS Selected/ Made Compost	656	462
Development of Village Action Plan and Triggering	656	295
Construction of Demo Latrine	656	156
New latrines constructed by community	-	1,586

## Delivering Accelerated Family Planning in Pakistan (DAFPAK)

### Contractual details:

**Project Agreement:** 2018-2022

**Contract Value:** US \$ 149 Million

**Financially Assisted By:** PSI, UKAID, DFID

**Development Partner:** RSPN

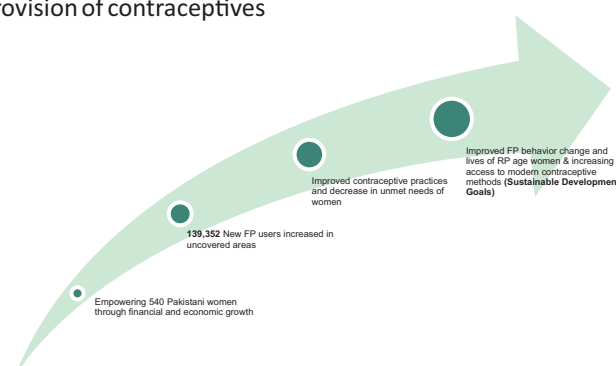
**Operational Area:** Shikarpur, Jacobabad & Kamber Shahdadt

Pakistan is currently experiencing a clear imbalance in population needs and available resources women in Pakistan still report a high unmet need for family planning services, of ~20% (Ref: 2 Pakistan National Tuberculosis Programme, Islamabad, Pakistan). The population of Sindh has doubled in less than 29 years (1981-2010) and projected to further escalate, with implications of constraining the development efforts. This rapid change emphasizes the need to focus on population variable as a dominant factor affecting and influencing socio-economic development goal and process in the Province.

Delivering Accelerated Family Planning in Pakistan (DAFPAK) emerged from joint partnership between SRSO and RSPN with financial assistance from PSI, UKAID and DFID. Together, their mission is to increase the use of modern contraceptives in the uncovered

areas of Shikarpur, Jacobabad and Kamber shahdadt districts by 15% among half a million married couples in selected communities. The project began in 2018 and will continue till 2021. Over a period of 4 years and with an investment of PKR 149 million, the project aims to achieve:

- The community-wide sensitization of men and women on reproductive health issues as a result of dissemination of information on family planning services
- The formation of Village Health Committees (VHCs) to represent the entire community and bring behavioral change through demand creation for birth spacing and service delivery facilitation through outreach camps
- Women empowerment through the 'Business in a Box' venture, that incentivizes door-to-door service continuity by helping CRPs set up a profitable business
- An uncovered population of 0.5 million in 03 districts benefiting from access to information on birth spacing and provision of contraceptives



## Statistical Performance of DAFPAK as of June 2019

Key Performance Indicators	Jacobabad	Kamber Shahdadkot	Shikarpur	Cumulative Achievement till June 2019
Couple Year Protection	37,680	13,393	44,999	96,072
Family Planning Users	16,757	8,137	20,425	45,319
Family Planning New Users	16,318	10,789	21,414	48,521
Out Reach Camps	3,236	2,275	2,885	8,396
District Technical meetings	8	5	10	23





# Social Services Sector – Education Component

Supporting articles 25A, 37B of Pakistan Constitution and SDG Goals no. 04

Provision of inclusive and equitable quality education, positively impacts generations to come. Unfortunately, education has not received the due attention that it deserves. In Sindh, almost 51 per cent of its children, adolescents and youth in the 5 to 16 years' age group are out of school (Ref: Sindh Non-Formal Education Policy 2017).

The drop-out rate is shockingly high as well. Retention of students from primary to above primary levels is one of the most significant challenges that needs to be addressed. Total high school enrolment in Sindh is a mere 15 percent of total primary school enrolment. This implies that on average of every one hundred students that are enrolled in primary school, only 15 end up in high schools. (source Alif Ailaan 2018. 2013-2018 Five Years of Education Reforms. Wins, Losses and challenges for 2018-2023)

Realizing this, SRSO has been undertaking many significant measures to improve the access and quality of education in its operational area from a decade. Currently, there are 146,690 students are enrolled in SRSO managed schools.

In the reporting year, efforts to reinvigorate and organize the education component have increased with active assistance from a number of partners. These include GoS, SEF, USAID , UNICEF (IKEA) and BISP Waseela e Taleem.

## Adolescent and adult learning and training Programme (AALTP)

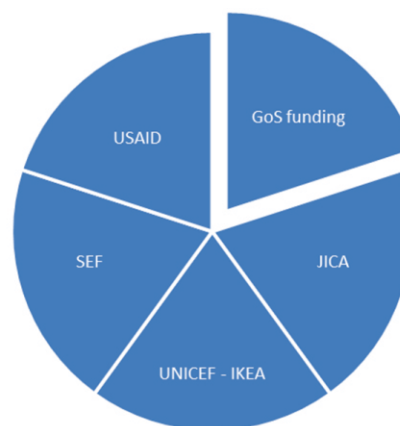
SRSO has increased focus on non-formal education through its social services sector to provide opportunities to out of school children and adults without literacy. This problem area has always been challenging to focus by govt and other entities due to lack of financial and technical capacity. With increased support of our development partners and in-placed community institutions, SRSO has been able to contribute in meeting the objectives of Articles 25A and 37-b of the Constitution of the Islamic Republic of Pakistan and Sustainable Development Goal 4.1

AALTP is a 30 months project signed between SRSO and Sindh Education Foundation (SEF). The project is implementing in Shikarpur district with an aim to provide accelerated formal primary education for vulnerable adolescents and basic functional literacy for adults together with a certified Skill Development / Vocational Training course for each learner so as to enable them by

An estimated 6.67 million children aged 5-16 are out-of-school in Sindh. Primary NER is 61% for ages 6-10 years in which girls' ratio is only 24%

## On-going Education Projects

- Maintenance of 81 Primary Schools of UCBPRP
- 09 Cluster (middle/high) Schools
- Adolescent and Adult Learning & Training Programme (AALTP)
- Improving Adolescent lives in Pakistan
- BISP WASEELA E Taleem Cluster Iis
- USAID EMO Hub Schools.



providing them with varying opportunities of human capital development and socio economic growth.

## Project Activities

SRSO will impart accelerated Primary Education courses which will be provided by the SEF. Course duration varies from 8-14 months starting from kindergarten till class 5 (Primary).

Project will benefit adolescents with functional literacy and/or entrepreneurial skills.

Technical Training Component will be provided for Adolescents & Adults after learning phase.

Initiation of an enterprise/business, individually or in groups through creation of business incubators linked with interest free micro-finance facilitated by the Sindh Education Foundation (SEF) Funded by Sindh Government.



### Statistical Performance of AALTP as of June 2019

Key Performance Indicators	Progress as of June 2019
No of Established AALTP Centers	3
No of enrolled Students	527
No of Hired & Trained Teachers	15
SEF provided Teaching Aids (Scheme of Study & Guide Books; English, Sindhi & Maths)	15
No of Adult trained	178
SEF Office provided Learners Kits for enrolled Children	527
Recruited Staff for SEF AALTP Project; Project Officer, Social Mobilizer, Accountant, Auxiliary Staff.	5

### Improving Adolescent Lives in Pakistan (IALP)

SRSO entered into a partnership with RSPN for the implementation of Improving Adolescent Lives in Pakistan (IALP), in Ghotki and Khairpur, districts of Sindh, with the financial assistance of UNICEF and IKEA Foundation.

This is a 3 year project focusing on empowering adolescents with assistance in realizing their own expertise and giving them a platform to act from. The primary focus of this project is to support a reduction in child marriage, particularly among adolescent girls. In addition to this, there is a key focus on providing basic and advanced information and knowledge and equipping adolescents with life skills by different

meaningful key interventions which will boost their capacity. This will enable adolescents to build and express their innovative and creative opinions with self-assurance and determination, a skill that will be invaluable for promoting and protecting their rights and providing a platform for freedom of expression. Parents and communities will be capacitated to understand adolescents' rights and support their realization through enhanced access to community-based structures equipped to strengthen the protective environment for children, prevalence of anemia and malnutrition, attitudes towards domestic violence and abuse.

### Statistical Performance of IALP as of June 2019

Activities	Project Target	Achievement
Identification and Formation of Adolescent groups (Boys 50% and Girls 50%)	1,000	4,358
ToT on adolescent's empowerment toolkit	8	8
Six days TOT for project staff (Pax Trained)	8	8
Three days training of project staff on reproductive health and family planning (Pax Trained)	8	8
Refresher training to Adolescents champions (Two days trainings)	6,480	4,860
Three days training of Key Community Influencers (KCIs) (Pax Trained)	1,029	958
Action Plan Development	1,000	797
Action Plan Implementation	540	540
Training of adolescent on Art	540	354
Three days training of Key Community influencers (KCIs) (religious leaders, parents, women's groups, village elders, health workers, teachers, local councilors)	600	535
Text Messages of International Day	40,000	32,352
Organize visits and workshop with sectoral experts for adolescent groups to be exposed to successful experiences in the topic of choice of their action plans (journalism, arts sports, poetry, photography etc.)	500	409
Street Theaters	100	60
With support from LSOs organize community events to celebrate identified international days relevant to adolescent rights	88	66

*The Constitution of Islamic Republic of Pakistan, 1973 clearly lays down the provision in Article 37 (b) that: "The State of Pakistan shall... remove illiteracy and provide free and compulsory secondary education within minimum possible period".*

*Section 9 of the constitution (Eighteen Amendment) Act, 2010 inserted a new article 25 (A) in the constitution, with effect from, April 19 2010. It says: "Right to education –The State shall provide free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law".*

*In Article 26 (1), United Nation Universal Declaration of Human Rights, 1948, it is clearly laid down that: "Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education is compulsory."*

## BISP Waseela-e-Taleem Cluster II

SRSO, with the support of Benazir Income Support Programme (BISP), is implementing a two year Waseela e Taleem (WeT) programme in two districts of Sindh, Jacobabad and Kandhkot Kashmore. Project aims to financially support the primary education of 4 to 12 years old children for their enrolments and retention by providing conditional assistance to the eligible children of BISP's Unconditional Cash Transfer (UCT) scheme's selected beneficiary families.

The WeT programme is significantly contributing towards following three Sustainable Development Goals.

*SDG 1. End poverty in all its forms*

*SDG 4. Ensure inclusive and equitable quality education and promotion of lifelong learning opportunity.*

*SDG 5. Achieve gender equality and empower all women and girls*

By reporting period, BISP Waseela-e-Taleem programme has enrolled 137,741 primary school children across project area. Each beneficiary child receives a cash transfer of 750 rupees per quarter upon meeting the admission verification and attendance requirement. Under the WeT Programme, total Rs-103.31 Million has been disbursed to the BISP beneficiaries by Govt. of Pakistan.



## Statistical Performance of BISP Waseela-e-Taleem

Activities	Project Targets	Achievement as of June 2019
Data Collection for MSCA Application of all targeted school.	2,829	3,079
Registration of the children from BISP Beneficiaries Families.	243,839	137,741
Formation of the Mohalla/ Village level BISP Beneficiary Committee.	4,560	4,598
No of BISP Beneficiaries to be included in BBC (average 20)	90,520	88,210
Cluster Formation	297	297
CRP Trained	297	297
Women Leadership Training	1,096	582



# USAID-HUB-SCHOOLS PROJECT

(Sindh Basic Education Program Govt: of Sindh)

The Government of Sindh, “**Public Private Partnership- Unit finance**” signed Concession Agreements between School Education and Literacy Department, Government of Sindh and Sindh Rural Support Organization dated 17 -October 2017 for Government Girls High School Numaish Colony, Sukkur and Government Boys High School Sami, Khairpur. The Agreement was signed between both parties at Karachi, Sindh

The Government of Sindh through the Authority is seeking to improve the quality education in province of Sindh by collaborating with the private sector and outsourcing the operation and management of certain public sectors schools in province of Sindh to the private sector under pursuant to management and services contract The Authority has decided to implement the project by engaging the Operator/Implementer in certain public schools in the light of Operators bid and governed by KPIs

The capacity development program is main and most vital component of project in which pedagogical skills, content knowledge and innovative teaching methodologies are being imparted by professional and renowned trainers. The Child Protection Committee has been formed to address the concerns of students. Regularly follow the assessment system based on summative and formative in both schools which has promoted the culture of study in schools.

Moreover, the commemoration of co-curricular activities, study trips of different historical sites and

places, organizing sports activities, regular SMC meetings, and a series of community mobilization meetings are happening on regular basis to promote healthy atmosphere of school in collaboration with education department. We do have plan and implementation calendar of commemoration of national and global days. For instance, “Global Hand Washing Day, World Children's Day, 14th August an Independence Day of Pakistan, 23rd March, Pakistan Resolution Day”.

## Key Achievements of Project

Under the banner of USAID-EMO-Schools Project, Sindh Rural Support Organization is striving to unlock and unleash the potential of students of Government in both schools. SRSO has been taking tangible efforts to advance the noble cause of quality education in USAID- schools imparted by talented and qualified staff of SRSO and government education and literacy department. The cumulative enrollment of girls and boys is 1,310 (669 girls and 641 boys). We have successfully established the Science Labs in both schools in which regular practical of Chemistry, Biology and Physics are held to develop scientific horizons in the minds of students. Besides, a well-equipped computer lab has been established to inculcate the fundamental concepts of computer technology to students from class four to ten. SRSO is mindful to create and sustain conducive atmosphere for progressive learning outcomes of students.





# Skills to translate into poverty reduction and growth

Supporting SDGs 4.3, 4.4, 4.5, 8.6 & 8b

*64,739 young boys and girls received opportunity of employment through skill development, resulting reduced inequality and poverty. 50% of trained participants are women.*

Sindh is one of the Pakistan's poorest provinces, with over 60 percent of the population living on US\$1.25 a day or less. Unemployment among youth is high, and levels of formal education are low (58 percent dropout rate after primary school). Most youth rely on low-productivity subsistence agriculture or self-employment to support themselves and their families. Successful diversification of rural livelihoods requires investment in human capital. This includes encouraging skill based technical and vocational education.

In past 15 years, SRSO has developed managerial skills of thousands of women community members which has given them confidence to run their institutions effectively. Providing scholarship for vocational skill has also been on priority in SRSO program package. This allows new generation of young people to secure meaningful and decent work, ultimately contributing to more inclusive communities for all. Major projects which have contributed outreach of this component are Union Council Based Poverty Reduction Program (UCBPRP), Sindh Union Council and Community Economic Strengthening Support (SUCCESS), Peoples Poverty Reduction Programm (PPRP), Benazir Bhutto Shaheed Youth Development Program Pakistan Poverty Alleviation Fund (PPAF), SRSO core funds etc.

### Voice and Participation of Youth:

Out of total VTP beneficiaries, 72% is youth of 18-24

*Total 47.89 million population of Sindh, around 12.45 million citizens are youth, which makes up 26% of the provincial population and is in 12.31% rural areas. The government doesn't have enough resources to provide jobs to all the young people, therefore it is necessary to equip the youth with different skills so that they are able to make ends meet.*

years. During different internal and external tracer studies it is witnessed that young beneficiaries have higher trend of imparted skill utilization and hence they are more eager to engage in community life. Young beneficiary's engagement/involvement at all levels social and economic development decision making is also observed positively which increases opportunity to lift out of poverty.

### Skill Utilization

The key point to note here is the distinction between skills development and skills utilization that can lead to poverty reduction and/or growth. Developing skills is one thing, but if people cannot utilize these skills because other supportive measures are not in place, then skills development cannot lead to poverty reduction and/or growth. Therefore SRSO designs and integrated program activities to increase impact of intervention and access to microfinance and CIF are the most important amongst these. Linkages with local industries are also focused to ensure responsiveness. This leads to the increased chances of engaging trained youth in training related job placement.

Over the period of time, it has been witnessed through different in-house as well as external independent studies that many of the beneficiaries who are linked with such coordinated interventions are currently engaged in gainful jobs and have graduated on the poverty score card.

### Identification of Participants and Training Trades

The selection of the beneficiaries for the skills development program was

The selection of the beneficiaries for the skills development program is based on the given threshold of poverty scorecard (0-23) whose family member must be a CO member. Identification of trade is entirely community's decision keeping local market demand and participant's own strength/skill in view. HRD officer from SRSO keeps guiding throughout the identification and training process. The five most trending trades in context of demand and utilization are as under:

MEN	WOMEN
<ul style="list-style-type: none"> <li>• Car Driving</li> <li>• Motorcycle Repairing</li> <li>• Tailoring</li> <li>• Solar Panel Repair</li> <li>• Heavy Machine Driving</li> </ul>	<ul style="list-style-type: none"> <li>• Hand Embroidery</li> <li>• Applique Work</li> <li>• Basic Tailoring</li> <li>• Add Work</li> <li>• Beautician</li> </ul>

### Statistical Performance of IMSD as of June 2019

S.NO	Key performance Indicators	Achievement as of June-2018	Yearly Progress 2018-19	Cumulative Achievement as of May-2019
1	Community Training Participants Trained in all projects	229,405	64,818	294,223
2	Community Members Trained in Vocational Training	56,278	8,461	64,739
3	SRSO Staff Trained in all Projects	6,076	250	6,326



# Microfinance

## Micro-lending to End Poverty

Livelihood in rural Sindh mainly depends upon agriculture. As the distribution of land in rural areas of Sindh is limited to local landlords, the majority of the rural population is left with an inadequate resource base of production. Faced with a weak social security system to fall back upon, this section of landless or near landless rural population needs credit for its livelihood. This understanding led SRSO to make credit an integral part of its poverty alleviation programme.

SRSO Microfinance is an effective and financially viable alternative method of addressing rural poverty through provision of credit. Performance of community led micro credit system has been improving over the period of time in terms of targeting the poor, increase in earnings, assets holding of the poor, employment generation, skill improvement and financial viability particularly in women.

### Growth in total borrowers

Between 2004 and 2019, the number of microcredit clients at year-end grew by an average of 12 percent per year. Growth appears to have increased every year. In reporting year, 695,330 borrowers were benefitted with credit facility. For last one and a half decade, SRSO has continued to be major provider of

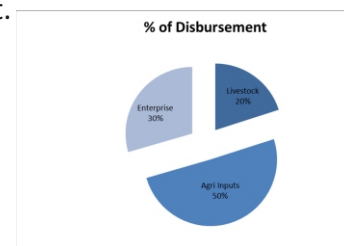
microcredit in rural Sindh. This indicates community's reliance on SRSO that certainly increases organization's responsibility towards addressing community needs for sustainable livelihood.

### Loan size and client poverty

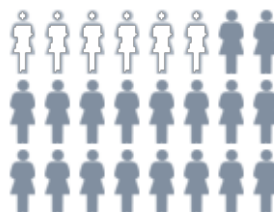
In result of various in-house studies, it is observed that poor people with access to microcredit have increased their incomes, built up their assets and use their savings to invest in better health and the management of household emergencies.

### Activities of Borrowers Financed by SRSO Microfinance programme

Various disbursement areas, loans for agri inputs is the most trending (50.47%) while employment activities through small-scale business/trade is the 2nd area of disbursement (29.49%), representing community's increasing trend towards self-employment. Disbursement in Livestock remained relatively small making 20% of the total disbursement.



Average Loan Size  
**PKR 21,000**



% of female clients  
**90%**



**14,658 Million Rs.**  
Disbursed as microcredit

### Sub-sector-wise microfinance disbursement since inception till June 2019

Disbursement	Amount (PKR)	No. of Borrowers	%
Livestock	2,938,607,022	137,755	20.05%
Agri Inputs	7,397,366,551	383,938	50.47%
Enterprise	4,321,955,000	173,637	29.49%



## Statistical Performance of Microfinance in 2018 -19

Key Performance Indicator	Yearly Progress 2018-19	Cumulative (Since Inception till June 2019)
<b>Total Disbursement</b>		
Male	2,430,352,000	14,657,928,573
Female	201,946,000	1,503,181,600
<b>No of Borrowers</b>		
Male	2,228,406,000	13,154,746,973
Female	79,426	695,330
<b>No of COs/ CG</b>		
Male	5,856	72,177
Female	73,570	623,153
<b>No of COs/ CG</b>		
Male	17,095	35,542
Female	2,178	5,207
	14,917	30,335
<b>Disbursement in Live Stock</b>		
Male	853,776,000	2,938,607,022
Female	10,695,000	212,610,500
<b>No of Borrowers</b>		
Male	843,081,000	2,725,996,522
Female	29,182	137,755
<b>No of Borrowers</b>		
Male	354	16,890
Female	28,828	120,865
<b>Disbursement in Agri-Input</b>		
Male	306,099,000	7,397,366,551
Female	782,000	498,178,100
<b>No of Borrowers</b>		
Male	305,317,000	6,899,188,451
Female	9,797	383,938
<b>No of Borrowers</b>		
Male	27	28,004
Female	9,770	355,934
<b>Disbursement in Enterprise</b>		
Male	1,270,477,000	4,321,955,000
Female	190,469,000	792,393,000
<b>No of Borrowers</b>		
Male	1,080,008,000	3,529,562,000
Female	40,447	173,637
<b>No of Borrowers</b>		
Male	5,475	27,283
Female	34,972	146,354

## Prime Minister's Interest Free Loan (PM-IFL)

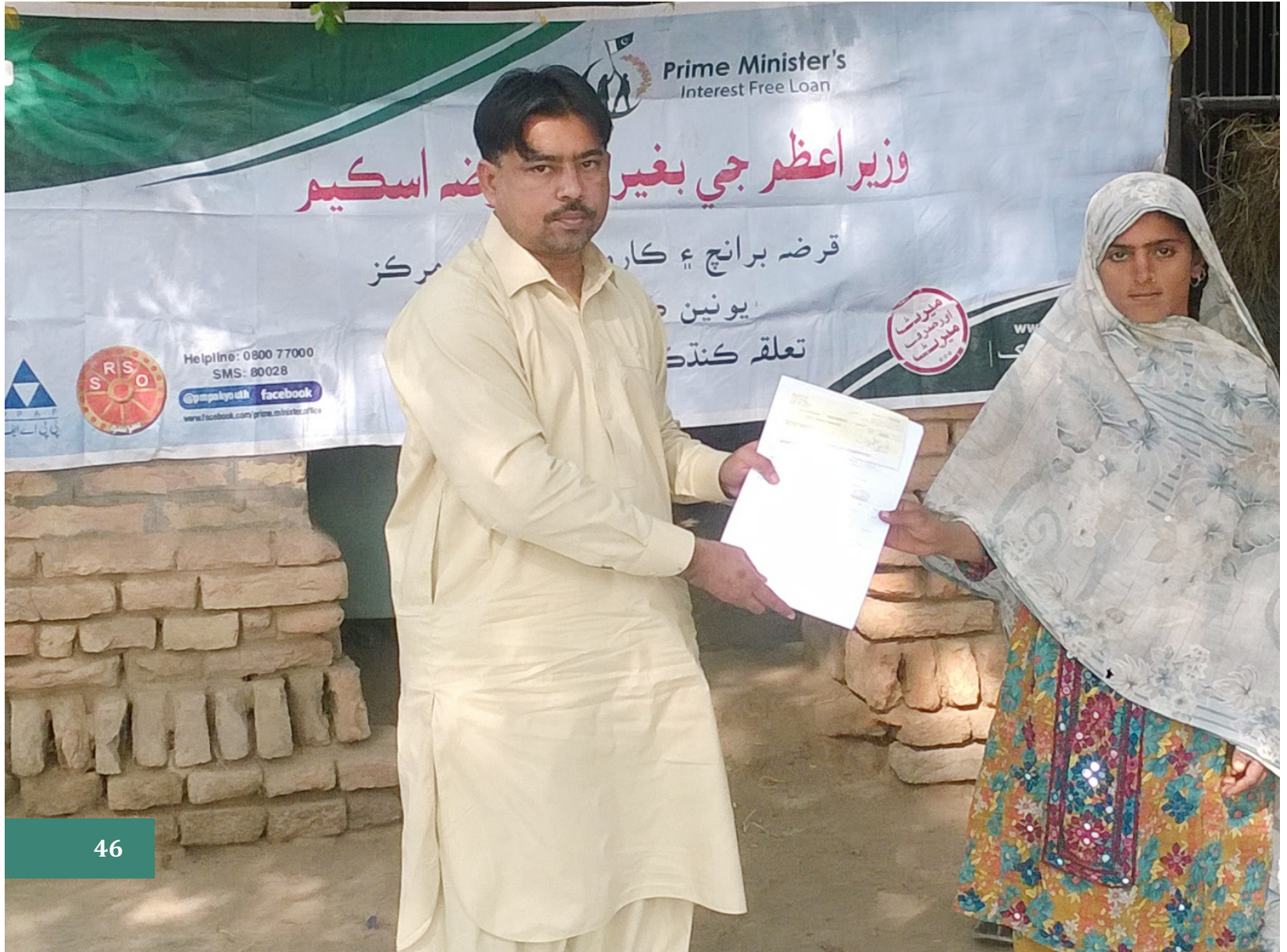
SRSO, with PPAF partnership, has initiated Prime Minister Interest Free Loan Scheme amounting Rs. 120,000,000/- (Rupees One Hundred and Twenty million only). It is a revolving loan facility for poor segment of the society who cannot afford to pay high interest rates offered by commercial financial institutions. It is kind of a unique lending programme which is initially treated as interest free loan for 4 years and upon satisfactory revolving till 4 years, it is converted into a grant for poor community with PPAF

approval, changing community's behavior from being "takers" to "givers", so that the fund will continue to grow and reach other needy people.

It is being implemented in 3 districts, Ghotki, Kashmore / Kandhkot and Shikarpur covering 0-40 PSC scored community members on the Poverty Score Card so that they may enhance their incomes and improve their quality of life and facilitate their empowerment both economically and socially.

### Statistical Performance of PM-IFL as of June 2019

Activities	Total Project Target	Progress as of June 2019
No: of branches established	12	12
No: of application received	6,234	1,633
No: of Applications Approved	6,234	1,633
No: of Application Disbursed	6,234	1,633
Amount Disbursed	109,000,000	16,842,000
Total Recovery due as of May - 2019 (OD+CD)	19,841,900	4,193,100





# Natural Resource Management

## Overcoming Poverty in Rural Sindh through Sustainable Environment, Food Security and Natural Resource Management

While Sindh is rich in natural resources, it is also subject to a host of environmental and development issues. There is a severe water shortage in the province, especially in the arid and desert areas. Land is also afflicted by desertification, waterlogging, and salinity. Forests occupy only 2.5 percent of the total land area and tree coverage has been rapidly decreasing due to overgrazing and felling. Moreover, due to increasing number of rain floods for past 8 years, agricultural, livestock and other income sources have impacted on the livelihoods of the local people adversely.

Owing to these factors and other issues such as poor economic and social development, the province has a high incidence of poverty and rural/urban migration. Recurrent droughts further compound the problems. Therefore, it is necessary that a sustainable development and good governance initiative be undertaken in the province.

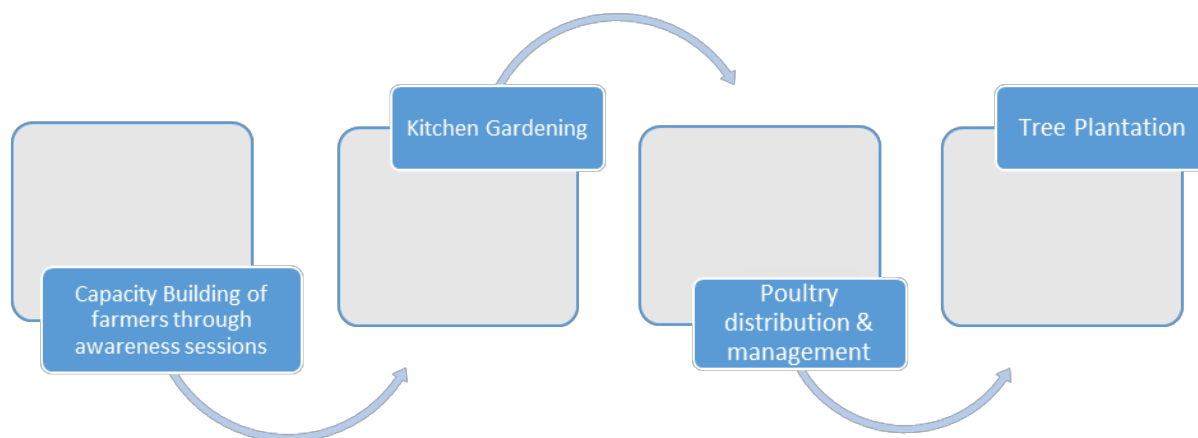
In light of the issues in Sindh, SRSO Natural Resource Management (NRM) sector promotes the sustainable use of natural resources to achieve the objectives of poverty alleviation and social development through the community participation. The sector addresses community issues pertaining to agriculture, livestock, forest fisheries, poultry and micro drip irrigation system,



**45,000**

Poor families of small farmers and women are trained in modern agri practices and provided with kitchen gardening, poultry & other input support to increase food security in rural Sindh

where farmers face water shortage for agricultural. The section builds farmers' capacity to opt modern practices & technologies related to agriculture & livestock for increased productivity which will ultimately increase income to fight poverty. As it is now widely acknowledged that economic uplift can only be achieved through adopting participatory processes, SRSO works closely to community organizations. Major NRM & Environment activities of SRSO are:







## SDG 1 & 2: Enriched Diets for 16,178 poor Households through Kitchen Gardening

With the increasing change in climatic conditions resulting in floods, droughts and environmental and land degradation, increasing poverty and food security are the key issues of the present era. In recent decades, the safe and regular access of food to many rural and poor households has become uncertain, creating concerns.

SRSO initiated kitchen gardening with the goal of promoting and protecting peoples' health and

reducing their food expenditures. Intervention is extended through women community members in which they are provided with hybrid seeds and a whole kit of kitchen gardening followed by capacity building of beneficiaries. In reporting year, SRSO distributed 300 Kitchen gardening kits to the poorest of the poor households. Till date, as a contribution to tackle food security, 16,178 households have been benefitted with the said intervention.



## SDG 15: Planting New Roots for a secured future

Deforesting causes natural disasters. In interior Sindh, people use to cut trees due to security reasons without realizing issue of climate change. From last 8 years, Sindh is facing extreme rain floods. In 2012 rain floods flushed many districts in north Sindh whose consequences are still present in terms of agriculture, livestock, housing and poverty.

SRSO committed to address this issue after 2012 floods and started campaign with the name of "Go Green" in rural areas of Sindh. Efforts are increasing with each passing year and with the help of community ownership, SRSO has successfully planted 835,986 trees in its operational area, ultimately contributing the Sustainable Development Goals (SDGs) number 15. Till reporting period, SRSO has planted 835,986 trees across its operational area with the help of community participation who plays vital role in management of these trees



### Statistical performance of NRM section for year 2018-19

Natural Resource Management (NRM)	Achievement as of June-2018	Yearly Progress 2018-19	Cumulative Achievement as of June-2019
Agriculture Sessions	432	43	475
Kitchen gardening (Rabi & Kharif)	15,878	300	16,178
Backyards Poultry (Units)	19,521	-	19,521
Plants	726,686	2,000	728,686
Plantation (Green Pak)	100,000	-	100,000
IEC Material	25,000	1,000	26,000
Fruit Plants	7,000	300	7,300
Tunnel Farming	-	4	4

## Equine Welfare Project

SRSO with the financial assistance of BROOKE PAKISTAN implemented an “Equine Welfare Project” for Sustainable improvement in the health and welfare of working equids through quality work. The project has been approaching the equine owning communities since 2009 intending to improve the welfare of 98,000 working equines in Pakistan by 2021. The project intervened for targeted beneficiaries of brick kiln owners, equine owners and animal health practitioners within the project area of Districts Jacobabad, Larkana, Kamber-Shahdadkot, Sukkur and Shikarpur. Under SRSO/BROOKE Welfare Project till June 2019, 425 equine animals were provided with emergency treatment, deworming and vaccination services, conducted 298 Community Awareness meetings on Basic Management Practices (BMPs), enhanced Capacity Building of 288 Local Service Providers (LSPs) through training and mentoring based on Training Needs Assessment (TNA), Work-Based Assessment (FQM) for

availability of quality services to the equine welfare groups. 44 Participatory sessions with communities on husbandry practices with women equine welfare groups were conducted. 18 Healthy Animal Completions for women were arranged to promote the welfare and health of the equine animals. 12 School Visits by CEWTs (Community Equine Welfare Teams) for awareness-raising of children's Equine Animals were conducted to sensitize children for the pro-welfare approach related to equine animals. 44 Networking of LSPs with communities and other stakeholders were placed for increased accessibility to quality treatment of equine animals.

The SRSO/BROOKE Welfare Project has organized, capacitated and developed services linkages with LSPs of women and men Equine Warfare Groups, Equine welfare groups are implementing basic principles of managing equine animals and observing the increase of income size at the household level.

### Statistical Performance of Equine Welfare Project

Activities	Project Target 2018-19	Achievement as of June-2019
Brooke Provide emergency treatment, deworming and vaccination	895	425
Conduct Community Awareness meeting on BMPs	476	298
Conduct healthy animal competitions	26	26
Capacity Building of LSPs, through training & Mentoring as a result of TNA, WBA (Work-based Assessment)/FQM (Farrier Quality Monitoring).	410	288
Participatory session with communities on Husbandry practice with women groups	65	44
Healthy Animal Competition for women	18	18
School Visits by CEWTs (Community Equine Welfare Teams) for awareness-raising of children's Equine Animals.	15	12
Networking of LSPs with communities and other stakeholders	65	44



## INDEPENDENT AUDITORS' REPORT

### To the members of Sindh Rural Support Organization

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Sindh Rural Support Organization (the Company) which comprise the statement of financial position as at June 30, 2019, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies 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 statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and 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, 2019 and of its income and expenditure, its comprehensive income, the changes in funds 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 information included in 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 opinion 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 on the work we have performed, we conclude that there is a 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 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 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 date of our 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 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:

- 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 equity 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 Rana M. Usman Khan.

*Deloitte Yousuf Adil*  
Chartered Accountants

**Multan**

**Date:** November 22, 2019

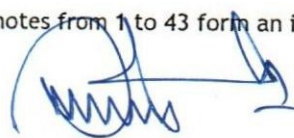
# SINDH RURAL SUPPORT ORGANIZATION

## STATEMENT OF FINANCIAL POSITION

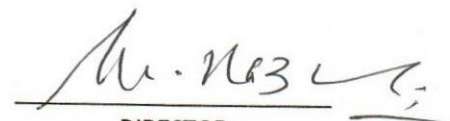
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	525,518,291	482,670,246
Intangible Assets	5	8,014,554	6,888,589
		<u>533,532,845</u>	<u>489,558,835</u>
<b>Current assets</b>			
Stocks	6	2,496,963	2,240,360
Grants receivable	7	38,868,641	14,067,106
Interest free loans	8	77,860,188	126,116,478
Microcredit loans	9	1,799,943,461	1,573,769,057
Short term advances	10	52,661,287	18,318,393
Short term deposits and prepayments	11	25,058,713	35,857,531
Mark-up accrued	12	198,401,636	153,433,430
Other receivables	13	29,545,055	19,716,062
Short term investments	14	1,955,000,000	1,944,000,000
Bank balances-specific to projects	15	1,178,760,050	1,010,779,484
Bank balances	16	114,168,018	53,815,822
<b>Total current assets</b>		<u>5,472,764,012</u>	<u>4,952,113,723</u>
<b>TOTAL ASSETS</b>		<u>6,006,296,857</u>	<u>5,441,672,558</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred grants	17	751,114,401	946,888,161
Employee benefits	18	97,661,514	86,611,302
		<u>848,775,915</u>	<u>1,033,499,463</u>
<b>Current liabilities</b>			
Revolving loan under PMIFL	19	105,000,000	120,000,000
Short term borrowings	20	1,834,708,576	1,575,961,149
Interest accrued	21	48,065,752	24,903,941
Accrued and other payables	22	534,114,644	149,908,511
		<u>2,521,888,972</u>	<u>1,870,773,601</u>
<b>TOTAL LIABILITIES</b>		<u>3,370,664,887</u>	<u>2,904,273,064</u>
<b>NET ASSETS</b>		<u>2,635,631,970</u>	<u>2,537,399,494</u>
<b>REPRESENTED BY:</b>			
Endowment fund	23	1,827,000,000	1,827,000,000
Revaluation surplus on property and equipment	25	96,355,421	96,371,041
Loan loss reserve	24	60,538,034	36,224,414
Accumulated surplus		651,738,515	577,804,039
		<u>2,635,631,970</u>	<u>2,537,399,494</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	26	-	-
		<u>2,635,631,970</u>	<u>2,537,399,494</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

## SINDH RURAL SUPPORT ORGANIZATION

### STATEMENT OF INCOME AND EXPENDITURE

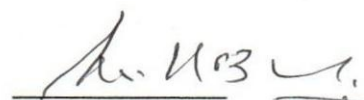
FOR THE YEAR ENDED JUNE 30, 2019

INCOME	Note	2019 Rupees	2018 Rupees
Amortization of grants - net	27	1,907,440,759	1,147,816,294
Income from microcredit loans	28	465,107,013	362,991,878
Profit on investments and bank deposits	29	211,995,821	164,808,650
Other income	30	188,273,652	171,765,580
		<u>2,772,817,245</u>	<u>1,847,382,402</u>
<b>EXPENDITURE</b>			
Operating expenditure	31	131,075,993	107,371,331
Provision against microcredit loans	9.2	102,253,867	30,542,565
Programme assistance	32	2,268,377,609	1,481,334,632
Financial charges	33	162,592,514	89,945,862
		<u>2,664,299,983</u>	<u>1,709,194,390</u>
Excess of income over expenditure		<u>108,517,262</u>	<u>138,188,012</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.



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DIRECTOR

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**SINDH RURAL SUPPORT ORGANIZATION**

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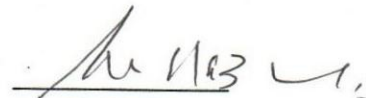
**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
Excess of income over expenditure		108,517,262	138,188,012
<b>Other comprehensive income for the year:</b>			
<i>Items not to be reclassified to statement of income and expenditure in subsequent periods:</i>			
Revaluation surplus on property & equipment		-	72,867,637
Actuarial loss relating to defined benefit obligation	18.2.3	(10,284,786)	(11,427,489)
Total comprehensive income for the year		<u>98,232,476</u>	<u>199,628,160</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.



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## SINDH RURAL SUPPORT ORGANIZATION

### STATEMENT OF CASH FLOWS

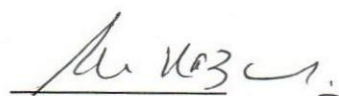
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operating activities	34	(1,869,335,242)	(1,357,601,529)
Finance costs paid		(139,430,703)	(66,588,742)
Grants received		1,753,505,648	1,652,052,051
Grants repaid		(1,589,145)	(716,802)
Employee benefits paid		(38,391,538)	(107,080,195)
Mark-up received		439,015,803	329,227,957
Profit on investment and bank deposits received		193,118,825	161,577,538
		<u>2,206,228,890</u>	<u>1,968,471,807</u>
Net cash generated from operating activities		336,893,648	610,870,278
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(102,236,712)	(63,717,890)
Additions to intangibles		(1,800,000)	(4,260,600)
Proceeds from disposal of property and equipment		6,475,826	4,030,676
Purchase of term deposit receipts		(11,000,000)	(109,000,000)
Net cash used in investing activities		(108,560,886)	(172,947,814)
		<u>228,332,762</u>	<u>437,922,464</u>
Net increase in cash and cash equivalents		228,332,762	437,922,464
Cash and cash equivalents at the beginning of the year		1,064,595,306	626,672,842
Cash and cash equivalents at the end of the year	40	<u>1,292,928,068</u>	<u>1,064,595,306</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

**SINDH RURAL SUPPORT ORGANIZATION**

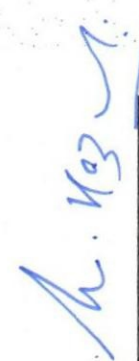
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

Note	Endowment fund	Capital reserve		Revenue reserve		Total
		Revaluation surplus on property & equipment	23,503,404	Loan loss reserve	Accumulated surplus	
	1,727,000,000	23,503,404	16,212,514	571,055,416	2,337,771,334	
Balance as at July 01, 2017	-	-	-	138,188,012	138,188,012	
Surplus for the year	-	72,867,637	-	(11,427,489)	61,440,148	
Other comprehensive loss for the year	-	72,867,637	-	126,760,523	199,628,160	
Total comprehensive income for the year	100,000,000	-	-	(100,000,000)	-	
Transfer to Endowment fund	-	-	20,011,900	(20,011,900)	-	
Transfer to loan loss reserve	-	-	-	-	-	
Balance as at June 30, 2018	1,827,000,000	96,371,041	36,224,414	577,804,039	2,537,399,494	
Surplus for the year	-	-	-	108,517,262	108,517,262	
Other comprehensive loss for the year	-	-	-	(10,284,786)	(10,284,786)	
Total comprehensive income for the year	-	-	-	98,232,476	98,232,476	
Transfer to unappropriated profit on account of incremental depreciation	-	(15,620)	-	15,620	-	
Transfer to Endowment fund	-	-	-	-	-	
Transfer to loan loss reserve	-	-	24,313,620	(24,313,620)	-	
Balance as at June 30, 2019	1,827,000,000	96,355,421	60,538,034	651,738,515	2,635,631,970	

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



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