



# Sindh Rural Support Organization

Annual Report 2008-09



**“Year of Paradigm Shift”**



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2008-09

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Sindh Rural Support Organization

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## ACRONYMS

AKRSP	Agha Khan Rural Support Programme	MER	Monitoring Evaluation & Research
AFT	Azaan Foundation Trust	MERU	Monitoring, Evaluation & Research Unit
ALC	Adult Literacy Center	MINFAL	Ministry of Food, Agriculture & Livestock
BoD	Board of Directors	MIP	Micro Investment Plan
BoR	Board of Revenue	MMR	Maternal Mortality Rate
CIF	Community Investment Fund	N.F	Noshero Feroze
CO	Community Organization	NRSP	National Rural Support Programme
Cr.O	Credit Officer	NRM	Natural Resource Management
CRP	Community Resource Person	NGO	Non Government Organization
CLEW	Community Livestock Extension Worker	PAX	Participants
CPI	Community Physical Infrastructure	PHC	People's Housing Cell
CMP II	Crop Maximization Project II	PITD	Physical Infrastructure & Technology Development
CMST	Community Management Skill Training	PPAF	Pakistan Poverty Alleviation Fund
DPO	District Programme Officer	PMSIL	Prime Minister's Special Initiative for Livestock
DVM	Doctor of Veterinary Medicine	PSC	Poverty Score Card
ED	Enterprise Development	RPM	Regional Programme Manager
F	Female	RCED	Rural Credit & Enterprise Development
FA	Farmer Association	RSP	Rural Support Programme
FALAH	Family Advancement for Life and Health	RSPN	Rural Support Programme Network
FCOs	Female Community Organizations	SAFWCO	Sindh Agricultural and Forestry Workers Coordinating Organization
F & A	Finance & Accounts	SDK	Shahdadkot
GAD	Gender & Development	SHP	Shikarpur
GFATM	Global Fund to fight Aids, Tuberculosis & Malaria	SRSO	Sindh Rural Support Organization
Gtk	Ghotki	SSS	Social Sector Service
GOP	Government of Pakistan	SO	Social Organizer
GOS	Government of Sindh	SM	Social Mobilization
HRD	Human Resource Development	SMT	Social Mobilization Team
HH	House Hold	SUK	Sukkur
IWEIP	Integrated Water Efficient Irrigation Projects	TBA	Traditional Birth Attendant
ILO	International Labor Organization	ToT	Training of Trainers
JCB	Jacobabad	TRDP	Thardeep Rural Development Programme
KHP	Khairpur	UC	Union Council
KKOT	Kandhkot Kashmore	UCBPRP	Union Council Based Poverty Reduction Programme
KPF	Khushal Pakistan Fund	UNICEF	United Nation International Children's Emergency Fund
LDDDB	Livestock Dairy Development Board	USAID	United States Agency for International Development
LRK	Larkana	WCO	Women Community Organization
LLHP	Landless Haree Project	WEP	Women Empowerment Programme
L/S	Livestock		
M	Male		
MCHCI	Mother & Child Healthcare Initiative		
MCO	Male Community Organization		
MDGs	Millennium Development Goals		

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# SRSO Profile

**The 2008-09 Annual Report of the Sindh Rural Support Organization (SRSO) is the Sixth such report and covers the period from July 1, 2008 to June 30, 2009.**

Based in Sukkur, Sindh Rural Support Organization (SRSO) is not for profit organization registered as Company under Company's Ordinance 1984 bearing Registration Certificate No: K 09377 of 2002 – 2003 dated May 29, 2003.

A strong Board of Directors (representing all walks of life) is responsible for all the policy decisions while Chief Executive Office is charged with implementation of the Programme with help of Professional Team:

## Composition of Board:

1	Mr. Shoaib Sultan Khan House No 8, Agha Khan Raod Islamabad	Chairman
2	Mr. Nazar Hussain Mahar	ACS – P&DD
3	Mr. Fazal-ur-Rehman	Secty. LG-Deptt.
4	Mr. Fazalullah Pechuho	Secty. Fin Deptt.
5	Mr. Mir Muhammad Sheikh	Secty. Law Deptt.
6	Mr. Ghulam Sarwar Khero Additional Chief Secretary (Development) Government of Sindh	Director
7	Begum Saeeda Soomro Circuit House, Jacobabad.	Director
8	Ms. Faryal Hussain Khan Advocate, 91, Khyaban e Rahat, 22nd St Phase VI, DHA	Director
9	Brig. (r) Akhtar Zamin Khan Chairman Employees Old Age	Director
10	Mr. Fazalullah Qureshi House 154, St # 98, I – 8/4 Islamabad	Director
11	Mr. Tasneem Ahmed Siddiqui Chairman, SAIBAN GRE-319 (2-B), Britto Raod Garden East, Karachi	Director
12	Dr. M. Suleman Shaikh Secretary, Board of Trustees. SZABIST Shaikh Sultan Trust Building Karachi	Director

13	Mr. Suleman G. Abro Executive Director, SAFWCO House 248/49, Shahdadpur Coop Housing Society, Shahdadpur	Director
14	Mr. Aazar Ayaz Executive Director The Researchers, Suite 6, 2nd Floor, Malik Complex 80, West, Blue Area, Jinnah Ave Islamabad	Director
15	Mr. Ghulam Mustafa Abro D 15, Akbat Apartments Bleak House Road, Civil Lines Karachi	Director
16	Dr. Rashid Bajwa Chief Executive Officer NRSP 46, Agha Khan Road, F6/4, Islamabad	Director
17	Mr. M. Nazar Memon Judicial Town Islamabad	Director
18	Dr. Sono Khangharani	CEO

**SRSO Company Secretary:**

Mr. Ghias Mohammad Khan  
Manager Finance SRSO

**SRSO Auditors:**

M/S Ford Rhodes Sidat  
Hyder & Co.  
Chartered Accountants,  
Lal View Building, 4-Bank Square, Lahore  
Pakistan

7. My Bank Ltd, Marich  
Bazar, Sukkur

8. Habib Metropolitan Bank Ltd  
Shaheed Ganj Branch, Sukkur

9. United Bank Ltd,  
Minara Road Branch Sukkur

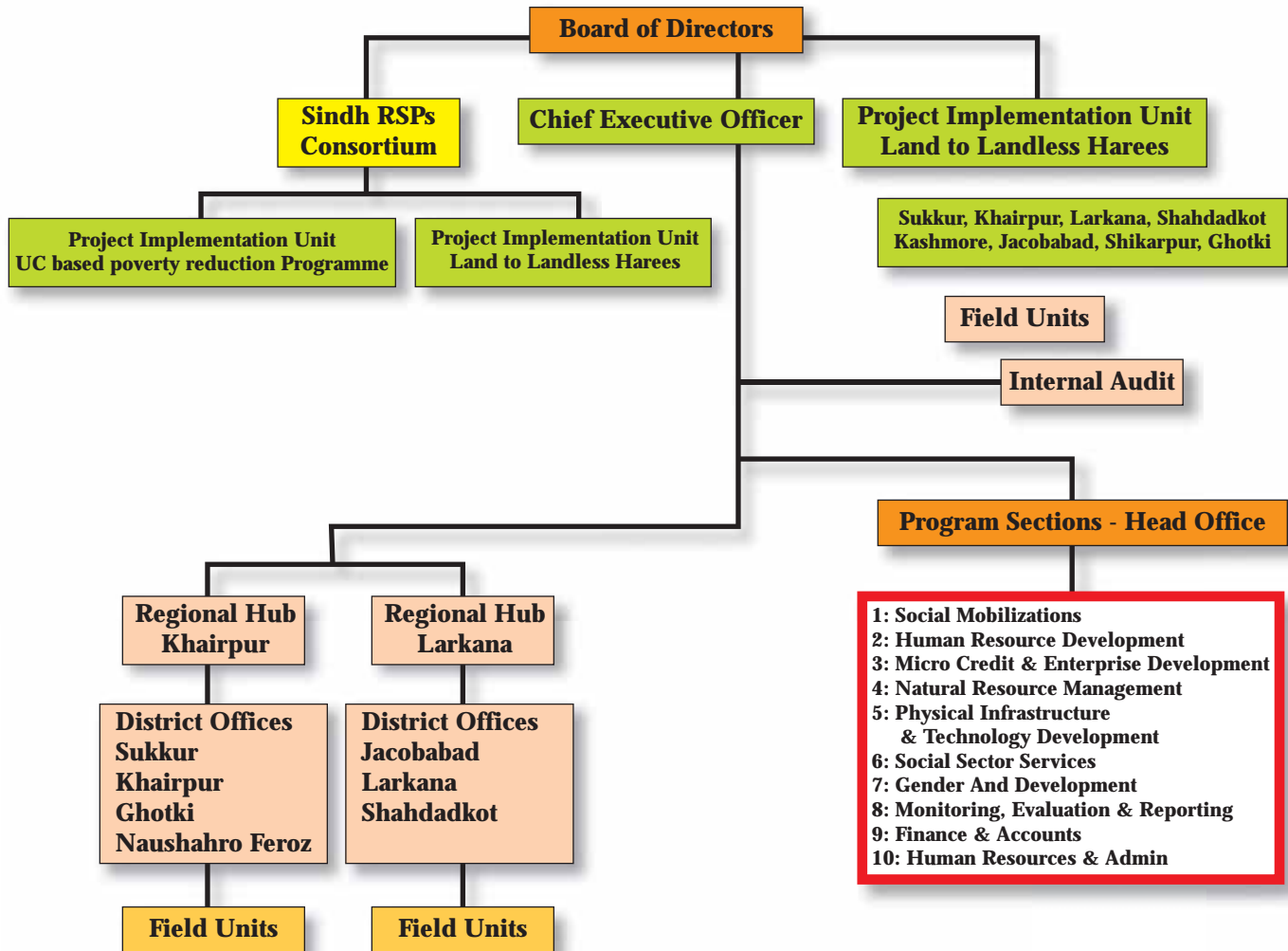
10. KASB Bank,  
Racecourse Road Branch Sukkur

11. JAZZ Bank,  
Shaheed Ganj Branch, Sukkur

**SRSO Banks:**

1. Habib Bank Ltd  
Sindh Sect Branch  
Karachi
2. First Women Bank,  
Queen Raod, Sukkur
3. Bank Al-Falah, Sarafa  
Bazar, Sukkur
4. NIB Bank, Queen Rd  
Sukkur
5. Allied Bank Limited  
Mohammad Bin Qasim  
Road, Sukkur
6. Askari Bank Ltd, Sarafa  
Bazar, Sukkur

# ORGANOGRAM









## Message from the Chairman

In 2003, when Government of Sindh (GoS), asked me to be the Chairman of the newly established Sindh Rural Support Organization (SRSO) with an endowment of Rs.500 million increased to Rs.1,000 million within a year, I had to heavily depend on my friends and the Board of Directors to discharge the onerous responsibilities GoS had so kindly entrusted me with. Dr. Suleman Shaikh, accepted my request without slightest hesitation, to manage SRSO as Chief Executive Officer (CEO) without any remuneration. He laid a strong foundation of the programme with unequivocal support from the Directors. As SRSO expanded Suleman suggested a full time CEO and I was fortunate in persuading Mr. Nazar Memon to accept the job, who willingly left his family in Islamabad and spent over three years in Sukkur to put SRSO on the map attracting attention of GoS. I am deeply indebted to both Suleman and Nazar for coming to my rescue and not letting me down in the eyes of GoS, as my contribution in the implementation of SRSO from Islamabad was minimal. The support SRSO got from Mr. Ghulam Sarwar Khero, the then Additional Chief Secretary (Development) was invaluable, ably supported by Mr. Umar Kazi, Director - General, Planning and Development Department.

The year 2008 proved a turning point for SRSO. The Chief Minister Qaim Ali Shah asked me to give a presentation on how to reduce rural poverty and with strong support from the Chief Secretary Mr. Fazlur Rehman, approved the concept of the Union Council Based Poverty Reduction Programme (UCBPRP). Dr. Rashid Bajwa, CEO NRSP gave the concept the shape of a comprehensive project. In Mr. Nazar Hussain Mehar, Additional Chief Secretary (Development) and Ms. Naheed Shah Durrani, Special Secretary Finance, SRSO found true champions of the UCBPRP.

The key to the success of the UCBPRP was the CEO of SRSO and on health grounds Nazar Memon suggested getting a relief. This was my biggest challenge and finding Dr. Sono Khangharani for the job was the best thing that could have happened to SRSO and for me personally. Sono, despite tremendous pressure and maddening time frame achieved targets of UCBPRP to satisfy the GoS. He and his team led by Ghulam Rasool gave the best, much beyond the call of duty to make a success of the programme.

The contribution of NRSP in getting the Poverty Scorecard completed of the two districts within a record time of one month by SRSO was invaluable. Similarly,

the responsibility of implementing the vocational training of thousands of men and women by the NRSP-Institute of Rural Management (N-IRM) under the helmship of Mr. Roomi S. Hayat has been another landmark achievement.

In fact UCBPRP has been a successful experiment in collaboration between SRSO, NRSP and TRDP, with a consortium of the three organizations based at Karachi effectively led by Mr. Ghias Muhammad Khan.

UCBPRP is also the first in introducing an ongoing process review by an external research organization, namely Sustainable Policy Development Institute (SDPI). I am grateful to the SDPI Executive Director Dr. Abid Suleri for accepting my request and providing excellent insights enabling the SRSO management to take effective measures in time to improve the implementation of the programme.

The Board of Directors of SRSO and its Executive Committee has been a great source of strength to me. Mr. Arif Hasan has always given SRSO his valuable time and advice in implementing physical infrastructure. Mr. Fazlullah Qureshi has been the bedrock of the SRSO's financial management and a great comfort to me much to the chagrin of those at the receiving end. Mr. Tasneem Siddiqi has always taken special interest in SRSO programmes.

I congratulate, Sono and his team on their stupendous achievements. Of course, this all was only made possible with full support of the Provincial Government as well as the DCOs and other line departments. The tremendous support given by Rashid to Sono; Roomi and his N-IRM team worked day and night to put the vocational training programme on a sound footing. Ghias in Karachi provided the much needed backup, working hard and meeting deadlines.

Above all I owe an immense debt of gratitude to the Chief Minister Syed Qaim Ali Shah for putting his faith and confidence in SRSO and to the rural poor of the two districts who positively responded to the offer of development partnership offered by SRSO.

**Shoaib Sultan Khan**







## Message from the CEO

The initial year 2008-09 at SRSO was seemed a bit challenging, as with change of top management an in-house exercise was undertaken of structure review, orientation with staff, setting targets, establishing linkages both with local and Sindh Government and its line-departments, identifying and training of CRPs as potential source for scaling up the social mobilization process, preparing a seeking Board approval for a comprehensive annual plan of operation, implementing and executing the operational plan with the help of the field teams.

The year had been very excited and important as far as work and achievement progress. The role of SRSO increased as new Government wanted to involve it in a number of poverty reduction activities. Besides, building new relationships, managing annual audit, planning internal / external meetings, understanding with systems and policies, and moving for a number of the tasks at different locations, took significant time span.

The SRSO liaison with Planning and Development Department and line departments of Government of Sindh specifically for the identification of poorest beneficiaries for being targeted under various Government of Sindh projects, participated as member of Government of Sindh's Steering Committee for the initiative of Land Distribution (identification of poor in dehs where land is situated, assist the poor in applying for the land, verification of applicants, carry out social mobilization and deliver agriculture package once land is distributed).

Keeping in view the previous position of overall credit disbursement and recovery, a comprehensive plan and a policy was adopted and implemented to overcome the situation. The overdue recovery was reported weak but PAR has brought down as compared to the previous years. The Internal Audit section had been established so as to control and operationalize the internal financial systems in-line with the Standard Operating Procedures.

The SRSO has finalized its policy documents/manuals (Credit Policy Manual and Employees Service Rules) and followed by implementation in the field.

The major achievements of SRSO during the period include the Women Credit revolving fund offered by Women Development Department - GoS, the universal Social Mobilization coverage to all 40 UCs of district Ghotki primarily targeting the poor under Social Mobilization Project - Ghotki funded by PPAF was initiated a bit late but progressed in the following

months, the gigantic task of Poverty Scorecard in district Shikarpur and Kashmore-Kandhkot completed in a record time followed by implementation of Union Council Based Poverty Reduction Program, also opened three new field units one each in Tharee Mirwah of district Khairpur, Dokri district Larkana and Morro district Naushehro Feroz under Crop Maximization Project (CMP-II) through RSPN funded by MINFAL, plus adopted one Field Unit of TRDP in district Khairpur, State Land to Landless Harees Project (LLHP) is an another initiative of the Government of Sindh through Board of Revenue (BoR) Land Utilization Department and undertaken by SRSO in its all 09 districts, setup Vocational Training Centers in partnership with NRSP-IRM, for all the community training under the UC Based Poverty Reduction Project, Training of Social Mobilizers under Benazir Bhutto Shaheed Youth Development Programme (BBSYDP) - GoS, construction of 200 Low Cost Houses for the Poor in partnership with Peoples' Housing Cell.

The SRSO has planned to host a provincial consortium of Rural Support Programmes (RSPs) functioning and operating in Sindh i.e. NRSP, SRSO, TRDP and SFWCO by the Government of Sindh, which are working together to alleviate poverty by harnessing people's potential and undertake related rural development activities in Sindh.

I am happy to mention that SRSO field as well as HO staff has enormous potential of growth and commitment that they have shown during the reporting period.

I am also very much pleased to report that SRSO had been successful in doing a number of challenging tasks, building a future direction and taken in-account numerous projects offered by Government of Sindh and other donors.

The SRSO as mentioned above is the right fit to take any challenge including expansion of the coverage of social mobilization to all UC (424) in the nine districts. However, the resources would be a constraint in doing so. Also, there is a huge potential of micro-loan, which will require substantial funds incase the Board and GoS decide to take this intervention on scale.

I acknowledge the excellent support of the Chairman and Board Members and want to keep on record the support from Government of Sindh, which was extended to SRSO during the reporting year.

**Sono Khangharani**







## SRSO at a Glance

Established in 2003, the SRSO (Sindh Rural Support Organization) is a major Rural Support Programme in Northern Sindh in terms of outreach and development activities.



### Executive Summary

This Annual Report of the Sindh Rural Support Organization (SRSO) is the Sixth such report that covers the period from July 1, 2008 to June 30, 2009. The report describes the background and rationale of the programme, implementation process, progress in comparison with past performance, analysis of achievements and challenges. Analysis provides insight that led to achieve the targets and the factors responsible in temporary setbacks.

In the reporting year, SRSO, having learnt from the past performance, focused more on the quality than quantity. However performance indicators do show an impressive growth. The performance summary is given below:

### Achievement of the Year under Review

The year 2008-2009 was a turning point for SRSO. Several important milestones were achieved during the reporting year. SRSO took number of projects as entry point for scaling up social mobilization. As a result the outreach of the Programme increased 7 times in terms of households organized as compared to the year 2007-08. Union Council Based Poverty Reduction Programme, MCHCI Project and PPAF Funded Social Mobilization Project contributed to this increase for the most part. Along with organizing households, 507 (Except UNICEF CRPs) Community Activists/CRPs (328 Male & 179 Female) were identified who helped in scaling up social mobilization and are a crucial asset in reaching out to the community.

SRSO has encouraged people to invest in savings. During the year under review, community members saved Rs. 9.5 million which was Rs. 5.0 million in the last year. Female contribution in saving has been increased from 25% (as of June 2008) to 70% which is worth acknowledged.

The Micro Finance Programme has reached 31% of the total organized households. About 23% of these are organized households from regular credit programme, 4.5% through CIF intervention while IGG was provided to 3.3% Destitute Households. The recovery rate for microcredit stands at 96% for the year under review, which reflects the efforts of credit team. The same was 94% in previous year. SRSO Credit Policy was thoroughly reviewed and appraisals were carried out very carefully which led to the improved recovery rate in reporting year.

In the year 2008-2009, SRSO's PITD Section extended Community Physical Infrastructure Schemes with the collaboration of donors such as: Pakistan Poverty Alleviation Fund (Phase-III), PPAF-ENGRO, PPAF-IWEIP, Khushal Pakistan Fund (KPF) and People Housing Cell (PHC). The PITD section initiated 512 CPI schemes out of which 229 were completed during the year. This was an eminent increase in activities in the sector. A total of 11,392 households had benefited from the implementation of these new schemes allowing them access to clean drinking water, houses



for destitute women through low cost housing schemes, sanitation and communication facilities and irrigation water for agricultural purposes.

Working with the Government of Sindh on different projects was a great opportunity for SRSO in reporting year. Among these projects such as the Union Council Based Poverty Reduction Programme and Landless Harees Project were some unique initiatives which allowed SRSO to further its agenda of poverty reduction.

SRSO also carried out poverty score card survey of 273 Union Councils out of which 186 were in SRSO's core operational districts while 87 were in UCBPRP districts. This activity was one of the major expenditures of the reporting year and a significant accomplishment.

With the help of funding by Women Development Department, GoS, SRSO initiated interest free loan for destitute women benefiting 3,456 destitute women in year under review. Through this project, 59% of community organizations benefited from NRM activities through different projects in year 2008-09 while 57% Households are benefited since inception.

57,484 poor community members were provided Micro Health Insurance in the reporting year.

SRSO signed the new partnership agreements with different donors for different projects like Crop Maximization Project, Mother & Child Healthcare Initiative Project, Social Mobilization Project in Ghotki, low cost housing, Landless Harees etc.

## Introduction and Background

The mandate of SRSO is to alleviate poverty by harnessing people's potential and undertake development activities in Sindh. It has a presence in 9 Districts of Sindh and is currently working with 123,180 poor households, organized into a network of 9,060 and 1,033 community and village organizations, respectively.



Rural population forms a major chunk of Pakistan's population and being part of an agrarian culture it ought to be backbone of the national economy, stability and integrity. Unfortunately, this is not the case. Almost entire rural population is deprived of basic facilities with very limited access to services like basic health, education and safe drinking water in addition to large numbers of people in Sindh facing food insecurity throughout the year.

Poverty is a complex and multidimensional phenomenon that extends beyond the notion of income alone. It encompasses social, economic and political deprivation. Lack of access to basic needs such as education, health, clean drinking water and proper sanitation including rudimentary education system, high incidence of health problems, widespread unemployment, inaccessibility to capital from traditional sources to start productive enterprise, few opportunities for women to earn a livelihood, lack of availability of vocational skills, inadequacy of agriculture and livestock extension services, environmental degradation, inconsistent water supply, and a rapid rise in population.

People living in abject poverty are largely excluded from the mainstream process of development that is intended for them. SRSO places great importance on community organizations and empowering them to redressing this form of powerlessness. It aims to helping the disadvantage members of the community by facilitating them in providing

a platform whereby they can organize themselves and in doing so allows them to help themselves. Thus, the implicit motive of SRSO is to give voice to the unsung heroes from poor communities through its various interventions.

Established in 2003, the SRSO (Sindh Rural Support Organization) is a major Rural Support Programme in Northern Sindh in terms of outreach and development activities. It is a not-for-profit organization registered under Companies Ordinance 1984. The mandate of SRSO is to alleviate poverty by harnessing people's potential and undertake development activities in Sindh. It has a presence in 9 Districts of Sindh through District Offices and Field Offices. SRSO is currently working with 123,180 poor households, organized into a network of 9,060 and 1,033 community and village organizations, respectively.

SRSO is working in Sukkur, Shikarpur, Jacobabad, Ghotki, Khairpur, Larkana, Kambar- Shahdad Kot, Naushero Feroze and Kandhkot – Kashmore Districts. It is a partner of RSPN and, with the help of Government of Sindh, is working to tackle rural and urban poverty in its operational area with various interventions like micro credit, physical infrastructure schemes, capacity building, natural resources management, enterprise development and social sector services through social mobilization.



Being a member of RSPN, SRSO has benefited from National Programmes and Initiatives in capacity building in formulation of policies that may help in liberalizing agricultural markets, promoting diversification of crops and increasing expenditure on infrastructure and public services in rural areas. Progress has also been made in empowering the poor through social mobilization and micro-credit. These efforts need to be further strengthened. In addition to these, rapid and sustained reduction of rural poverty will require an even greater focus on building human capital, through improved delivery of health services and sanitation, basic education and appropriate technical training.

Constant monitoring and evaluation of all the interventions in a dynamic society is an integral part of SRSO's operations. In the year 2008-09, an annual review meeting was undertaken by the M&E unit of SRSO to review its programs and governance structure in order to make them more effective and relevant to field realities. During the exercise, it was observed that women COs were comparatively more active than men COs. Women Community Members were meeting more frequently and were relatively more active in capital formation. The trend brought a paradigm shift in the programme design. The programme's focus was consequently diverted entirely on interventions with women. The rationale behind such an approach was that if a woman is organized then her whole family will be organized. Subsequently SRSO signed MoUs of several women focused projects listed below:

Although due to the social constraints, the pace of organizing women in fold of community organizations was bit slow still field staff accepted

this new concept as a challenge and the progress of the year reflects their efforts.

### Partners

SRSO recognizes that in order to fight poverty we cannot work on our own. Following are Our Partners:

1. Government of Sindh, (GoS)
  - 1.1. Federal Ministry of Food, Agriculture & Livestock (MINFAL)
  - 1.2. PHC
  - 1.3. WED
  - 1.4. BoR
2. Pakistan Poverty Alleviation Fund (PPAF)
3. Khushal Pakistan Fund (KPF)
4. Rural Support Programme Network (RSPN)
  - 4.1. UNICEF
  - 4.2. USAID
5. National Rural Support Programme
  - 5.1. GFATM

### Working together

Poverty has many causes. These include lack of infrastructure, Social Culture Drawbacks, Water Shortage & Inequality, lack of education, weak governance, natural disasters and loss of employment. To make poverty history, each of these causes needs to be tackled. This is the challenge we have set ourselves.

One of the ways we try to do this is to bring together a wide variety of people and grass root organizations. Together we can pool our knowledge and resources and work together to fight poverty.

### Learning from experience

Our partners and Rural Support Programmes

Sr.no	Project Name	Funded by:
1	People's Women Empowerment Programme (Interest free loan for destitute women)	Women Development Department, GoS
2	Community Investment Fund (CIF)	SRSO Funding
3	Low Cost Housing Schemes	People's Housing Cell (PHC), GoS
4	Landless Harees Project	GoS
5.	Micro Health Insurance	GoS
6	Mother & Child Health Care Initiative	Uniceff



come from a range of different backgrounds, from small community-based groups to governments and globally based organizations.

### **Linking people**

These partnerships often serve to link these different sections of society together. Working with governments and organizations at a global level helps us influence changes in policy that help society's most vulnerable people to gain their rights.

In this diverse world, we have realized that working with others and engaging in partnership will help us achieve our overall aim of making poverty a thing of the past.

### **How we are governed**

SRSO is governed by a very Diversified Board of Directors from different walks of life. The Eighteen member Board of Directors is responsible for setting the strategic direction, reviewing and approving operational plans and developing guiding policies for SRSO. Day to day management of SRSO's affairs and implementation of its strategy and policy

initiatives are delegated to the Chief Executive Officer and Programme Managers/Regional Programme Managers. The Board meets on quarterly basis to review the physical and financial progress besides guiding the implementation team on enhancing programme efficiency and effectiveness.

In addition, SRSO has Financial and Executive Committees to look after financial programme issues and to guide SRSO management by reviewing physical and financial progress on quarterly basis. Our senior Directors are the members of these committees who provide their valuable feedback in improving programme activities to achieve SRSO objectives.

SRSO has special project committee to review Union Council Based Poverty Reduction project. This committee is responsible for working in support of, an occasionally in place of, the full board.







## Social Mobilization

To achieve the purpose of poverty reduction in its target area, SRSO utilizes Social Mobilization as the primary means of supporting rural men and women in their efforts to alleviate poverty.



Social Mobilization approach to poverty reduction has been the tested key tool used by Rural Support Programmes in their delivery packages. It is a fundamental activity preceding all other activities. The social mobilization process culminates into formation of Community Organizations that are essential to participatory development initiatives taken by the support programmes or public sector.

Social mobilization teams are responsible for implementing the social mobilization and development approach of SRSO in rural and remote areas of upper Sindh. The problems faced by the rural communities of upper Sindh, though not very different from the rest of Pakistan, are exacerbated by increased poverty and lack of resources and basic necessities.

Social mobilization can empower the poor, enabling them to play a greater role in the development process, not only by improving delivery of public services, but also by increasing their market power by building so-called voice and scale in the farm and non-farm sectors. Finally, although inclusive economic growth should be the main mechanism for reducing poverty, increased efforts toward social protection are needed to protect the most vulnerable. Social Mobilization aims at:

- Making people aware of their own potential
- Mobilizing and organizing community
- Encouraging them to sustainable use of their resources
- Improve self-help capabilities
- Facilitating the integration into local market economy

### *Community Linkages in Kandiaro*

Community Organization	Link with	Type of CO	Intervention
Bismillah	Energy Renewable Department	Male	Bio Gas Plant
Jeay Latif	Energy Renewable Department	Male	Bio Gas Plant
Touheed	Energy Renewable Department	Male	Bio Gas Plant
Muslim	LDDDB	Male	Subsidy on Livestock
Sindhri	LDDDB	Male	Subsidy on Livestock
Bismillah	LDDDB	Male	Subsidy on Livestock
Moomal	LDDDB	Male	Subsidy on Livestock
Shugfta	LDDDB	Male	Subsidy on Livestock
Al Mustafa	LDDDB	Male	Subsidy on Livestock

The process of social mobilization begins with identification of poor through poverty score card followed by a series of dialogues with community members and stakeholders, explaining the purpose of organization and encouraging them to form a group typically consisting of 15-20 HHs to form a Community Organization (CO).

Our Experience shows that the CO is an important platform for empowering people to take an active role in the management of local development initiatives. By “social” we mean on the basis of common ground for a common purpose. A mobilized community is one that is able to identify its need and find the resources necessary to meet those needs. Such resources may be their own savings or labor or funds or information from the line department.

A CO is more than a gathering of individuals: it is an entity comprising of members who work for collective good of a community. A properly functioning CO has both social and economic values, and is, therefore, in a position to contribute towards alleviating poverty. On the social side, it brings people together to work for economic good. Each CO then elects a President and a Manager. SRSO’s staff identifies at least one activist from each CO. Once a CO is formed the Social Organizers help the CO members in identifying their economic needs and planning ways to improve their economic conditions.

On the economic side, the CO functions as a conduit for micro-credit that household use to generate income, and as a base for accumulating savings and putting those savings to work for community development. The CO also attracts funds for new activities, both through SRSO and through the links it establishes with Government Departments

In Year 2008-09, SRSO adopted 2nd generation of social mobilization strategy especially in union council based poverty reduction programme for scaling up social mobilization through CRP. Thus, Community organizations (COs) and Village Organizations were formed through Community Resource Person (CRPs). CRPs remained the backbone in taking up the challenge of organizing women. Role of Social Organizers was to facilitate and build the capacity of the community for self help initiatives.

### Community Driven Initiatives

- At village Mitho Mahar of u.c Salehpat a dispensary was established by the community on self help basis and people in 3 kilometers radius are getting benefits
- Female VDO Bismillah supported through savings to the destitute women client for repaying interest free loan to SRSO
- At Village Yousif Ibupota UC Sangrar Female VDO was supported through savings to the destitute women client for repaying interest free loan to SRSO

and with the private (corporate) sector.

The most important and fundamental task of the CO is to help its members prepare their household plans. Collectively these plans then become the targets for community to achieve.

During 2008-09, SRSO identified 507 CRPs, 328 male and 179 female. With the efforts of both SMTs and CRPs, SRSO organized 74,261 Households in 5,394 Community Organizations out of which 4,187 were of women making it 78% of the total COs formed in the year under review. Until last year, the total percentage of women COs out of the total Cos was just 30%. Along with the formation of Cos, 1,024 Village Organizations have been formed in order to facilitate project packages to communities of the area making a total of 1,033. They would also ensure savings and implementation of the Community Investment Fund (CIF) at household level. It is noteworthy to mention that all organized VO members are made and run by women – an almost unheard of phenomenon and a substantial accomplishment

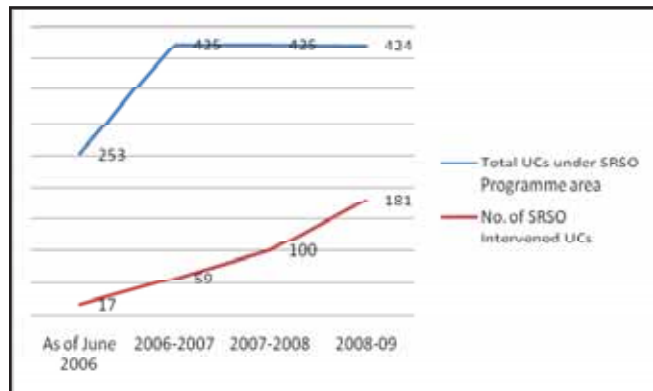
considering the social and cultural context of the area. All of them come from the lowest three bands of the PSC and make up 70% of the total households. The organized households have saved Rs 9,596,135 during the reporting period out of which 70% is the share of women community organizations. However if we see cumulative figure Community Saving by Men Cos in 18% increased as of women Cos. Nevertheless, the trend is being changed.

The performance of women's Cos was farther better than that of the male COs. Women meet more regularly and also save more than the men. Considering the fact that the women COs operate in areas of Sindh where their participation in decision-making at even the household level is considered culturally inappropriate, SRSO has gone a long way to help these women realize their potential and bringing them to the forefront of the development process. SRSO's programme efforts have been crucial in changing the community's attitude towards women by proving that these women can be just as productive and integral members of the community as men are, if not more.

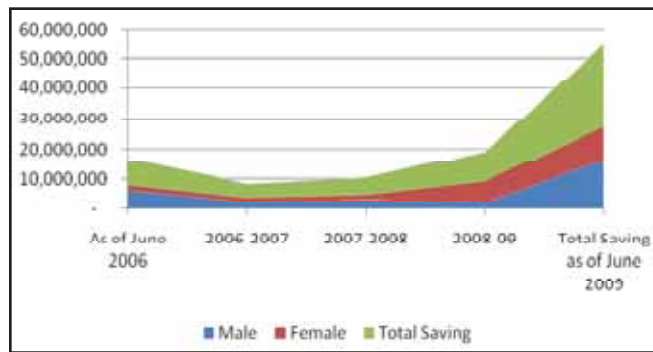
**Annual Facts of the year<sup>1</sup>**

1. SRSO expanded its programme to 81 Union Councils in reporting year; the cumulative figure is 181 till date which shows a 55% increase over the previous year.
2. The number of organized villages increased from 1971 in 2007-2008 to 3685 in 2008-2009 which is an 87% increase.
3. The number of COs increased from 3,666 in the previous year to 9060 in the reporting year. The figure shows two times increase in Cos formed in the reporting year over the cumulative progress of five years.
4. COs were federated into 1,033 Village Development Organizations in the reporting year.
5. 50% Women Community Organizations in Core Programme and 100% in Union Council Based Poverty Reduction Programme.

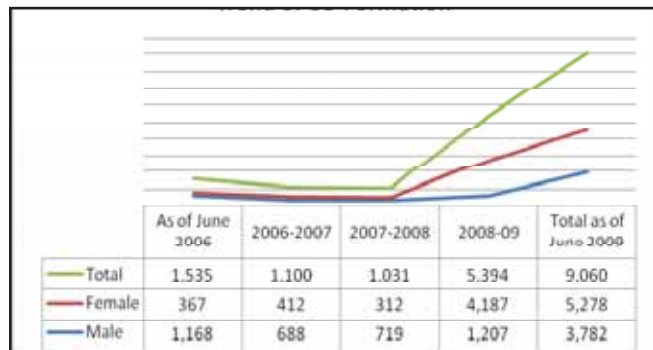
**SRSO Intervened Union Councils**



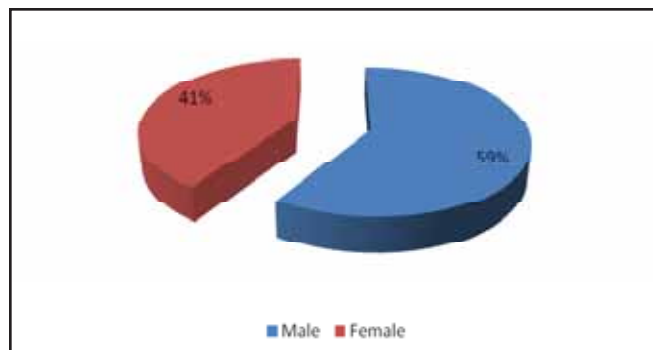
**Year wise Trend of Community Saving**



**Trend of CO Formation**



**Gender wise Community Saving**



<sup>1</sup>See Table 1 & 2 , Appendix -A, pg no.69



6. Community Saving had increased from 17 million to 27.4 million out of which 41% is women CO's contribution.

### Challenges faced by Social Mobilization Teams

Increase in poverty in recent years has crippled people's capacity to volunteer for mobilization because people are primarily concerned with activities that allow them to earn. Plus the overall instability of the regional peace and security has reduced people's faith in their own ability to mould their situations in their favor. Added to this, SRSO's social mobilization women subsequently created problems in acceptance at both organizational and community level at initial stage. The field staff daringly accepted the challenge and performed to their full potential to achieve the targets. Since SRSO's trained CRPs have learned the skills required to mobilize the women, therefore they stand prepared and committed to increase the pace of

organizing women with quality input of training etc.

Identifying CRPs as per RSPs' criteria and then involving them in SRSO programme activities was a huge risk and challenge. Social Mobilization Teams (SMTs) were also hesitant and reluctant to own CRPs initially because they had a slight misunderstanding regarding their job insecurity. The management, however, sensibly handled the situation and removed these misconcepts of SMTs and finally mobilized them to own CRPs. At the end, 507 CRPs were identified and trained in year 2008-09 bringing the cumulative figure to 553 trained CRPs.

Furthermore, Community Conferences and Activists workshop is one area where we lacked last year. SRSO has planned to place more focus on them in the upcoming year.



## Human Resource Development - HRD

**Human Resource Development is a process of equipping individuals with the understanding, skills, information, knowledge and training that enables them to perform effectively.**



Human Resource Development is a process of equipping individuals with the understanding, skills, information, knowledge and training that enables them to perform effectively in their own interest primarily and in the interest of community at large.

Human Resource Development refers to developing the ability of individuals and institutions to make and implement decisions and perform functions in an effective, efficient and sustainable manner. At the individual level, capacity building refers to the process of changing attitudes and behavior imparting knowledge and developing skills while maximizing the benefits of participation, knowledge exchange and ownership. At the institutional (Community) level, HRD focuses on the overall organizational performance and functioning capabilities, as well as the ability of an organization to adapt to change. It aims to develop the institution as a total system, including individuals, groups and the organization itself.

The Vocational Training Programme of HRD aims to reduce poverty & promote economic growth while building capacity to deliver a demand driven enterprise skills training programme, & contribute towards the establishment & development of income generating activities within community at local level. Under this programme, community members, especially women, were provided vocational & enterprise development skills & effective employment services using a flexible

& integrated approach. It has empowered rural communities through the provision of technical & business management skills & micro enterprise start-up support.

During the reporting year, HRD Vocational Training Programme focused particularly on informal opportunities for employment & income generation, linking skills & business training in addition to identifying viable self employment & small business opportunities. The programme provided linkages to necessary post-training support services, including credit facilities, technical assistance, market development & information. SRSO has geared and equipped its HRD Section to achieve the goals based on these parameters.

Thus, the HRD Section is engaged in supporting the COs to develop and enhance individual and collective capabilities of communities to effectively address poverty. It strives to inspire, inform and enable CO members and SRSO staff to achieve the goal of sustainable participatory development. The delivery packages are tailor made to the needs of the community both in technical vocational skills transfer and organizational issues. It is also engaged in developing the capacity of SRSO staff at different level.

HRD has got considerable support from Institute of Regional Management (IRM) of NRSP and NRSP Management in capacity building of



professional staff and supporting technical training of community members in which a number of SRSO community youth, otherwise unemployed and frustrated, received trainings and were later usefully employed.

During the reporting year, Women Leadership Course jointly launched by RSPs, NRSP-IRM and RSPN also benefited SRSO's female professional staff. The ultimate aim of this course was to develop a cadre of female professionals in RSPs with necessary skills, knowledge and confidence to move to higher levels in organizational structures and to eventually reach top management positions.

However, efforts are being made to develop HRD as standalone institution capable of developing its own innovative way of strengthening community.

During the reporting year, trainings were imparted to:

- 1976 community members in CMSTs,
- 507 in CRP Training,
- 642 in VO Management Training,
- 163 in VO Book Keeping,
- 408 in VO CIF Training,
- 4,465 in other sectoral trainings\*.
- 1500 community members participated and were trained in activist workshops.

A total of 9,252 community members were trained in different training in the reporting year which is 45% increased number over previous year. Total 1976 participants were trained in CMST training out of which 971 were women community members.<sup>2</sup>

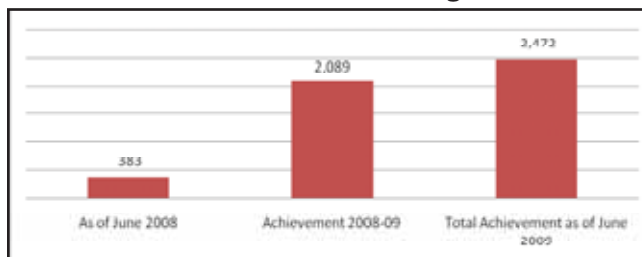
Male female ratio of participation has been improved over the period of reporting year telling upon efforts of SRSO in mainstreaming gender by providing equal opportunities. SMTs have worked hard to develop core of women activists.

### Portfolio of Vocational Skills Training

During the reporting period, the Vocational training component had imparted employable vocational skills training to 2,089 trainees from



Households Given Scholarship for Vocational Training



SRSO's operational districts bringing the total number of trained participants to 2,472. Majority of the trainees lie in the second lowest poverty bracket (11-18) of Poverty Score Card ranking.

### Gender Wise Analysis

The pie chart graph depicts the gender wise participation of the trainees. It shows that a healthy 51% (1,249) of the 2,472 participants in the vocational training events were women which is encouraging keeping in view the traditional set up of rural areas of interior Sindh.<sup>3</sup> These figures are a testament to the fact that SRSO has indeed

<sup>2</sup>See Table :3 (a), Appendix -A, pg. no. 70

\*Sectoral training includes productivity enhancement, health & education awareness, enterprise development training, community conferences, TBA s training and other project's awareness and orientation workshops.

<sup>3</sup>See Table 3-b (ii), Appendix -A, pg. no. 71

brought about a paradigm shift in the role of women in the community. These participants were trained from VTEC Rawalpindi, VTEC Sukkur and at field units.

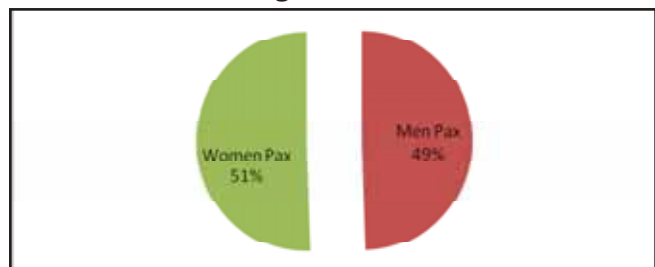
**Trade Wise Analysis**

The pie chart presents the trade wise analysis of the participants of vocational training. It shows that the leading trades for boys are mobile repairing (26%) and computer software (19%). These are followed by training in motor cycle repairing and AC Refrigeration at 14% & 10%, respectively.

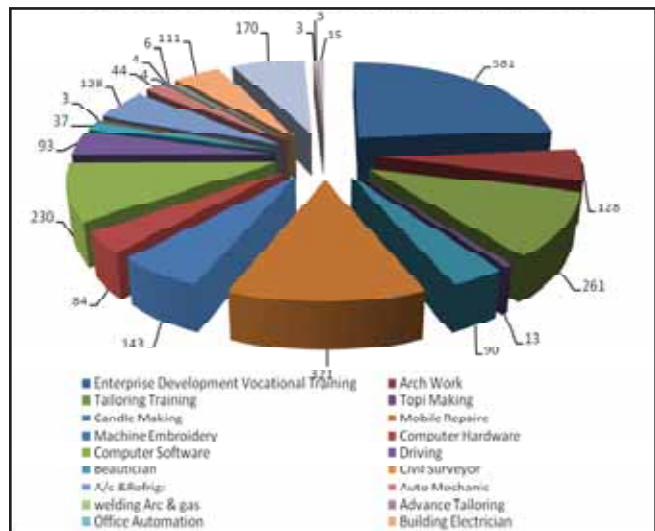
The trade wise break-up of the vocational trainings shows that the majority of the girls are taking more interest in learning about Enterprise Development Training (46%) and tailoring (19%). It is followed by machine embroidery (11%) and arch work (10%) which is also related to dress making. Of these, 7% women participants preferred to learn the skill of candle making.

SRSO is always keen to build its staff capacity at all levels in broadening their understanding and improving their skills to prepare them to face emerging challenges. Interacting with experienced faculty and fellow participants provides new insights and helps crystallize concepts. SRSO-HRD aspires to build a cadre of professionals for effective leadership and rural development management in order to inculcate management capacity to work productively. The number of male staff which participated in different training events in the year 2008-2009 was 305 while the same number for female staff was 101. The total number of staff trainings in the previous year was 118.<sup>4</sup>

**Gender Wise Break Up of Vocational Training Pax (2008-09)**



**Trade wise description of Vocational Training 2008-09**



<sup>4</sup>See Table :3 (c), Appendix -A, pg. no. 72







# Rural Credit and Enterprise Development

## Micro Credit for Income Generation

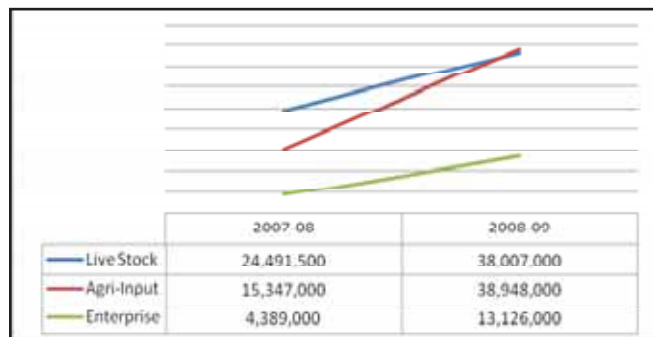


The micro-credit component is an established and proven means to raise income levels of the poor. It is an essential component of SRSO's programme delivery and has been primarily developed to serve the needs of low-income households and micro enterprises. Micro-credit not only enables poor households in augmenting their income, but also allows them to actively participate in economic activities that generate income. Hence, through this process, people who were previously partially or entirely excluded from the market economy have access to it which in other words means they now have more opportunities to engage in entrepreneurial or agricultural activities.

It has also played a key role in helping the poor get out of the clutches of private money lenders and traders.

Currently, SRSO has its microfinance operations spread over 150 out of 181 Union Councils in 9 districts of SRSO's Operational Area. Though SRSO's presence in the area as a support organization is relatively recent, it has disbursed sizeable amount to the community over Six years. The organized communities turned into community organizations (COs) are entitled to avail micro-credit against their social collateral. It

### Type wise Trend of Credit Disbursement



SRSO's microfinance products provide informed choices to the clients together with business counseling according to market needs. In addition to these, micro-credit products include family insurance coverage to the clients; regular micro credit with affordable service charges, Interest free loan only for destitute and dependent women and Community Investment Fund. Micro-credit helps rural community members in increasing their access to market while the CIF is used for improving the lifestyle of individual HHs of poorest of the poor in the COs. Collectively, these products empower women borrowers, accelerate poverty reduction and cater effectively to the target groups.

is given to boost agricultural farming or its related occupations, purchase livestock, small scale poultry farming and small enterprise development. So far, the micro-credit component has performed well to improve some of the key social indicators.

During the reporting year, SRSO disbursed an amount of Rs. 90 million in loans (705m to the male COs and 19.5m to female COs) which was a drastic increase compared to previous years' disbursement of 44 million. However, the figures only show PPAF funded Credit Disbursement. Moreover, in year 2008-09, SRSO expanded its Credit Programme by introducing other packages and Credit Lines from other Donors as well leading towards sustainability of Credit Programme.<sup>5</sup>

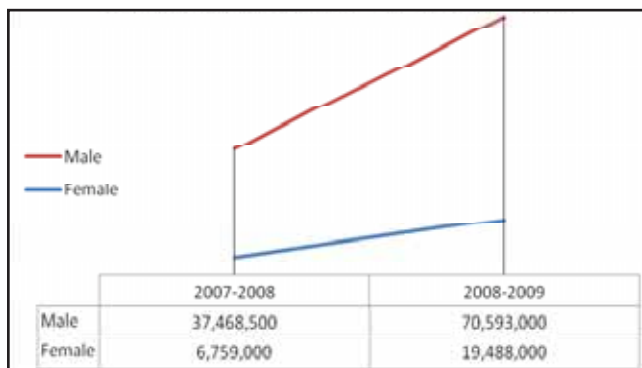
The average loan size per borrower as well as per CO had increased in the year 2008-2009.<sup>6</sup> From the total micro-credit disbursed, 78% goes to male community members. The biasness towards males for loans is compensated by other credit products like CIF and PWEF which exclusively focus on female members. The male COs were served from the PPAF credit line in order to retain their membership in COs.

Loans taken by the community members are used for various purposes which can be broadly categorized as agricultural inputs, livestock purchases and enterprise development. Of the total lending, 43% of the loans were used for agricultural inputs, 42% for livestock purchases and 15% for enterprise development. The trend is indicative of concentration of loans to be used for agricultural inputs.

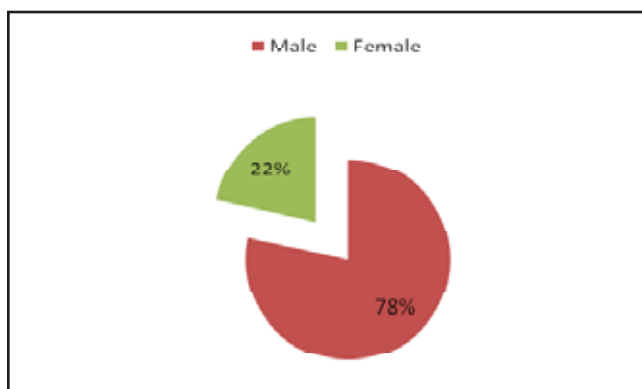
Of the total lending 43% and 42% had gone to agricultural inputs and livestock purchase, respectively while 15% were used in enterprise development. Trend line shows more concentration in loans for agricultural inputs in the reporting year which has increased as compare to disbursement in last year.

Another achievement in terms of micro-credit is the improvement of recovery rate during the

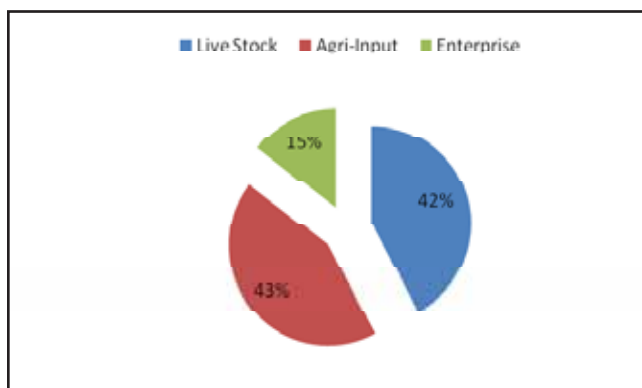
**Gender Wise Trend of Credit Disbursement**



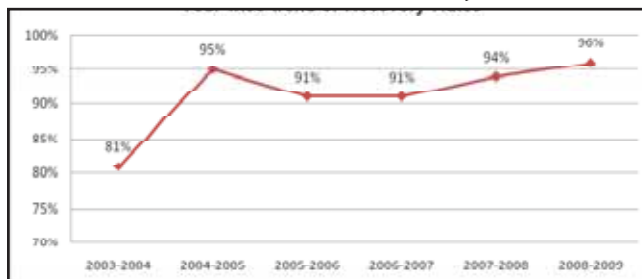
**Gender wise Credit Disbursement 2008-09**



**Type wise Credit Disbursement 2008-09**



**Year wise trend of Recovery Rates**



<sup>5</sup>See Table 4 (a), Appendix –A, pg. no. 73

<sup>6</sup>See Table 4 (b) Appendix – A pg. no. 74

reporting period. Compared to the previous year, the recovery rate improved significantly while at the same time the portfolio at risk decreased considerably.

Keeping in view that the credit disbursed had increase, SRSO's BoD advised that the

disbursement process be slowed down so as to ensure that the quality of credit is in line with objective needs and real needs and is not being extended unnecessarily.

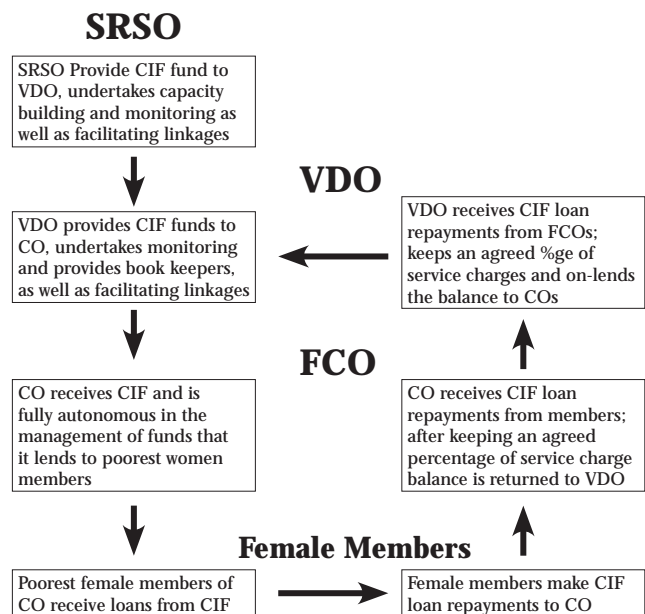
## Community Investment Fund -CIF: (ceiling Rs. 2000/- to Rs. 7000/-)

In order to effectively and efficiently reach out to the women and the poorest segments of the rural community, Rural Support Program Network (RSPN) and the Sindh Rural Support Organization (SRSO) has begun a program called the 'Community Investment Fund' (CIF). The roots of CIF go back to the concept of Village Organization Bank (VOB) that the Agha Khan Rural Support Program (AKRSP) had initiated in the Northern Areas of Pakistan in the 1980s and by the Society for Elimination of Rural Poverty (SERP) in Andhra Pradesh, India, in the late 1990s.

Using previous experiences, accessing new learning and suitably modifying these to the current context of Pakistan, RSPN views CIF as a cost-effective method of providing microfinance services to the poor and poorest women in the areas which are relatively underserved by the MFIs. CIF is a fund which is run and managed by the poor and poorest women: the beneficiaries themselves - that is, the CO members. It focuses specially on the poorest households through female Community Organizations by giving them access to microfinance, while at the same time increasing their levels of empowerment, confidence and skills. Essentially, CIF is based upon and linked to the three-tier social organization



A flow chart to show the circulation of the CIF is given here:



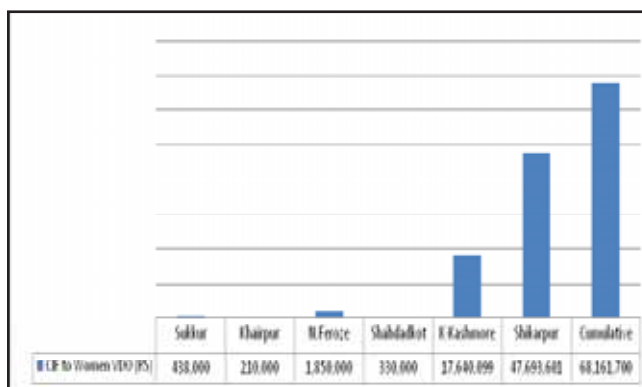


framework of Community Organizations (CO), their agglomeration into Village Organizations and finally their agglomeration at the Union Council-level into a Local Support Organization. Members of COs are encouraged to mobilize their own savings and, as these build up, to use them for internal lending purposes, hence complementing CIF resources.

At the VDO-CO level, the VDO ensures that the COs have enough capacity to manage the CIF properly. The VDO also provides book keeping services to its member COs and in this way ensures that the books of accounts are correct and up to date. The CIF structure and process demonstrates that the system works bottom-up. Each tier is comprised of women from the grassroots, thus ensuring that there are minimum occurrences of “elite-capture”.

The Community Investment Fund was started by SRSO from its own resources (endowment income) in districts where funding for community projects

**District wise Break up of Community Investment Fund-CIF disbursement (RS)**



was not available from any source. However, CIF in districts Shikarpur and Kandhkot-Kashmore had been given from resources provided by Government of Sindh through the UCBPRP which started in July 2008. During period under review, SRSO had disbursed Rs.68,161,700 to 1,594 VDOs benefiting 5,547 women CO members who were classified as “Destitute”. The management of the CIF is done by VDOs.<sup>7</sup>

## People’s Women Empowerment Programme - PWEP: (ceiling Rs. 5000/- to Rs. 30,000/-)



Government of Sindh established Sindh Social Relief Fund to develop a support system for the most vulnerable and disadvantaged sections of the society which included prospective women entrepreneurs requiring micro financing to start/

support their small businesses/trades/cottage industries, etc... Through the Sindh Social Relief Fund, a debate was generated as a result of which the Women Development Department, GoS and SRSO entered in discussion to help poor women in creating sustainable livelihood by providing them with interest free loans. After a series of discussions, SRSO was asked to become partners in the program called the ‘Peoples Women Empowerment Program’ (PWEP), in order to effectively and efficiently reach out to the women

<sup>7</sup>See Table 5, Appendix -A, pg. no. 74

and the poorest segments of the rural communities. The Women Development Department provided a seed corpus of Rs.500 million from the Sindh Social Relief Fund as an endowment which was approved by Chief Secretary (CS). A revolving fund out of seed corpus money of Rs.500 M was created and money was put in Banks with the finance department GoS. The yearly return on the investment of Rs.500 million would be used by SRSO for loan disbursement to prospective women borrowers in Rural Districts of Sindh.

The objective of the People’s Women Empowerment Program (PWEP) is to provide interest free loans to deserving poor women to start or support small businesses of their own at their homes. The overarching objective of this soft loan is to reduce the levels of poverty of these poorest women in rural areas. This would be achieved by:

1. Organizing the marginalized women groups in Community Organization
2. Undertaking a prior identification assessment and tailor credit need accordingly
3. Making the loan package more flexible
4. Providing business support (input identification and procurement, marketing support)
5. Promoting savings, as internal funds generation leads to financial independence
6. Providing right-based training to beneficiaries
  - a) Building their productive assets
  - b) Increasing and diversifying their incomes
  - c) Decreasing their risks ensuring the access to the safety nets – Health Insurance etc.
  - d) Improving their entrepreneurship and management skills

The identification of the very poor or destitute women is being done with the help of Poverty Scorecard (PSC). The size of loan can vary from Rs. 10,000/- to 30,000/- and the repayment tenure would be 6 to 18 months.

### The Process

The Poverty Score Card (PSC) tool is base for identification of the all poor where need arises or before doing any interventions. The tool helps in targeting the poor and take decision on the type of packages. The identification of extremely/

chronically poor or destitute families (Score 0-18), and willingness of the poor women to form CO are taken for the intervention. Once the community organization (CO) is formed, an investment plan of poor women who ultimately will get loan begins particularly of those who belong to - extremely poor or chronically poor category (Score 0-18).

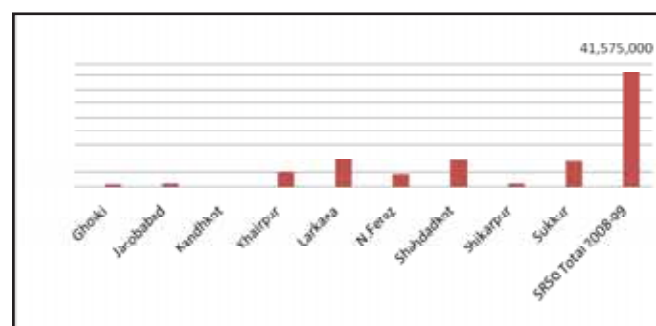
### Monitoring

The Provisional Steering Committee (PSC) has been notified, the honourable Minister being the Chairperson of the committee. The committee will meet quarterly to review the progress. It was also decided in the meeting that SRSO will ensure that loans are disbursed in a transparent and accountable manner, the recommending community organization (CO) will ensure, whether the applicant is truly in need of the required loan or not. The community organization (CO) will take this decision collectively in their meeting. The community organization (CO) also ensures proper utilization of the loan by the borrower for the purpose for which the loan has been sought and later applies social collateral for regular repayment by the borrower.

This programme would be extended in other districts of Sindh where SRSO is not present. Therefore, SRSO chose TRDP and NRSP as implementation partners. Following the same criteria and approach both Partners have been released Rs: 23 millions to extend in their operational areas.

The implementation of the program was started in September 2008. During reporting period

SRSO District Wise Disbursement of Interest Free Loan 2008-09







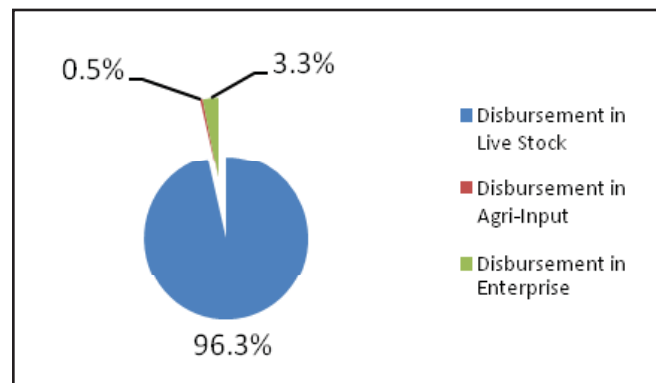




i.e. September 2008 to June 2009, SRSO had disbursed total amount of Rs. 41,575,000 amongst 3,456 clients with an average loan size of Rs.12, 000 however TRDP received 18 million as implementation partner and disbursed Rs. 12,991,000 during reporting period while NRSP received funds of 05 million but did not disbursed it under period under review.<sup>8</sup>

96.3 % loans are disbursed in Livestock while 0.5 and 3.3 percent loan are disbursed in Agri Input and Enterprise respectively.

**Area wise Interest Free Loan Disbursement (Cummulative)**



<sup>8</sup>See Table 6, Appendix -A, pg. no. 74





## Enterprise Development (ED)



Enterprise Development Section has been working with rural women artisans on capacity building and raising awareness through various inputs of trainings, workshops and sessions on entrepreneurship and rural enterprise development. The primary focus of ED is on value addition of products made by rural women artisans, their product diversification and promotion of Sindhi traditional crafts. SRSO tries to create more and more options for earning livelihood for women through enterprise development by adopting skill based approach: utilizing the available potential in women artisans and assisting in value addition and developing networks for women entrepreneurs at local and national levels. Enterprise Development Section has identified the different types of traditional crafts based on rural heritage such as:

- Patch work (Sindhee Rallie)
- Cut work (Tuk work)
- Needle Work (Balochi, Sindhi Embroideries)
- Straw work (Wheat stick crafts)
- Reed Work (Chikh and Moora work)
- Date leave work (Date leaves mad crafts)
- Crochet work (Kundhee / Hook work)
- Machine Embroidery

SRSO identifies market needs, supports enhancing skills, establishes links and finds markets. SRSO has therefore geared and facilitated its ED Section to function with greater freedom and show positive results. The primary responsibilities of the ED section are:

- a) Provide networking opportunities between Women Entrepreneurs, Women Entrepreneur organizations and between government agencies engaged in business promotion services.
- b) Training and Development Opportunities.
- c) Seminar, Workshops and Training tailored to the specific needs.

The ED section is engaged in assisting women artisans in SRSO's area of operations in building quality products on a regular basis. It is also exploring opportunities for centralized market access support. Furthermore it intends to introduce research, design input, methodologies for researching design trends and market linkages undertaken for specific craft types.

The performance of the ED section was not at par with the rest of SRSO's activities, nevertheless it did make the following significant achievements:

- Provided awareness regarding enterprise development to 127 woman artisans
- Provided capacity building training to 398 woman artisans
- Provided opportunity to 76 women artisans to avail invaluable exposure through Exhibitions, Festivals, Exposure visits
- Received orders for 7 crafts groups of Sukkur, Khairpur, Ghotki, Noshahro feroz and Larkana.
- Developed a network of 3 crafts groups of

District Khairpur, Sukkur and Larkana for production and marketing to IRC, AHAN and local shopkeepers

- Developed two new catalogues of embroidery and mixed crafts
- Trained 26 master trainers in cut work, patch work and embroidery crafts
- Secured two orders designer labels
- Helped artisans earn Rs. 75,000 in a year.
- Participated in 6 Exhibitions at local, national and international level
- Facilitated in the development of five community based production centre by women artisans
- Promoted the cultural heritage of Sindh and the skill of women artisans at all levels

### **SRSO Artisan's Gallery:**

The Artisan's Gallery established by SRSO exhibits the products made by artisans in SRSO's area of operations and is well decorated with splendid hand-crafted products. The Enterprise Development team made great efforts in making new products after conducting extensive market surveys of several outlets, product research, visitor's feedback and designers input. Currently, the gallery is equipped with 69 handmade products from eight types of local crafts.<sup>9</sup>

At the end of the year 2008-09, during Annual Review, following lesson learnt were shared by the ED section, based on yearly progress and feedback

from community in the reported duration:

- Mere Capacity Building is not enough for meeting the goal of poverty reduction until and unless it is integrated with financial sponsorship. SRSO is really keen to integrate its Credit Programme with Enterprise Development Section.
- Rural women are really bound within the confines of their house which is the main constraint in marketing and linkages. It was observed that Male members' involvement with women artisans proved to be more supportive for marketing
- Creating Linkages is a time taking process. Artisans do not immediately get orders after training which results in their lack of interest. To maintain interest of artisan, it was suggested to give nominal incentive during product development workshops.
- It was suggested that training of artisans should be arranged at district and field unit levels since it is very difficult to organize them at places far from their residence for long periods of time.
- Proper marketing strategy of SRSO ED section is needed

Statistical progress of enterprise section can be seen in Appendix -A

Women artisans from Village Pir Buksh Solangi have found a new window of opportunity to increase their income and make useful economic contribution of their craft and skills to the society. Pir Buksh Solangi is a remote village in district Khairpur inhabited by land tilling community. Hard pressed financially and working hard day in day out is not enough to help the inhabitants to make their ends meet. Women can hardly make any contribution to the family income due socio-cultural restrictions and therefore, lack of opportunity. However some of them are very skilled in patch work. SRSO's ED team had seen some potential in these women. It arranged the training of women in the village in patchwork, color scheming, different designs and quality fabric. They had also been exposed to the contemporary trends and demands of the market by arranging their visits to various exhibitions. The women are now producing good quality bed covers and spreads in patch work. SRSO has linked them with markets and are now receiving substantial supply offers. From their savings they have now built a Girls Primary School in their village with assistance from SRSO.

<sup>9</sup>Table 7, appendix A, pg no. 75

## Social Sector Services

**SRSO - SSS established with the precise objective to assist the communities in addressing their needs in the areas of primary education, basic health, sanitation and safe drinking water.**



The access to the quality social sector services is a big challenge in the rural areas where SRSO is operating. SRSO has included a host of social sector services in its delivery package in order to improve social indicators of the target population. The Social Sector Services department, established in January 2007, strives to assist the communities in addressing their needs in the areas of primary education, basic health, sanitation and safe drinking water. It acts as an intermediary between communities, government agencies and other NGOs in order to deliver services.

In a short period of time, the sector has made important and visible headway in education, safe drinking water, sanitation, micro health insurance and more importantly health. For example, SRSO is currently pursuing the strategy of bringing 'behavioral change' in rural female so that their attitude and awareness about health related issues is increased.

To further the agenda of bringing about behavioral change and increasing education, SSS initiated its education programme in January 2008 by establishing Adult Literacy Centers on a pilot basis in Khairpur and Sukkur Districts. A total of 38 centers were established and 1200 illiterate females successfully completed courses offered in

these centers. Educational awareness workshops were also conducted in all districts.

To strengthen public-private partnership with regards to public services, SRSO helped the residents of Village Pir Bux Solangi of Khairpur District to construct "MARVI Model School for Girls". The construction of this school was only possible because of the diligence and perseverance of the social mobilization team, as a result of which one of the CO members contributed land for this school and Female CO members contributed Rs. 100,000 for the construction of the building. The remaining cost of teaching kits, furniture and school bags to children were provided by RSPN. Teachers in Marvi Model School are very committed to providing quality education.

Moreover, under core programme, SSS performed following activities in the reporting year:<sup>10</sup>

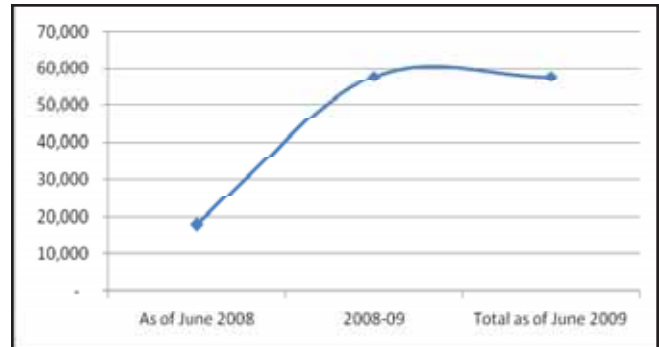
- Conducted 26 health awareness workshops to sensitize the community with health and hygiene related issues. A total of 547 male and female community members participated in these workshops.
- Organized four (04) advance training of Trained Birth Attendants (TBAs) in which they were given TBA Delivery Kits including Clean Start Delivery Kits (CDKs) which contain all

<sup>10</sup>See Table 8, Appendix -A, pg. no. 75

essential materials required for a clean and safe delivery.

- Conducted 16 one-day Education Awareness Workshops in rural communities aimed at motivating the participants to enroll their children in schools.
- Facilitated the construction of CLTS in SRSO operational area for making villages open defecation free (165 in number) and triggering for Community Led Total Sanitation CLTS was really a big challenge which sector accomplished.
- 57,484 poor community members were provided Micro Health Insurance in the reporting year.

Micro Health Insurance (Beneficiaries)



## Micro Health Insurance (Social Safety Net)



**Micro Health Insurance is one of the important steps towards poverty reduction. In view of the fact that single largest bill poor families pay is on account of Health of the family.**

Poor health and enormous expenses on medical treatment, among other factors, are one of the major causes of poverty in Pakistan and both are closely related. Recent researches show that as much as 65 percent of poor population in Pakistan is suffering from ill health, thus eroding their income and further pushing them down the poverty line.

According to The World Health Organization (WHO) estimates the out-of-pocket health expenditure in Pakistan stands at 71 per cent – a heavy burden for the poor, especially low income family households. Those who can only afford to

pay a little usually get the poorest quality of the services, says a World Health Organization review on health inequalities in Pakistan.

For more than 50% of population living below the poverty line and more than 65% without access to health facilities, it is impossible to pick up the health bill. While at the same time, the fact remains that disease prevalence rate is higher among this group due to malnourishment, lack of sanitation and unsafe drinking water.

To overcome health issues partially, SRSO has worked out the arrangement to provide micro health cover to its community members against a very nominal premium and help them in crucial health emergencies. Micro Health Insurance is available to communities through COs in the target area of the nine districts. In October 2005,



Adamjee Insurance Company, in collaboration with SRSO, introduced a product of Micro Health family insurance for poor households covering married couples and children up to 18 years old dwelling at rural and remote areas. Micro Insurance covering cost of hospitalization, accidental injuries, disability compensation and compensation in case of accidental death. The limit per insured is Rs.15000/-while effective annual premium is set out Rs.600/-only.

Furthermore, Adamjee Insurance Company introduced a catch card for the insured poor family who can enjoy Rs.15000/- per member in the nearby panel hospitals. No prior investment is required by the target families and they can avail health service for all family members.

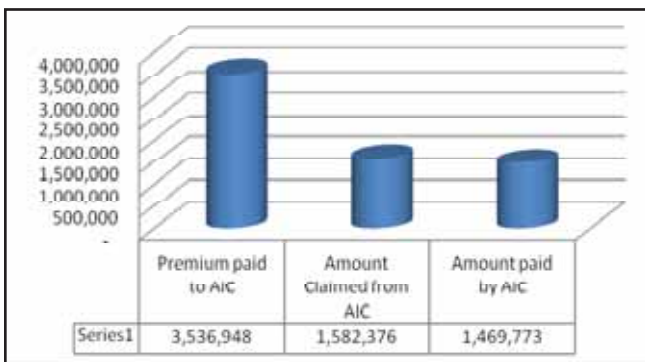
It is one of the most important and innovative steps towards poverty reduction. In view of the fact that the single largest bill poor families pay is on account of health of the family. Under this scheme, by paying a small amount the community receives a sizable amount for health coverage along with

the assurance that they will be provided quality health services.

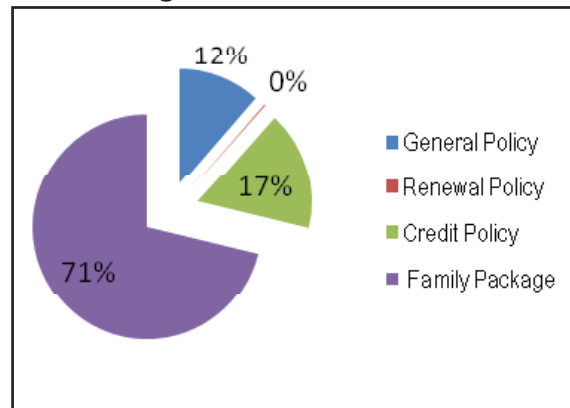
The Micro Health Insurance scheme has been instrumental in benefiting numerous poor families. They have either had complete treatment admitted in the hospitals or have claimed monetary compensations.

- Life insurance and hospitalization policy was given to 15,748 members (8349 male and 3921 female) benefiting 36,616 Head counts.
- AIC paid Rs. 4,455,880 in different packages. For its services, SRSO charged from AIC Rs. 50 on Credit Insurance policy, Rs. 42 on General Insurance Policy and Rs. 100 on Family Package to meet its own expenditure incurred in facilitating the scheme.
- Of the total 15,748 assured clients, 153 made claims of Rs. 1,582,376 from AIC which paid 1,469,773 to the clients which is about 33% of the amount that clients paid to AIC as premium.<sup>11</sup>

Description of MHI claims



Package wise MHI Beneficiaries



## GFATM-7 Malaria project

Malaria has been as a major cause of morbidity in Pakistan and it continues to be a major threat to the health of millions who live in areas prone to malaria. In Pakistan, malaria shows an unstable pattern while transmission is mainly post-monsoon

from July to November. Approximately, 95 million people out of 161 million live in malaria endemic areas of the country. Since the Government of Pakistan is committed to combat malaria and achieve its national targets, which are in line

<sup>11</sup>See Table 9,Appendix -A, pg. no. 78





with the global roll- back malaria and MDGs, the current national health policy provides the basic framework for all disease control interventions. Thus, in order to improve early diagnosis and prompt treatment practices, rapid diagnostic tests (RDTs) are intended to be introduced.

Under GFATM-7, malaria surveillance tools and reporting system are also planned to be reviewed and re-designed to capture the maximum information on malaria and the coverage of major interventions. The use of insecticide treated bed nets (LLINs) has been proved to be a powerful prevention tool worldwide.

Pregnant women and children below 5 years of age are the major target groups for the use of bed nets. During the current project WHOPEs approved long-lasting insecticide treated bed nets (LLINs)

are provided free of charge to households having children under 5 years and pregnant women.

The overall goal of the project is to reduce malaria incidence by 50 percent in high risk area of the district Khairpur. It further aims to improve early diagnosis and prompt treatment services in the district. Since LLINs have been proven to be effective, different methods for LLINs promotion in the target communities are adopted. A total of 98,678 LLINs are planned to be distributed to people living in selected high risk areas of district Khairpur in the first two years. Subsequently 39 Health Facility Centers and 6 special outlets are set up for the distribution. Of the total LLINs to be distributed, 49,300 LLINs have been distributed to the target group so far.<sup>12</sup>

To raise awareness regarding proper use of LLINs, prevention and timely treatment of Malaria, Community Orientation Workshops and Puppet Shows are organized in the targeted area.

## Mother & Child Health Care Initiative

The overall situation of maternal and child health in Pakistan is dismal, to say the least. Women and children of rural areas and low income urban slums are victims of poor planning, lack of commitment and negligence on part of public

and private health systems. A number of socio-cultural barriers further restrict women's access to information and services for maternal and child health care resulting in high maternal mortality (276 per 100,000 live births) and infant mortality

<sup>12</sup>See Table 10, Appendix -A, pg. no. 78

rate (78 deaths per 1000 live births) and under five child mortality is 94 deaths per 1000 live births (PDHS- 2006-07). The situation in rural areas is more depressing where MMR is 319 as compared to urban areas where MMR is 175.

Major reasons for maternal mortality are associated with lack of knowledge amongst communities, especially women, on dangerous signs during pregnancy; importance of antenatal & postnatal care; importance of preventive measure (vaccination etc.); and lack of access to quality health care services, especially trained health care providers and skilled birth attendants for delivery.

There are various reasons of death amongst children under five: pneumonia and diarrhea contributing 13 and 11 percent. Deaths in post neonatal period (age 1 to 11 months) are mostly due to diarrhea and pneumonia, while main causes of deaths of children 1-4 years are diarrhea, pneumonia, measles and meningitis. This reflects lack of awareness of community regarding preventive measures against pneumonia, diarrhea and recognition of importance of immunization of children. Another important aspect of child mortality under five is "birth spacing". According to PDHS 2006-07, optimal birth spacing significantly reduces the chances of child mortality (122 vs. 61 deaths per 1,000 live births). Unfortunately, 22 percent of currently married women in Pakistan have an unmet need of family planning.

Through funding provided by UNICEF, SRSO



is focusing on five districts (Larkana, Shikarpur, Shahdadkot, Ghotki and Kashmore) for community based interventions. Support is extended to LHW programme for outreach of primary health care interventions. Approximately, half of the total population in aforementioned five districts is not covered by the LHW program and remains deprived of community based health interventions

The main purpose of this project is to conduct health sessions, convey health messages and ensure that the target population (children 0-2 years, children 2-5 years and currently pregnant women) has received vaccination, de-worming tablets and TT shots respectively.

During the reporting period, communities were mobilized by raising awareness and creating demand for the following services on mother and child survival along with health issues:

- 1) Identified and trained 1,056 Male and 1,056 Female Community Resource Persons in 678 and COs
- 2) Involved communities for polio eradication and immunization activities to reduce the number of missed children and refusals ; to address any misconceptions and develop community ownership and a pro-active role ahead of and during every campaign.

- 3) Organized communities in non-LHW covered areas for Mother & Child Weeks twice a year to conduct focused awareness campaigns on pneumonia and diarrhea, strengthen catch-up of routine immunization and TT.
- 4) Conducted health education sessions for men and women in target areas about the importance of vaccination, ante-natal care, hand washing, newborn care, infant and young child feeding and use of iodized salt.
- 5) Developed a community channel for dissemination of messages and supplies of communication materials, de-worming tablets and clean delivery kits.

## Family Advancement for Life and Health (FALAH) Project



Population Council Pakistan is leading a consortium of national and international NGOs to support family planning activities in both public and private sectors in Pakistan, funded by USAID. The consortium members include Green Star Social Marketing, JHPIEGO, Health and Nutrition Development Society (HANDS), Mercy Corps, Rural Support Programmes Network (RSPN) and Save the Children US. The consortium brings together an excellent blend of technical expertise combined with rich experience of working at national and international levels in increasing demand and utilization of quality family planning services.

The project entitled 'FALAH' (Family Advancement for Life and Health) is a five year project funded by USAID which is planned to be implemented in Pakistan in 26 focused districts of the four provinces, with the aim of:

- a) Increasing demand for family planning services
- b) Increasing access and quality of family planning services in the Public Sector
- c) Increasing the coverage and quality of family planning services in the Private Sector
- d) Increasing the coverage of social marketing of contraceptives and providing marketing support to commercial sector for marketing contraceptives to strengthen contraceptive security .

The role of SRSO in Falah project is to create awareness and generate demand for birth spacing in the community through social mobilization. Mobilizers of Falah Project conduct awareness and sensitization sessions in the community.

Following activities were conducted from June 2008 to July 2009 in Sukkur District:

- Community mobilization team of FALAH Project conducted dialogues with men and women and had identified community facilitators whose role is to identify married couples aged 14-49 years.



- 19 orientation events were conducted in which 176 men and 164 women community facilitators were oriented about their roles and responsibilities.
- Lists of 5,153 men and 5,103 women had been made. 202 groups of men and 205 groups of women are available to start the sensitization sessions on birth spacing.
- The community facilitators had identified 48 religious leaders from the selected union council who will help the social mobilizers in the sensitization sessions from their religious point of view.
- 76 notables and influential persons from the community had been identified who will help social mobilizers to promote the birth spacing concept.
- A total number of 76 unemployed LHVs, private doctors, private clinics, hakeem and homeopath doctors had been identified for Green Star who will employ these people in their interventions.
- SRSO and Population Welfare Department organized a walk on World Population Day on 11th July, 2008. The walk was led by Taulka Naib Nazim, Ghulam Murtaza Ghangro.
- SRSO celebrated World Health Day on 7th April, 2009 at the Unit Office in UC Saleh Pat. Two lady doctors from EDO's office, private doctors, and technical staff from BHU Saleh pat, naib nazim, partner of Falah project, influential persons, community notables, religious persons, men, women activists and people from community had participated in this event.

## Community Led Total Sanitation CLTS

One of the biggest challenges facing the developing world today is that of sanitation. Improving sanitation is also the key to achieving the health related Millennium Development Goals (MDGs) of reducing child mortality and combating disease.

Along with unsafe drinking water, inadequate sanitation and poor hygiene are accountable for almost 80% of all diseases. Improving sanitation is vital for human health, child growth and survival, social development, protection of environment and enhancement of women's dignity and privacy. According to World Health Organization (WHO), South Asia has one of the lowest coverage of sanitation facilities. Despite continued efforts, there are teeming millions of people who live without the dignity of access to proper toilets, representing almost one-third of the global population. A clean



environment is very difficult to ensure if open defecation is practiced even by minority of the population.

The CLTS approach is innovative as compared to conventional methods of sanitation which includes household based pit or flush latrines with brick and mortar model which are expensive enough to afford by the poor community. CLTS is easy to install (both at household or community level) and is affordable. It employs culturally sensitive and participatory rapid appraisal (PRA) tools of community engagement and mobilization,

strengthening collective action at local level, while triggering a drive towards behavioral change among communities to transform the local environment into 'Open Defecation Free' (ODF) areas. During the process, communities also learn constructing latrines without being dependent on hardware subsidy. The aim is to achieve total sanitation for all members of a village making it free of open defecation. The target is not the construction of latrines but igniting lasting behavioral change based on collective decision-making by community.

The RSPN and RSPs demonstrate successful grassroots initiatives based on PRA tools and participatory approach of community mobilization. The central catalyst for change has been social mobilization. The RSPN along with RSPs and Local Governments piloted the CLTS approach in 2007, making villages open defecation free through trained community activists working as 'barefoot consultants'. The approach was introduced to the RSPs and pioneered by Kamal Kar from Bangladesh with technical support from the Water

and Sanitation Programme-South Asia (WSP-SA) of the World Bank.

The CLTS methodology used by Rural support Programmes in Pakistan focuses on the safe disposal of excreta through the creation of an open defecation free environment, declaring Union Councils Open Defecation Free (ODF) ensuring safe disposal of liquid and solid waste, along with the promotion of use of latrines and hygiene practices. These objectives are implemented through social mobilization and capacity building of community activists on triggering of CLTS. Encouraging use of local knowledge and cultural practices in achieving ODF status and making choices based on affordability and willingness to pay help drive positive change).

SRSO declared 165 open defecation free villages after counseling CRPs, covering 9100 households in the reporting year. Community constructed 3,158 pit latrines after triggering which benefited 64176 population.<sup>13</sup>

<sup>13</sup>See Table 11, Appendix -A, pg. no. 78

## Physical Infrastructure and Technology Development



Of the wide range of rural development interventions tried the world over, physical infrastructure promise the greatest and the most tangible gains. The fact is that rural population lacks the basic critical physical infrastructure and does not have access to the facilities that support the delivery of key services like transport, safe drinking water, sanitation, health, education, electricity etc. These key services are essential for not only the economic viability and growth of rural people but a means to access basic minimum needs. They are also necessary for people to meet their livelihood needs and maintain a healthy physical quality of life (PQL), and in doing so, these services reinforce efforts geared towards reducing poverty.

Infrastructure required for water harvesting, storage and delivery is virtually nonexistent in rural areas of Sindh. Similarly, the mechanism and means of linking communities with markets and health and education services does not exist. Roads, bridges, sewage disposal systems and drainage systems that are the key indicators of social change are missing too.

SRSO considers physical infrastructure projects to be an investment in the CO. Hence SRSO works on the premise that local people understand their problems better than outsiders do, and are willing to address those problems. It is also understood that they are willing and able to contribute financially to the projects.

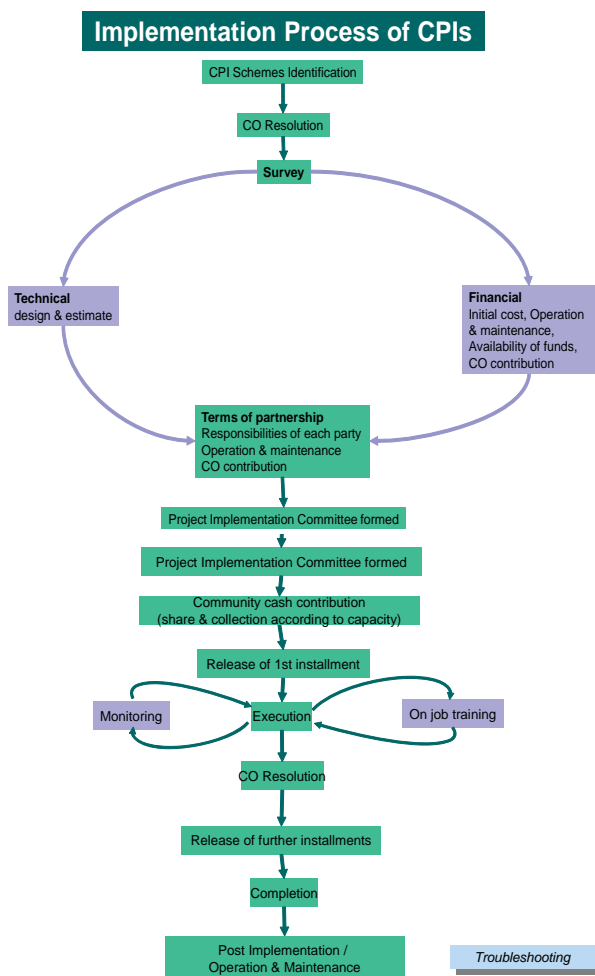
Physical Infrastructure and Technology Development sector of SRSO started working since 2003. Its purpose is to offer guidance to the COs in technical and construction related initiatives. SRSO acts as an intermediary and facilitates in creation of linkages of the COs with donor agencies, including government departments, involved in the provision of infrastructure services in rural areas.

The sector's activities are driven by a fundamental belief in the power of participation in ensuring the successful identification and implementation of anti-poverty interventions. One of the distinguishing features of the sector's activities is the focus on bottom up demand driven approach to project identification.

All projects are identified at the grass roots level by the COs. PITD carries out feasibility studies on the aspects of technical and financial and environmental viability. While approving and implementing the scheme, major concerns are about sustainability in terms of maintenance and operation.

SRSO has developed a strong team of PITD engineers who have helped communities to construct brick pavement, C.C blocks, open drains, hand pumps, tube wells, water supply schemes, lined water course and also built roads linking remote villages to main roads. The latter brings economical and social opportunities to communities.





In the year 2008-2009 SRSO PITD Section extended Community Based Physical Infrastructure Schemes with collaboration of different donors. Detail is as under<sup>14</sup>:

- 1- Pakistan Poverty Alleviation Fund (Phase-III)
- 2- PPAF-ENGRO
- 3- PPAF-IWEIP
- 4- Khushal Pakistan Fund (KPF)
- 5- People Housing Cell(PHC)
- 6- SRSO Core Programme Funding

**Pakistan Poverty Alleviation Fund (Phase-III):**

During the reporting year, 63 CPIs were extended to the community funded by PPAF 3rd phase benefiting 3,356 HHs. The schemes included lining of water course, lift irrigation, culverts, bridges, brick pavement and sanitation. The total cost of these schemes was Rs. 26,855,351/- out of

which Rs. 20,417,994/- was funded from PPAF 3rd phase and the remaining contributed by the community.

**PPAF-ENGRO:**

During the year 2008-2009, SRSO initiated 02 schemes, one of brick pavement and second one of open drain, under partnership with PPAF & ENGRO. The schemes benefitted 258 Households. The location of the schemes is near the ENGRO plant in Ghotki District. Details of these schemes are as under:

Total Funds approved by PPAF& ENGRO:	Rs: 2,400,000/=
PPAF Share:	Rs: 1,200,000/=
ENGRO Share:	Rs: 1,200,000/=
Community Share:	Rs: 526,614/=

**Pakistan Poverty Alleviation Fund (IWEIP)**

Funded by PPAF, the project started in 04 districts i.e Kandhkot, Sukkur, Khairpur & Naushero Feroz for the period of 01 year. The objectives of this project were to

- (1) Develop a rigorous and universally-applicable set of definitions of cost and benefit components from different perspectives.
- (2) Compile, in an easily-accessible form, the best available information on water use efficiency program costs and savings.
- (3) Provide clear guidance to water utilities on program cost and benefit estimation.

The project provides practical tools to enable water utilities of different sizes and differing levels of sophistication to better integrate their supply-side and demand-side planning.

**Details of Project:**

Total Funds approved by PPAF:	Rs: 18,629,000/-
PPAF Share:	Rs: 16,199,976/-
Community Share:	Rs: 4,053,971/-

**Khushal Pakistan Fund (KPF):**

The Federal Government approved the

<sup>14</sup>See Table12, Appendix –A, pg. no. 79



identification and implementation of physical infrastructure schemes with community participation under the Khushhal Pakistan Fund (KPF), which was launched by the Government of Pakistan. Its main objective was to increase employment opportunities and to provide essential infrastructure in rural areas.

SRSO initiated 179 conventional schemes like culverts, tube wells, hand pumps, brick pavement etc under the Khushhal Pakistan Fund Programme in the mid of the year 2007. All of these schemes were completed in the reporting year and benefitted 6,051 households. The total cost of these 179 conventional schemes was Rs. 74,793,909. Through the Khushhal Pakistan Fund SRSO succeeded in: extending 113 CPIs of Lift Irrigation, 12 safe drinking water supply schemes, 02 lining of water course schemes and construction of 30 brick pavement schemes.

#### **People's Housing Cell (PHC):**

Housing is one of the top priorities for most poor people, regardless of their income levels. Practically every individual lists housing as their most important need above food, health care

& education for their children. Without the security & comfort of home, it is impossible to face the hardships that arise as a result of poverty. Unfortunately, building a house is not cheap and people gripped in the clutches of poverty rarely ever have the financial means to buy or construct houses with their savings.

The Low Cost Housing Program has been established to provide a house to the extremely poor men & women who are otherwise unable to afford the expenses incurred in the construction of a house. The LCHP aims to improve housing conditions of the poor, with an emphasis on the poorest of the poor that are living below the poverty line & specially the houseless women. Preference is given to those villagers who are living in deplorable conditions or whose houses have been damaged due to natural disasters.

Initially SRSO & PHC agreed to construct 200 low cost houses in selected UC's of five districts, namely Khairpur, Sukkur, Larkana, Shikarpur & Jacobabad (40 Houses in the selected UC's of each district) , where SRSO is already operating.









Each House consists of 01 room (14'x16'), Verandah (14'x10'), Kitchen & Toilet. As per agreed plan, these houses are to be constructed by SRSO @ Rs: 252,000/ per house. The role of Peoples Housing Cell (Govt: Of Sind) is to finance the Project. The contract period is of 09months ending in November 2009.

SRSO's priority was to fulfill the housing needs of the poor who either do not have their own houses or whose houses are in dilapidated condition which pose a serious risk to the lives and property of their occupants. Houseless women are the special focus of the project in line with SRSO's mandate of empowering women. During the reporting year, a total of 97 out of 200 allocated low cost housing schemes were completed.

#### **Details of Project:**

Total Funds approved by PHC:	50,400,000/=
No: Of Schemes to be Initiated	200
No: of District	05

#### **SRSO Funded CPIs:**

In year 2008-09, 20 CPI schemes were extended to the community from SRSO's core programme funding which benefited 906 HHs. These schemes included 04 drinking water hand pumps schemes, 14 Culverts and 01 bridge. The total cost of these schemes was Rs. 2,060,903/- out of which Rs. 360,603/- were paid by community members.

The most number of schemes (39% of total schmes) were related to irrigation which is indicative of the fact that the community is aware of the financial gains from irrigation schemes as they help generate more income for farmers. Of the total schemes, brick pavement and sanitation both stood at 7% each. Communication (Culverts and Bridges etc) is another area in line with community preferences and enables community members to connect with the markets to sell their products. As a result, the inclusion of rural community members in the economy has been made possible. The total percentage of schemes pertaining to communications is 5%.







## Natural Resources Management (NRM)

SRSO's target population is primarily engaged in agricultural activity and therefore, the use and management of natural resources is indispensable to their livelihood. The natural resources that the target population employs are basically resources such as land, water, soil, plants and animals. However, they cannot maximize their profits since they lack the capacity to manage these resources productively. Natural resource management is concerned with the effective use of these resources with a particular focus on how their use affects the quality of life for both present and future generations.

SRSO feels obliged to help the community in this important area. With this aim in mind SRSO has established a fully fledged Section of NRM. It is responsible for:

- Assisting communities in enhancing agricultural productivity and in water resources management through demonstrations and training.
- Obtaining and distributing better varieties of seeds, fruits and forest plants.
- Promoting and building the capacity of communities in dealing with more efficient methods of vaccinating animals, livestock management practices, agricultural farm management practices, sowing, seeding and plantation
- Providing curative services through the Prime Minister's Special Initiative for Livestock.

In addition to the NRM Sector's regular activities, it is dealing with two major projects of GoP: Prime



### ANNUAL FACTS AND FIGURES<sup>15</sup>

- During the reporting year, 57% of the total community organizations and 59% of the total organized households have benefited from NRM activities through different projects
- 2774 poultry units were distributed in 278 COs.
- 1500 HHs benefited from Kitchen Gardening
- 1359 Harees were identified in Landless Harees Project.
- 365 Harees were provided agricultural Input worth Rs: 4,800,399/- and cash grants worth Rs.12,616,600/- have been given to 524 Harees
- NRM sector conducted the exercise of soil reclamation plots in district Jacobabad. 25 plots have been demonstrated from 8 COs and 25 households were benefited.

Minister's Special Initiative for Livestock and Crop Maximization Project. Both projects are funded by Ministry of Food, Agriculture and Livestock (MINFAL).

<sup>15</sup>See Table 13, Appendix -A, pg. no. 79







## Prime Minister's Special Initiative for Livestock-PMSIL

Together with agriculture and livestock, animal husbandry is an important source of subsistence for the rural population. This sector has mostly remained neglected and inflicted with serious problems so far despite the fact that it has tremendous potential to grow and benefit the community. Degrading resources and farmers' poor access to other key inputs and services lead to much lower level of productivity wasting the existing potential. The Prime Minister's initiative for Livestock is an important step in boosting the sector.

This project was based on the concept of Public Private Partnership (PPP), in order to close the livestock extension services' gap in the country, where RSPs have an extensive outreach through



social mobilization in the rural areas. The project envisages addressing issues of inadequate and poor quality of feed and fodder, limited animal health coverage, widespread breeding of genetically inferior livestock, outdated and limited marketing facilities, lack of awareness and education.

The project targeted 87 Union Councils in SRSO 09 operational districts through appointing 09 DVMs, 09 district livestock officers and 250 CLEW's (community livestock extension workers).

## Crop Maximization Project CMP II

The Ministry of Food and Agriculture, Government of Pakistan, launched a Project titled as Special Programme for Food Security and Productivity Enhancement of Small Farmers in 1,012 villages with the objective to ensure adequate food supply through increased production of food and cash crops, creation of employment, sustainable livelihood, and income generation for increased access to food particularly of the food- insecure population. The project strategy, in line with the objectives, defines the approach as well as means with time tested tools through provision of a system of input-output management for the Village Orga-

nizations and investing in capacity enhancement of these grass root level institutions for productive enhancement and increasing farm income on sustainable basis. The approach centers on participation by organizing farming community in the folds of FAs and federating these FAs into VOs at village level. The approach can be simplified into four main components which include: (a) organizing and empowering farmers' community, (b) capacity building for crop productivity and income enhancement, (c) establishing of small enterprises and (d) developing market linkages. Each component further enlists sub-components





SRSO had been accorded with the responsibility to undertake the component of organizing and empowering farming community. The progress summary of the project as of June 2009 is as follows:<sup>16</sup>

with a special focus on strengthening the overall component.

- SRSO had had organized 364 FA's through social mobilization and federated these into 80 VOs so far.<sup>16</sup>

- Activities of the project had slowed down due to the continuous amendments in the project, by the Govt itself.
- Registration process of VOs had been delayed by the Government
- Revolving Fund for VOs had also not been received yet
- However, SRSO had carried out CMSTs and Routine Meetings as per plan.

## LANDLESS HAREES PROJECT (LLHP)



The Landless Harees Project (LHP) is a Government of Sindh initiative to grant state land to the poorest and most marginalized Harees, keeping in view the central objective of poverty reduction

through economic empowerment. Landless women are a priority for all allotments to ensure their financial and social empowerment and to augment their income generation and social status since physically involved in farming activities at every stage. The project was initiated in 17 districts of Sindh in March 2009, including eight districts of Sindh Rural Support Organization (SRSO) i.e Sukkur, Khairpur, Ghotki, Shikarpur, Larkana, Jacobabad, Shahdadkot & Kandhkot -Kashmore.

<sup>16</sup>See Table 14, Appendix -A, pg. no. 79

### PROCESS

1. Identification of the Harees and their organization into community organizations or as land support programme groups through the social mobilization process for registering them into Cooperatives (under Cooperative Societies Act 1925)
2. Provision of cash grants for land preparation activities where needed
3. Provision of other agriculture inputs such as seed, fertilizers, pesticides and weedicides to all eligible Harees
4. Provision of technical advisory services for crop management, productivity increase and marketing through Agriculture Officers

Given their deep involvement in the agricultural activities and historical marginalization, preference has been given to women Harees for the first time. This unprecedented step is progressive and is hoped for being the vehicle for ushering structural change in an otherwise oppressive society.

The allotments are made by inviting applications through Khuli Katcheris to ensure that only poorest and landless Harees may benefit. SRSO has been involved in identifying and profiling the poorest landless Harees through the Poverty Scorecard exercise. Through the PSC it is easier to categorize various levels of poverty such as destitute; chronic poor, transitory poor etc.

For structural and sustainable positive changes, the beneficiaries are granted land varying from 1 acre to 25 acres, along with cash grants to develop the unutilized land, seeds to plant, and fertilizer,

Khairan was allotted 2 acres of land by the government of Sindh in district Sukkur. While she easily got possession of the land, she has yet to obtain the title deed or any other relevant documents. Since the demarcation of land has not been officially done and no documents provided, she is concerned that she cannot legally claim the land provided to her. Out of the 2 acres, she does not have access to one acre as the local landlord has control over it. She has benefited from the land, however, because the land allotted to her is the same land where her house is built. Prior to possessing land, her access to her own house used to be restricted by neighbors as she had did not have private entrance to it. Now that she owns the land, her access to her own house is no longer restricted. The land allotted to her was uncultivated and saline therefore, she was also provided with a cash grant of Rs. 20,000 to prepare the land for cultivation. She ploughed and leveled the land herself with the money provided. She did not have access to a watercourse so she could not cultivate in the kharif or rabi season of 2009 which is why she was not provided with in-kind inputs. She did, however, use her own inputs to plant some vegetables such as lady finger, tomatoes and peas, on 20 ghuntas out of the 1 acre accessible to her and which uses for personal household consumption. Khairan has been supported by SRSO in multiple ways. She has been given Micro-Health Insurance which means she can file claims for medical expenditures in the future. She has been provided with a Family Nutrition Kit with which she has planted lady fingers, tomatoes, peas and other vegetables. She now feels she can feed her family better with more options for household consumption. She has also been provided with 6 poultry birds that very young right now but will be able to lay eggs in a few weeks which can be either privately consumed or sold in the market. Finally she has been given 6 lemon plant saplings which she planted with the help of agriculture officers. These will hopefully also bear fruit in time. The soil on her land is prepared for cultivation but she needs formal watercourse development to start cultivating. She feels confident that she will cultivate her land with rice or wheat in the future once she gets access to water. She is hopeful and happy that the government of Sindh is looking after her needs and is investing in improving their lives.





pesticides and weedicides to ensure successful cultivation of the crop. Over and above, the beneficiaries are provided with Micro-Health Insurance, Family Nutrition Kits (FNK) and in some cases, poultry birds and fruit trees. All these provisions make up the support package that is being handed out through SRSO.

SRSO has dedicated social mobilization teams working to create Co-operatives and Community Organizations all across the eight operational districts. The idea is to organize the Harees in small groups so that they have more voice in representative politics and can share knowledge and practices amongst themselves. These Cos and co-operatives of villages are formed to ensure Harees have linkages with each other, with the SRSO and with the government. This helps in acquiring small loans, knowledge sharing and social support. Harees are also trained in best agriculture case practices in terms of process, quantity and quality, and invited to workshops for necessary skills such as book-keeping, sales and management of crop. In order to mitigate their sufferings and improve their living standards, the launching of this program has given landless females a strong

platform to transform their present condition and accept the new role within their socio-cultural environment. For the first time in the history of this province, women have become sole owners of land without depending on men. This has created an empowered feeling and a sense of dignity in these women.

**Progress Summary of the Project as of June 2009 is as follow:**

- 1,359 Harees had been identified out of 2,094
- 735 Harees were unidentified due to non availability of NICs and because of No Go Areas. 365 cases were found to be problematic. Both unidentified and problematic cases had been reported to the government.
- The identified Harees had been organized into 176 Community Organizations.
- 388 organized members had been trained in CMST training
- Out of 1359, 365 Harees had been provided agricultural input of Rs: 4,800,399/-
- Cash grant of Rs.12,616,600/- had been given to 524 Harees

# Union Council Based Poverty Reduction Project



The Union Council Based Poverty Reduction Programme (UCBPRP) is a pioneering initiative of the Government of Sindh (GoS), for reducing poverty by tapping into the potential of the people. The UCBPRP is being implemented by the Sindh Rural Support Organisation (SRSO) and was initiated on February 1, 2009 in two (2) districts of Sindh, namely Kashmore @ Kandhkot and Shikarpur, with a total outlay of Rs. 2.9 billion, for a period of 30 months (FYs 2008-09, 2009-10 & 2010-11).

The UCBPRP aims at improving the quality of life of the rural communities specifically that of the poorest of the poor, through the conceptual package of social mobilisation of Rural Support Programmes (RSPs). This entails organising rural communities into “organisations of the poor” at the community, village and union council level. At the heart of the social mobilisation approach is the belief that there is an innate ability in each individual to improve his / her quality of life. However, what sets the poorest apart is the fact that they are not able to tap into their inherent potential since they completely lack the means to do so. Social mobilisation is the first step in eradicating some of the barriers that the poorest face. UCBPRP aims at removing common hurdles such as lack of assets, credit, technical skills and inability to afford health-care, which ultimately prevents the poorest from climbing up the poverty ladder.

The characteristics of the UCBPRP are:

- **Targeting Of The Poorest:** The fundamental basis of the UCBPRP is to alleviate poverty. Therefore, the success of the project lies in its ability to target and include the poorest into the program. To this end, SRSO has used the Poverty Scorecard (PSC), developed by the World Bank and adopted by Planning Commission of Pakistan. The PSC uses 13 easily verifiable questions to evaluate the poverty levels of a household. PSC has the ability to

## ANNUAL FACTS AND FIGURES

**46,492 households were organized and brought into the fold of 945 VOs in UCBPRP Project**

**960 households received Income Generating Grant of 8.45 million**

**4,982 Households received Community Investment Fund of Rs.65,333,700/-**

**1,754 participants (both male and female) received Vocational Skills Training (VST) at local centers as well as at the Vocational Training Education Center (VTEC), Rawalpindi**

**70 schemes of safe drinking and sanitation are initiated so far.**



categorise entire union councils and districts into different poverty bands [Bands are: 0-11 Extremely Poor / Destitute, 12-18 Chronically Poor, 19-23 Transitory Poor, 24-100 Non Poor] making it easier to distinguish products for each band. In the UCBPRP, the PSC has been used to identify those poor households which are ordinarily excluded from social welfare initiatives. The purpose is to provide them the products included in the project.

- **Identification of the Poor:** The PSC Survey identified and categorised 54,871 households into the three bands of the poor (0-11 Extremely Poor / Destitute, 12-18 Chronically Poor, 19-23 Transitory Poor) in District Kashmore. Likewise, the same survey categorised 49,468 households into the three bands of the poor in district Shikarpur. Therefore, on the whole both districts have 104,339 poor households in three lowest bands (0-23), which are around 40% of the total population. The total households are further bifurcated into the three lowest bands: Extremely poor (0-11) are 17,220, Chronically poor (12-18) are 39,321 and Transitory poor (19-23) are 47,798 households.
- **Social Mobilisation:** Communities in both target districts are being organised at Paro / Mohallo level into Community Organizations (CO) and at the village level into Village Organisations (VOs). By having their own organisations, the communities (especially the poorest) will be able to present themselves in a unified manner and will have the ability to voice their developmental concerns to the relevant authorities / bodies, such as Provincial and District Governments, Taluko and Union Administrations, SRSO, etc. Eventually, it is envisaged that these VOs will be able to develop their own linkages with external organisations in order to cater for their needs. At the same time, by managing their own organisations, the confidence and skills of these communities will be greatly enhanced. SRSO envisages that in these two (2) districts, 84,000

households will be organised into 4,200 VOs.

Up to June 30, 2009, 46,492 households had been organized in district Shikarpur and Kashmore. These households had been brought into the fold of 945 VOs. 945 Village organisations have been formed in order to facilitate project packages to communities of the area<sup>17</sup>. They would also ensure savings and implementation of the Community Investment Fund (CIF) at household level. It is noteworthy to mention that all organised VO members are women. 100% of them come from the lowest three bands of the PSC and overall 70% HHs.

**Products:** UCBPRP includes following products for the poorest households:

- **Income Generating Grants (In Kind / Non-Cash):** These are grants for the women of extremely poor households, for the purpose of increasing their incomes. Each eligible household receives a grant (in-kind) of up to Rs. 20,000 for purchasing income-generating assets / livestock such as goats, cows, buffaloes, etc.

Up to June 30, 2009 -960 households received Income Generating Grant of Rs. 8,454,320/- Following the guidelines from the ACS and Board of Directors, the amount for the grant had been minimized up to 25%; resulting in grants for 6,500 households and a tentative amount of Rs.13 million. The allocated amount according to PC-1 of Rs. 39 million for 19,500 households would be shifted to the Community Investment Fund and the same amount will be dispersed to VOs; thus expanding the target numbers of CIF beneficiaries.

- **Small Loans from the Community Investment Fund (CIF):** Each VO will be given a revolving fund for providing small / flexible loans to poor women only. The amount of the fund that each VO receives depends on the number of chronically poor households with a maximum of Rs. 25,000 allocated per household. The

<sup>17</sup>See Table: 15, Appendix -A, pg. no. 80

Ms. Fareed is married and has 4 children. Her life was stable until her husband suffered from an attack of paralysis. Her life had turned completely upside down since her husband could not earn. Even her in-laws forced Fareeda and her children to leave the house. With nowhere to go, her neighbors gave her a free room on temporary basis with the support of VDO Masu Khan Machi. Somehow she borrowed Rs 2000 from her parents and started a small cigarette and paan shop. The VO lent her Rs 5000 as CIF which she invested in her business. Before she received the CIF she could hardly save Rs 30 per day whereas now she is in a position to save Rs 100 per day and is able to manage and successfully run her business. Due to the support of the VO Fareeda and her children can now have two square meals a day.

distinguishing aspect of the CIF is that, the fund will be managed by the village women themselves, as they will be the ones who decide which poor woman should receive a loan and at what flexible terms.

Up to June 30, 2009, a total of 4,982 women from poor households had been identified and found eligible for CIF and disbursed Rs. 65,333,700/-<sup>18</sup>

- **Scholarships for Vocational Training:** The UCBPRP includes a component whereby youth from extremely poor and chronically poor households will be identified and provided scholarships for receiving vocational training. The type of training provided will depend on assessments conducted during consultations between the individuals, their household and the VO.

Institute of Rural Management is the human resource development wing of NRSP and is the foremost training facility in the not for profit sector in Pakistan. It conducts over 300 different types of community and staff training with a turnout of around 70 thousand national

and international trainees every year. Over the last fifteen years, IRM has been directly responsible for building the capacity of communities across Pakistan as well as developing a pool of lead regional trainers who conduct training with guidance from IRM to meet the specific needs/targets of NRSP or other partners, projects and communities. With coverage across the four provinces in Pakistan including northern areas and AJK, IRM works in over one hundred Districts.

In recognition to the capacity and expertise of NRSP – IRM, Sindh Rural Support Organization (SRSO) decided to link the capacity Building component of its UC Based Rural Poverty Reduction Programme with country's largest rural development Institute. Through this linkage SRSO and NRSP – IRM had entered into an agreement that IRM will conduct all the Capacity Building (Training) activities of the programme and will established its setups in project area.

Up to June 30, 2009, 1754<sup>19</sup> participants (including male and female) received Voca-

<sup>18</sup>See Table: 15, Appendix –A, pg. no. 80

<sup>19</sup>See Table: 15, Appendix –A, pg. no. 80





tional Skills Training (VST) at local centers as well as at the Vocational Training Education Center (VTEC), Rawalpindi. Among them the first batch of 172 participants had returned back. It is pertinent to mention here that 16 participants have already obtained jobs in the market-place, after receiving Vocational skills Training (VST) in the first batch.

- **Unskilled Labour Opportunities through Community Physical Infrastructures (CPIs):** In the project, 50% of the villages are to be given one scheme of CPI, which may include sanitation or drinking water. The labour used for the construction of such CPI schemes will be provided by the extremely poor and chroni-

cally poor households of the village, with market-based wages being provided.

Up to June 30, 2009, 70 schemes had been identified and initiated on safe drinking water and sanitation.

## Gender and Development



The concept of empowerment essentially depends on gender equality. The core of empowerment lies in the ability of a woman to control her own life. This implies that to be empowered women must not only have equal capabilities (such as education and health) and equal access to resources and opportunities (such as land and employment), they must also have the agency to use those rights, capabilities, resources and opportunities to make strategic choices and decisions (such as are provided through leadership opportunities and participation in political institutions). And to exercise agency, women must live without the fear of coercion and violence.

The gender discriminatory practices in Pakistani society also shape the distribution of poverty in the country. Traditional gender roles in Pakistan define the woman's place in the home and not in the workplace, and define the man as the breadwinner. Consequently, the society invests far less in women than men and women in Pakistan, therefore, suffer from poverty of opportunities throughout their lives. For instance, female literacy in Pakistan is 29% compared to Male literacy which is 55%.

The overall situation of women in Sindh is marked by persistent gender inequalities. Sindhi women lag behind men in terms of health, literacy, productivity, social and economic status. The low

social and economic status of rural women and their significant contribution to the household and village economies in most areas of Sindh are well known although not as well documented. It is generally agreed that their concerns and problems should be integrated into all rural development plans and programmes – this is where SRSO is making efforts: to provide equal opportunities to both male and female COs.

SRSO's mission is to harnessing the potential of rural poor and disadvantaged section of community to alleviate their poverty. While there are aspects of poverty and exploitation, which are shared by women and men, most of these aspects have a disproportionate impact on women's equality. Women are poorer than men and face cultural discrimination on the grounds of sex. This affects every aspects of their life. All such disparities undermine their self determination and their ability to participate fully in the process of development.

SRSO believes that unless related inequalities are addressed it will not be possible to achieve the mission of poverty reduction. Balancing the unequal power between men and women cannot be done in isolation. For the development process to be gender- fair, change will have to take place in the economic, political, social and cultural spheres. Ensuring that women and men are able to



fully utilize their potential is indispensable to their progress, particularly in the development process. SRSO believes that all policies and programs have gender implications thus gender must be integrated in all areas of SRSO's work.

To ensure the mainstreaming of gender and for a proactive approach to include gender perspectives in all programme, projects and policies, the Gender Sector was established in year 2008. A gender policy had also been developed in the year 2004.

The sector aims to achieve the following objectives:

- To seek and promote gender equality at both organization and programme level.
- To ensure that all sectors promote gender equity and reduce gender inequality.
- To make possible adequate representation of women as decision makers in higher positions of SRSO.
- To ensure that all employees of SRSO have an understanding of gender issues and are able to contribute positively towards the goal of gender mainstreaming policy.

SRSO aims to holistically target women's needs, both practical and strategic, through its programmatic efforts. Not only has the organization's mainstream programme started reflecting gender needs but specific projects have also been designed to incorporate this concern. During the year 2008-2009, the senior management of SRSO played a very active role in ensuring that gender mainstreaming is taken very seriously within the organization.

The Gender Sector is still in its infancy and as such is in the process of developing plan of activities. Nevertheless it initiated some activities during the reporting period which are as follow:

- It facilitated and coordinated capacity building of staff and community members in gender awareness and sensitivity through training sessions, discussions and exposure visits.
- Drafted Concept Note on Gender Mainstream-

ing. This concept note is the result of a consultative process of involving SRSO management (including CEO and managers of all section), female staff and the consultant (Shahbano Aliani, TRDP) to identify gender issues in SRSO so as to strengthen the gender section and recommend a process for gender mainstreaming in the organization.

- Two workshops were organized for SRSO's management and professional staff to familiarize the participants with the concept of gender, Islamic perspective on gender, principles of gender in development and basic tools of gender analysis. A total of 43 senior and middle managers including Assistant General Manager, Programme Manager, Regional Programme Managers, District and Project Managers, Sector Heads and Social Organizers participated in the workshop.
- There was an overall increase in the number of women staff (i-e 89) who benefited from capacity building programme in year 2008-2009.
- Women leadership programme was started by RSPN, with the coordination of IRM, for bringing women into managerial position and to provide managerial capacity building to women staff through intensive training and exposure to national and international development programmes.
- SRSO, with collaboration of RSPN, initiated Gender Training of Trainers (GToT) for staff members of RSPs for capacity building to deliver quality gender trainings. The GToT comprises of five steps spread over May to Dec 2009.
- On 30th November 2008, South Asian Women's day was celebrated and a candle light vigil in Khairpur District was held.
- International Women's Day was celebrated in Khairpur District. The objective was to provide a forum to the community women to share and learn from their experiences. Beside, a corner



was exclusively setup for women artisans to exhibit their products in order to develop linkages at local as well as national level.

- SRSO Gender Sector carried out a gender analysis of the PMSIL Project in SRSO Operational Area to analyze gender gaps in project design which will be later communicated to the ministry and RSPs for corrective measures for the remaining period of the project.
- Gender Resource Committee was formed by Gender Advocacy & Networking Sector for lobbying change and mainstreaming gender in SRSO at both Organizational & Programme level. This Committee is also responsible to take a lead role in implementing gender policy, strategies and monitoring mechanism, along with updating it with contemporary issues.
- Gender Sector played a lead role with the support of MER sector & field teams including RPM Hubs in conducting Poverty Score Card Survey.

SRSO's GAD section is working to ensure that gender remains an integral part of all of SRSO's activities besides mainstreaming it. It is working on developing plans and packages exclusively for women CO members. Furthermore, it is taking a lead role in formulating gender policy, strategies (Operational Plan) and monitoring mechanisms for gender policy implementation while pursuing the gender agenda and advocacy for resource allocation for gender related activities.



کاروائی

موجودہ میٹنگ وکیل فیصلہ

تاریخ

08-05-09

03-05-09

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2

3

صوبہ

گڈ جائی میں حاضر میمبرن جو تفصیل

ممبرن جو نالو و ولایت	ممبرن جو نالو و ولایت	ممبرن جو نالو و ولایت	ممبرن جو نالو و ولایت
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20

## Monitoring Evaluation & Research Unit (MERU)



For many years, M&E in SRSO has been given little attention. Some of the main constraints and problems that hampered M&E in SRSO include: lack of a senior trained M&E person (Programme Manager) who could lead the M&E activities and provide hands-on support to the M&E professional; general lack of coordination between the M&E section and the operational sections/projects; lack of a proper M&E plan. The monitoring of programme/project activities was carried out on ad-hoc basis by the M&E section and respective operational sections. No central information flow system was in-place to generate programme level up-dates, progress reports timely. Moreover, the reliability of the available data was questionable due to no specific MOVs and indicators, insufficient technical resources, limited monitory allocation to M&E work by donors, limited training opportunities in MER, shortage of trained staff and several other reasons. The reporting year has witnessed an increased interest in strengthening M&E by donors and SRSO's management.

Given the diverse need of monitoring and evaluation, (increased programme components, expended coverage, projects with new donors and government) SRSO needed, a stronger centralized M&E structure placed at head office level with MER professionals at district or field unit level. In the reporting year, SRSO's management realized the M&E section is absolutely essential and indispensable to the organization. Project managers

and other stakeholders (including donors) need to know the extent to which their projects are meeting their objectives and leading to the desired effects.

Two of the M&E professionals had gone through extensive 3 module training on M&E skills conducted by RSPN. After this training, two components were integrated into the mainstream M&E system i-e M&E Publication Cell & M&E PSC Cell. Moreover, hiring additional staff strengthened the section. Greater transparency and accountability in terms of use of project resources were ensured. Information generated through M&E provided project staff with a clearer basis for decision-making. Future project planning and development improved when guided by lessons learned from project experience.

SRSO's Monitoring Evaluation and Research Unit stresses on

- 1) Use of limited resources by minimizing wastes
- 2) Preventing delays in implementation through early detection of problems
- 3) Identifying necessary corrective measures/actions

SRSO MER section is operational at the following levels:

- 1. Head Office**
- 2. Regional Office**
- 3. District / Field Unit Level**



The team at Head Office is mostly involved in planning, monitoring & evaluation activities, whereas at Regional Level, the MER section focuses on programme planning, monitoring & implementation. At district/field unit level, supported by regional MER officers, the MER professionals are responsible for collection of necessary data pertaining to the routine activities and execution of programme, daily monitoring and record keeping.

The field unit incharges, sectors' focal persons and social mobilizations teams, at some minimum basic level, are also encouraged to reflect upon the progress and performance of their respective field units. Reflection on achievements and bottlenecks for programme improvement is an integral part of MER at all levels.

A two pronged approach for monitoring SRSO core activities and project activities is adopted at MER SRSO. Reliable and relevant information and proper monitoring with continuous follow up is essential in order to ensure the efficiency and efficacy of policies. In the reporting year, this had been the rationale for the MER section and its focal persons at each level. However, throughout the year, the team, along with other peers at head office, regional and field unit level, played a key role in collecting and synthesizing basic information for developing integrated databank at all three tiers i.e Head Office, Regional and field unit level.

Although the sector started strengthening in terms of regular monitoring, providing feedback to the management for decision making and getting involved in planning but unfortunately the MER section could not produce any formal progress report or any study or monitoring report on their own except situation analysis report of 42 UCs using the Poverty Scorecard. However, with technical and financial assistance of RSPN, SRSO has produced baseline survey reports of the districts of Larkana, Qambar Shadad Kot, Kashmore, Nowsherow Feroz and a consolidated report of the initial 5 programme districts (Sukkur, Kharipur, Jaccababad, Gotki, Shikarpur). This was enough to ignite SRSO MER to take the challenge of writing the annual report on their own instead of outsourcing it.

Streamlining database at the field unit level also remained focused in the reporting year. In this regard, meetings with all stakeholders at different levels were conducted for designing and implementing standard data collection formats, key performance indicators and means of verifications for enhanced monitoring.

Since the year 2008-09 was the year of expansion towards becoming a leading Non Profit Organization in Sindh, it was the time to expose SRSO achievements on national and international level. To make it possible, M&E developed and uploaded SRSO official website in reporting year.

# Appendix A – Statistical Progress of the year 2008-09







Table 1. SRSO Outreach

Activity	As of June 2006	As of June 2007	As of June 2008	Suk	Khp	Gtk	N.F	Shp	Lrk	Jcb	Sdkt	K.Kot	Total Achievement As of June 2009
Total UCs under SRSO Programme area	253	425	425	46	76	40	51	50	44	40	40	37	424
No. of SRSO Intervened UCs	17	59	100	15	22	35	15	14	30	12	31	7	181
Total # of HHs in SRSO UCs	53,604	184,851	319,048	142,280	266,446	158,094	98,932	103,789	91,207	80,545	99,644	76,803	1,117,740
Organized Villages-New	1,971	493	398	480	343	364	327	335	330	335	330	330	3,685
Organized Villages-New	1,971	1,971	493	398	480	364	327	335	330	335	330	330	3,685

Table: 2 Social Mobilization

Activity	As of June 2006	2006-2007	2007-2008	As of June 2008	SUK	KHP	GTK	N.F	SHP	LRK	JCB	SDK	KKOT	2008-09	Achievement As of June 2009
VDO Formation	-	-	9	9	11	11	14	13	615	10	6	14	330	1,024	1,033
CO - Formation															
Male	1,168	688	719	2,575	157	102	395	125	-	142	153	133	-	1,207	3,782
Female	367	412	312	1,091	162	102	347	97	2,030	206	100	219	924	4,187	5,278
Total	1,535	1,100	1,031	3,666	319	204	742	222	2,030	348	253	352	924	5,394	9,060
CO- Membership															
Male	23,903	11,176	8,023	43,102	2,367	1,607	6,846	2,018	-	1,967	2,323	1,914	-	19,042	62,144
Female	6,798	5,926	3,896	16,620	2,428	1,565	6,127	1,676	32,493	3,168	1,514	2,960	13,999	65,930	82,550
Total	30,701	17,102	11,919	59,722	4,795	3,172	12,973	3,694	32,493	5,135	3,837	4,874	13,999	84,972	144,694
HHs Organized	24,583	13,061	11,275	48,919	3,612	2,447	9,294	2,740	32,493	3,475	2,824	3,377	13,999	74,261	123,180
Savings	8,295,945	4,272,032	5,238,648	17,806,625	1,164,615	472,262	1,987,460	951,498	1,202,241	549,185	1,336,157	1,569,717	363,000	9,596,135	27,402,760
Male	6,627,285	2,976,264	3,741,157	13,344,706	708,140	263,621	542,486	439,808	-	245,170	240,855	475,920	-	2,916,000	16,260,706
Female	1,668,660	1,295,768	1,497,491	4,461,919	456,475	208,641	1,444,974	511,690	1,202,241	304,015	1,095,302	1,093,797	363,000	6,680,135	11,142,054
GRP IDENTIFIED	-	-	46	46	114	44	75	37	70	15	20	35	97	507	553
Male	-	-	28	28	73	28	47	27	31	9	14	25	75	328	355
Female	-	-	18	18	41	16	28	10	39	6	6	10	22	179	198
Community Conference	-	-	-	-	3	2	-	-	-	-	-	-	-	5	5



## Appendix A – Statistical Progress of the year 2008-09

*Table: 3-a Human Resource Development (Community Training)*

Description of Community Training	As of June 2008	Achievement during 2008-09	Total Achievement Since Inception as of June 2009
Total No. of CMSTs held	296	136	432
Core Programme	296	88	384
Social Mobilization Project Ghotki District	-	45	45
CMP II Project	-	3	3
Number of Participants	5,669	1976	7,645
Male	3,960	1005	4,965
Female	1,709	971	2,680
No. of Activist Workshops held	66	30	96
Number of Participants	5,047	1,500	6,547
CRP Training (events)	-	25	7
Pax (Core Programme) (In UCBPRP)	98	409	507
VDOs Management Training	-	642	642
No. of VO Book Keepers trained	-	163	163
No. of Participants trained in VO CIF training	-	408	408
Other Sectoral Training*	6,491	4,465	10,956

*Table: 3-b (i) Vocational Skill Training*

Vocational Training	As of June 2008	Achievement 2008-09	Total Achievement as of June 2009
Households Given Scholarship for Vocational Training	383	2,089	2,472
Under Core Programme	383	335	718
Under UCBPRP Project	-	1,754	1,754

\*Sectoral training includes productivity enhancement, health & education awareness, enterprise development training, community conferences, TBA s training and other project's awareness and orientation workshops.



Table: 3-b (ii) Description of Vocational Skill Training

	Description	Male	Female	Cumulative
1	Enterprise Development Vocational Training	-	581	581
2	Arch Work	-	128	128
3	Tailoring Training	18	243	261
4	Topi Making	-	13	13
5	Candle Making	-	90	90
6	Mobile Repairing	321	-	321
7	Machine Embroidery	1	142	143
8	Computer Hardware	84	-	84
9	Computer Software	230	-	230
10	Plumbing	-	-	-
11	Driving	93	-	93
12	Beautician	-	37	37
13	Civil Surveyor	3	-	3
14	A/c & Refrigeration	128	-	128
15	Auto Mechanic	44	-	44
16	welding Arc & gas	4	-	4
17	Advance Tailoring	4	-	4
18	Office Automation	6	-	6
19	Building Electrician	111	-	111
20	motorcycle mechanic	170	-	170
21	Auto Electrician	3	-	3
22	Organic Welding	3	-	3
23	Soap Making	-	15	15
	Total	1,223	1,249	2,472

## Appendix A – Statistical Progress of the year 2008-09

Table: 3-c (i) Staff Training

	As of June 2008	Achievement in 2008-09	Total Achievement as of June 2009
Events	58	39	97
Pax	782	406	1,188
Men	378	305	683
Women	404	101	505

Table: 3- c (ii) Description of Staff Training

S.No	Description of Staff Training (2008-09)	No of events	Men	Women	Total	Training Held at
1	TOT for CMST	3	34	12	46	HRD Sukkur
2	Orientation Training Workshop for Social Mobilizers	2	41	9	50	HRD Sukkur
3	LMDT	3	8	3	11	IRM ISB
4	LMDT phase II (Developing core competencies writing and speaking skills)	3	8	2	10	IRM ISB
5	TOT HRD	1	1	2	3	IRM ISB
6	AutoCAD	1	1	0	1	Technocrat Sukkur
7	Exposure Visits	4	17	12	29	
8	Drip Irrigation workshop	1	24	1	25	HRD Sukkur
9	Loan portfolio management	1	3	0	3	IRM ISB
10	Training on SOPs	3	27	0	27	HRD Sukkur
11	Basic Induction Training BIT(MTDF staff)	1	14	9	23	HRD Sukkur
12	Women Leadership Programme (WLP)Refresher	2	0	2	2	IRM ISB
13	Women Leadership Programme (WLP)1st module	2 module	0	2	2	IRM ISB
14	Strengthening RSPs M&E capacities Through Teaching Learning Process	3 module	1	1	2	RSPN
15	Refresher(Strengthening RSPs M&E capacities Through Teaching Learning Process )	1	1	1	2	HRD Sukkur
16	Orientation of Corporate requirements & DFID Reporting Requirements	1	1	1	2	ISB
17	Orientation workshop for MER staff	1	12	1	13	HRD Sukkur
18	Gender Training workshop	2	25	7	32	HRD Sukkur
19	Training workshop on gender (auxiliary staff)	3	46	0	46	HRD Sukkur
20	Guest lecture	2	16	29	45	HRD Sukkur
21	Gender TOT	1	2	2	4	RSPN
22	Credit refresher workshop	1	20	5	25	IRM ISB
23	Social Mobilization MIS (Record keeping)	1	3	0	3	Multan
	Total	38	305	101	406	

Table: 4(a) Credit Disbursement and Beneficiary Borrowers July 2008 – June 2009

Activity	Since Inception as of June 2007	2008 – 2009										Total	
		July-07 to June-08	Ghotki	Jacobabad	Kandhkot	Khairpur	Larkana	N.Feroz	Shahdadkot	Shikarpur	Sukkur		2008-09
<b>Total Disbursement</b>	<b>163,770,322</b>	<b>44,227,500</b>	<b>12,631,000</b>	<b>6,902,000</b>	<b>5,003,000</b>	<b>8,584,000</b>	<b>11,021,000</b>	<b>13,362,000</b>	<b>14,375,000</b>	<b>3,941,000</b>	<b>14,262,000</b>	<b>90,081,000</b>	<b>298,078,822</b>
Male	145,844,300	37,468,500	11,807,000	5,684,000	4,242,000	5,132,000	8,699,000	9,732,000	9,464,000	3,034,000	12,799,000	70,593,000	253,905,800
Female	17,926,022	6,759,000	824,000	1,218,000	761,000	3,452,000	2,322,000	3,630,000	4,911,000	907,000	1,463,000	19,488,000	44,173,022
<b>No of Loans</b>	<b>16,532</b>	<b>4,135</b>	<b>1,026</b>	<b>614</b>	<b>458</b>	<b>789</b>	<b>932</b>	<b>1,065</b>	<b>1,241</b>	<b>360</b>	<b>1,100</b>	<b>7,585</b>	<b>28,252</b>
Male	14,698	3,490	956	516	384	459	723	772	802	277	985	5,874	24,062
Female	1,834	645	70	98	74	330	209	293	439	83	115	1,711	4,190
<b>No of Cos</b>	<b>1,220</b>	<b>467</b>	<b>103</b>	<b>61</b>	<b>46</b>	<b>79</b>	<b>93</b>	<b>107</b>	<b>124</b>	<b>36</b>	<b>110</b>	<b>759</b>	<b>2,446</b>
Male	981	363	96	52	38	46	72	77	80	28	99	587	1931
Female	239	104	7	10	7	33	21	29	44	8	12	171	514
<b>Disbursement in Live Stock</b>	<b>116,764,022</b>	<b>24,491,500</b>	<b>7,070,000</b>	<b>2,491,000</b>	<b>561,000</b>	<b>3,906,000</b>	<b>1,073,000</b>	<b>9,503,000</b>	<b>253,000</b>	<b>1,083,000</b>	<b>12,067,000</b>	<b>38,007,000</b>	<b>179,262,522</b>
Male	101,073,000	18,810,500	6,246,000	1,957,000	278,000	2,758,000	677,000	6,223,000	196,000	729,000	10,628,000	29,692,000	149,575,500
Female	15,691,022	5,681,000	824,000	534,000	283,000	1,148,000	396,000	3,280,000	57,000	354,000	1,439,000	8,315,000	29,687,022
<b>No of Loanees</b>	<b>11,749</b>	<b>2,228</b>	<b>593</b>	<b>219</b>	<b>53</b>	<b>359</b>	<b>100</b>	<b>743</b>	<b>22</b>	<b>95</b>	<b>922</b>	<b>3,106</b>	<b>17,083</b>
Male	10,148	1,689	523	173	26	250	64	482	17	64	809	2,408	14,245
Female	1,601	539	70	46	27	109	36	261	5	31	113	698	2,838
<b>Disbursement in Agri-Input</b>	<b>27,539,300</b>	<b>15,347,000</b>	<b>4,023,000</b>	<b>3,895,000</b>	<b>2,613,000</b>	<b>1,165,000</b>	<b>8,978,000</b>	<b>2,930,000</b>	<b>12,150,000</b>	<b>1,562,000</b>	<b>1,632,000</b>	<b>38,948,000</b>	<b>81,834,300</b>
Male	27,018,300	15,029,000	4,023,000	3,470,000	2,439,000	1,165,000	7,322,000	2,726,000	7,496,000	1,162,000	1,620,000	31,423,000	73,470,300
Female	521,000	318,000	-	425,000	174,000	-	1,656,000	204,000	4,654,000	400,000	12,000	7,525,000	8,364,000
<b>No of Loanees</b>	<b>2,826</b>	<b>1,486</b>	<b>321</b>	<b>355</b>	<b>239</b>	<b>97</b>	<b>741</b>	<b>243</b>	<b>1,049</b>	<b>145</b>	<b>133</b>	<b>3,323</b>	<b>7,635</b>
Male	2,770	1,456	321	321	223	97	595	225	635	107	132	2,656	6,882
Female	56	30	-	34	16	-	146	18	414	38	1	667	753
<b>Disbursement in Enterprise</b>	<b>19,467,000</b>	<b>4,389,000</b>	<b>1,538,000</b>	<b>516,000</b>	<b>1,829,000</b>	<b>3,513,000</b>	<b>970,000</b>	<b>929,000</b>	<b>1,972,000</b>	<b>1,296,000</b>	<b>563,000</b>	<b>13,126,000</b>	<b>36,982,000</b>
Male	17,753,000	3,629,000	1,538,000	257,000	1,525,000	1,209,000	700,000	783,000	1,772,000	1,143,000	551,000	9,478,000	30,860,000
Female	1,714,000	760,000	-	259,000	304,000	2,304,000	270,000	146,000	200,000	153,000	12,000	3,648,000	6,122,000
<b>No of Loanees</b>	<b>1,957</b>	<b>421</b>	<b>112</b>	<b>40</b>	<b>166</b>	<b>333</b>	<b>91</b>	<b>79</b>	<b>170</b>	<b>120</b>	<b>45</b>	<b>1,156</b>	<b>3,534</b>
Male	1,780	345	112	22	135	112	64	65	150	106	44	810	2,935
Female	177	76	-	18	31	221	27	14	20	14	1	346	599



Table: 4(b) Year wise trend of Average Loan Size

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Average Loan Size in Agri - Inputs	9,561	9,606	9,642	9,864	10,328	11,721
Average Loan Size in Livestock	9,933	9,668	9,117	10,266	10,993	12,237
Average Loan Size in Enterprise	9,857	9,893	9,926	10,010	10,425	11,355
Average Loan Size per Borrower	9,827	9,682	9,766	10,185	10,696	11,876
Average Loan size per CO	95,107	83,098	91,895	98,827	94,706	118,762

Table: 5 Community Investment Fund Disbursement July 2008 – June 2009

Activity	CIF to Women VDO (RS)	Beneficiary VDOs
Sukkur	438,000	3
Khairpur	210,000	2
N.Feroze	1,850,000	13
Shahdadkot	330,000	2
K-Kashmore	17,640,099	1,345
Shikarpur	47,693,601	229
<b>Cumulative</b>	<b>68,161,700</b>	<b>1,594</b>

Table: 6 WEP Disbursement and Beneficiary Borrowers July 2008 – June 2009

Activity	Ghotki	Jacobabad	Kandhkot	Khairpur	Larkana	N.Feroz	Shahdadkot	Shikarpur	Sukkur	SRSO Sub Total 2008-09	TRDP 2008-09	Grand Total 2008-09
Total Disbursement	1,090,000	1,335,000	159,000	5,010,000	10,322,000	4,406,000	9,258,000	1,363,000	8,632,000	41,575,000	12,991,000	54,566,000
No of Loans	107	127	15	483	828	407	644	112	733	3,456	639	4,095
Disbursement in Live Stock	1,090,000	1,335,000	69,000	5,010,000	10,224,000	4,406,000	9,066,000	1,234,000	8,632,000	41,066,000	11,507,000	52,573,000
No of Loanees	107	127	6	483	820	407	631	100	733	3,414	569	3,983
Disbursement in Agri-Input	-	-	-	-	51,000	-	192,000	32,000	-	275,000	-	275,000
No of Loanees	-	-	-	-	4	-	13	4	-	21	-	21
Disbursement in Enterprise	-	-	90,000	-	47,000	-	-	97,000	-	234,000	1,484,000	1,718,000
No of Loanees	-	-	9	-	4	-	-	8	-	21	70	91

*Table: 7 Statistical data of Enterprise Development is given in the following table*

Activity	As of June 2008	Achievement 2008-09	As of June 2009
Baseline Survey of Villages	53	-	53
No. of Producers Identified	1,007	-	1,007
No./Type of Crafts Identified	7	1	8
No. of Products Upgraded / Modified	70	-	70
Total no. of Vocational Skill Training Events Held	29	40	69
Total No. of Participants (HHs) trained in Vocational Trainings	233	581	814
No. of COs benefited	43	43	86
No. of Villages Covered	29	24	53
Enterprise Development Workshops (Awareness)	-	16	16
Exposure Trips for Artisans and Producers	1	1	2
Exhibitions	13	7	20
Market Survey	-	5	5

*Table8: Statistical data of Social Sector Services is given in the following table*

Activity	As of June 2008	Achievement 2008-09	Total Achievement as of June 2009
Micro Health Insurance (Members)	18,202	57,484	57,484
Health awareness workshops	20	26	46
Education awareness workshops	10	16	26
TBA trainings	3	4	7
Refresher on micro health insurance policy	-	22	22
Making villages ODF	79	43	122
CLTS Activists Training	3	-	3

## Appendix A – Statistical Progress of the year 2008-09

Table9: Statistical data of Micro Health Insurance is given in the following tables

General Policy Members (July 2008 to June 2009)								General Insurance Claim Passed (July-08 to June-09)				
S.No	Region	Member Clients		Total Clients	Premium / Client	Amt Recd from Clients	Amt Paid to Adamjee	No of Claims		Total Clients	Amount Claimed	Amt Paid by Adamjee
		Male	Female					Male	Female			
1	Sukkur	709	140	849	250	212,250	176,592	2	1	3	62,013	60,000
1	Sukkur	709	140	849	250	212,250	176,592	2	1	3	62,013	60,000
2	Khairpur	316	229	545	250	136,250	113,360	1	1	2	16,129	14,129
3	Shikarpur	391	155	546	250	136,500	113,568	10	15	25	285,144	263,577
4	Ghotki	270	140	410	250	102,500	85,280	1	-	1	23,993	23,993
5	Jacobabad	388	178	566	250	141,500	117,728	4	1	5	93,866	92,431
6	Larkana	315	242	557	250	139,250	115,856	2	-	2	31,398	30,498
7	Nasuhero Feroz	455	243	698	250	174,500	145,184	7	6	13	167,294	144,409
8	Shahdad Kot	440	285	725	250	181,250	150,800	1	3	4	68,714	59,724
9	Kandh Kot	259	90	349	250	87,250	72,592	8	4	12	75,748	70,196
	Total	3543	1702	5245		1,311,250	1,090,960	36	31	67	824,299	758,957

Renewal Policy Members (July 2008 to June 2009)							
S.No	Region	Member Clients		Total Clients	Premium / Client	Amt Recd from Clients	Amt Paid to Admajee
		Male	Female				
1	Sukkur	16	2	18	230	4,140	3,384
2	Khairpur	0	2	2	230	460	376
3	Shikarpur	3	24	27	230	6,210	5,076
4	Ghotki	0	0	0	230	-	-
5	Jacobabad	0	0	0	230	-	-
6	Larkana	0	0	0	230	-	-
7	Nasuhero Feroz	0	4	4	230	920	752
8	Shahdad Kot	0	0	0	230	-	-
9	Kandh Kot	0	0	0	230	-	-
	Total	19	32	51		11,730	9,588



Credit Policy Members (July 2008 to June 2009)							
Sl.No	Region	Member Clients		Total Clients	Premium / Client	Amt Recd from Clients	Amt Paid to Adamjee
		Male	Female				
1	Sukkur	975	258	1233	150	184,950	123,300
2	Khairpur	479	370	849	150	127,350	84,900
3	Shikarpur	396	279	675	150	101,250	67,500
4	Ghotki	770	213	983	150	147,450	98,300
5	Jacobabad	364	295	659	150	98,850	65,900
6	Larkana	288	140	428	150	64,200	42,800
7	Nasuhero Feroz	596	304	900	150	135,000	90,000
8	Shahdad Kot	550	154	704	150	105,600	70,400
9	Kandh Kot	369	174	543	150	81,450	54,300
	Total	4,787	2,187	6,974		1,046,100	697,400

Credit Insurance claim Passed				
No of Claims		Total Clients	Amount Claimed	Amt Paid by Adamjee
Male	Female			
2	-	2	30,000	30,000
-	-	-	-	-
4	3	7	72,682	72,632
3	-	3	43,800	43,800
6	1	7	101,605	93,344
-	3	3	34,702	34,702
5	5	10	106,118	96,387
-	-	-	-	-
4	3	7	50,043	50,043
24	15	39	438,950	420,908

Family Package Policy Members (July 2008 to June 2009)							
Sl.No	Region	Member Clients		Total Clients	Premium / Client	Amt Recd from Clients	Amt Paid to Adamjee
		Male	Female				
1	Sukkur	52	656	708	600	424,800	354,000
2	Khairpur	60	436	496	600	297,600	248,000
3	Shikarpur	16	140	156	600	93,600	78,000
4	Ghotki	82	35	117	600	70,200	58,500
5	Jacobabad	30	138	168	600	100,800	84,000
6	Larkana	25	644	669	600	401,400	334,500
7	Nasuhero Feroz	55	356	411	600	246,600	205,500
8	Shahdad Kot	50	557	607	600	364,200	303,500
9	Kandh Kot	108	38	146	600	87,600	73,000
	Total	478	3,000	3,478		2,086,800	1,739,000

Family Package Claim Passed				
No of Claims		Total Clients	Amount Claimed	Amt Paid by Adamjee
Male	Female			
-	-	-	-	-
3	2	5	50,208	42,708
5	3	8	72,898	71,304
-	3	3	10,036	10,036
-	1	1	15,000	7,500
1	-	1	2,459	2,459
1	5	6	40,504	38,034
1	-	1	5,707	5,097
14	8	22	122,315	112,770
25	22	47	319,127	289,908

Beneficiaries by Family 20,868

## Appendix A – Statistical Progress of the year 2008-09

Sl.No	Region	Cumulative Total					Cumulative Total Claim Passed				
		Member Clients		Total	Amt Recd	Amt Paid	No of Claims		Total	Amount	Amt Paid
		Male	Female	Clients	from Clients	to Adamjee	Male	Female	Clients	Claimed	by Adamjee
1	Sukkur	1,700	400	2,808	-	826,140	4	1	5	92,013	90,000
2	Khairpur	795	601	1,892	-	561,660	4	3	7	66,337	56,837
3	Shikarpur	790	458	1,404	-	337,560	19	21	40	430,724	407,513
4	Ghotki	1,040	353	1,510	-	320,150	4	3	7	77,829	77,829
5	Jacobabad	752	473	1,393	-	341,150	10	3	13	210,471	193,275
6	Larkana	603	382	1,654	-	604,850	3	3	6	68,559	67,659
7	Nasuhero Feroz	1,051	551	2,013	-	557,020	13	16	29	313,916	278,830
8	Shahdad Kot	990	439	2,036	-	651,050	2	3	5	74,421	64,821
9	Kandh Kot	628	264	1,038	-	256,300	26	15	41	248,106	233,009
	<b>Total</b>	<b>8,349</b>	<b>3,921</b>	<b>15,748</b>	<b>-</b>	<b>4,455,880</b>	<b>85</b>	<b>68</b>	<b>153</b>	<b>1,582,376</b>	<b>1,469,773</b>
	Beneficiaries by Family			20,868							
	Cumulative Total			36,616							

Table:10 The statistical data of GFATM Project is provided in the table below:

GFATM Malaria Project Activities	achievement in 2008-09
Community Workshops / Seminars	14
Identification of Outlets	06
Identification of Health Facilities (centers)	39
Identification of Voluntary Resource Persons (VRPs)	10
Orientation Workshops	19
Training Events	09
Puppet Shows	03
Total No. of LLINs distributed	49,300

Table:11 The statistical data of CLTS is provided in the chart below:

Districts	Achievement during 2008-09			
	ODF Villages	ODF HHs	No. of Latrines built after Triggering	Approx Population Benefited
Ghotki	24	2,116	511	14,516
Jacobabad	5	339	111	2,302
Kandhkot	2	63	43	437
Khairpur	3	199	56	1,365
Larkana	24	2,940	1,004	20,080
Noushero Feroze	67	1,272	473	9,311
Shahdadkot	8	581	243	4,009
Shikarpur	17	1,266	529	9,736
Sukkur	15	324	188	2,420
<b>Total</b>	<b>165</b>	<b>9,100</b>	<b>3,158</b>	<b>64,176</b>

Table: 12 The statistical data of CPIs is given below:

Description	SRSO	PPAF	PPAF/ENGRO	PHC	KPF	Total
No: of Schemes Initiated	20	111	2	200	179	512
No: of Schemes Completed	20	111	2	96	179	408
Beneficiary HHs of completed CPIs	906	4,081	258	96	6,051	11,392
Type of Schemes						
Irrigation	-	84	1	-	115	200
Culverts/ Bridges	15	10	-	-	-	25
Sanitation	-	11	-	-	24	35
Brick Pavement	-	6	1	-	30	37
LCH	1	-	-	96	-	97
DWSS	4	-	-	-	12	16

Sector performance during the reporting period is reflected in the table given below:

Table: 13 Statistical data of NRM Sector is given below:

Activity	As of June 2008	Achievement (2008-09)	Cumulative Achievement as of June 2009
Backyard Poultry Raising (Units)	418	2,774	3,192
Backyard Kitchen Gardening (Households)	7,040	1,500	8,540
Fruit Plant Sapling	17,200	-	17,200
Productivity Enhancement	15	16	31
Trained CLEWs	72	21	93
FLF Training Events	103	23	126
FLF trained	4,930	1,187	6,117
Field Days (Agri + Vet)	-	22	22
Vaccination to Animals	70,132	230,050	300,182
Deworming	26,894	88,672	115,566
Total No. of COs benefited from NRM Interventions	2,450	5,170	7,620
Total No. of HHs benefited from NRM Interventions	12,358	72,673	85,031

Table: 14 Statistical data of CMP II Project is given below:

Activity	Plan (2008-09)	Achievement (2008-09)
# of FA's Formed	360	364
# of FA Farmers as Members	4,860	5,885
# of VO's Formed	90	80
# of VO Members	4,860	5,115
# of FA's Provided CMST	360	3
# of Farmers received CMST(@ 2 Members per FA)	720	70



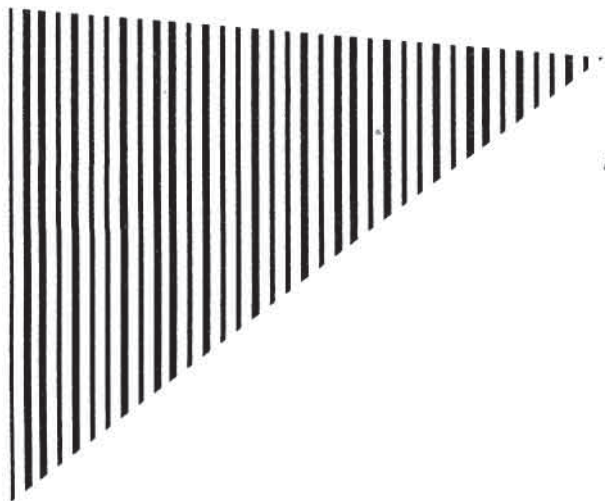
## Appendix A – Statistical Progress of the year 2008-09

Table: 15 Statistical data of UCBPRP Project is given below:

S. No.	Activity	District	Project Target	As of June 2009		
				Target	Achieved	%
1.1		Shikarpur	50	50	50	100%
1.2	Poverty Score Card	Kashmore	37	37	37	100%
	Sub - Total		87	87	87	100%
2.1		Shikarpur	50	14	14	100%
2.2	U/C Covered	Kashmore	37	7	7	100%
	Sub - Total		87	21	21	100%
3.1		Shikarpur	48,000	10,768	32,493	302%
3.2	Households Organized	Kashmore	36,000	7,992	13,999	175%
	Sub - Total		84,000	18,760	46,492	248%
4.1		Shikarpur	2,400	548	615	112%
4.2	Village Organizations Formed	Kashmore	1,800	390	330	85%
	Sub - Total		4,200	938	945	101%
5.1	Households to be Given Income Generating Grants	Shikarpur	2,474	552	765	139%
5.2		Kashmore	1,831	408	195	48%
	Sub - Total		4,305	960	960	100%
6.1	Households to be Given Community Investment Fund	Shikarpur	17,241	2,249	3,990	177%
6.2		Kashmore	12,759	1,503	992	66%
	Sub - Total		30,000	3752	4,982	133%
7.1	Households to be Given Scholarship for Vocational Training	Shikarpur	12,050	2,696	1,130	42%
7.2		Kashmore	8,950	1,994	624	31%
	Sub - Total		21,000	4,690	1,754	37%
8.1	Villages to be Give Drinking Water Supply Schemes as CPI	Shikarpur	1,207	220	55	25%
8.2		Kashmore	893	162	15	9%
	Sub - Total		2,100	382	70	18%
9.1	Locations to improved under Low Cost Village Improvement Scheme	Shikarpur	80	30	37	123%
9.2		Kashmore	60	10	3	30%
	Sub - Total		140	40	40	100%
10.1	No. of Participants Trained in VO management	Shikarpur	4828	1,078	346	32%
10.2		Kashmore	3572	798	176	22%
	Sub - Total		8400	1876	522	28%
11.1	No. of Participants Trained in VO CIF Training	Shikarpur	8,577	1,078	230	21%
11.2		Kashmore	6347	798	178	22%
	Sub - Total		14924	1876	408	22%
12.1		Shikarpur	4,828	1,078	117	11%
12.2	VO Book Keeping Training (No of Pax)	Kashmore	3572	798	41	5%
	Sub - Total		8,400	1,876	158	8%

## Appendix B – Audited Financial Statements





 **ERNST & YOUNG**

**SINDH RURAL SUPPORT ORGANIZATION  
(SRSO)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**Ford Rhodes Sidat Hyder & Co.**  
Chartered Accountants  
Mall View Building, 4- Bank Square  
P.O. Box No. 104, Lahore 54000, Pakistan  
Tel: +9242 721 1531-38  
Fax: +9242 721 1530 & 39  
[www.ey.com/pk](http://www.ey.com/pk)





**ERNST & YOUNG**

**Ernst & Young Ford Rhodes Sidat Hyder**  
Chartered Accountants  
Mali View Building, 4- Bank Square  
P.O. Box No. 104, Lahore 54000, Pakistan  
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www.ey.com

#### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of the **Sindh Rural Support Organization** (the Company) as at 30 June 2009, and the related income and expenditure account, cash flow statement and statement of changes in general fund together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as referred in Note 4.1.1 to the financial statements with which we concur;
  - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of changes in general fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 June 2009 and of the surplus, its cash flows and changes in general fund for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

*Naseem Akbar*  
Chartered Accountants

Naseem Akbar

Lahore: 10 November 2009

## Appendix B – Audited Financial Statements

### SINDH RURAL SUPPORT ORGANIZATION BALANCE SHEET AS AT 30 JUNE 2009

ASSETS	Note	2009 Rupees	2008 Rupees
<b>Non-current assets</b>			
Property and Equipment	5	129,593,364	30,139,230
Intangible Assets	6	20,469	-
Long term investments	7	234,560,758	236,381,943
Long term loans	8	-	180,291,216
		364,174,591	446,812,389
<b>Current assets</b>			
Stock of medicines	9	3,588,289	3,676,005
Advances and trade receivables	10	17,069,911	21,993,189
Prepayments		28,784,870	3,926,357
Other receivables	11	27,837,207	741,322
Microcredit loans receivables	12	103,810,177	29,343,841
Accrued mark up / service charges	13	25,313,672	28,534,429
Short term investments	14	771,312,133	767,400,000
Cash and bank balances	15	882,111,741	221,573,053
		1,859,828,000	1,077,188,196
<b>Total asset</b>		<b>2,224,002,591</b>	<b>1,524,000,585</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Surplus on revaluation of fixed assets		10,000,000	-
Deferred grants (Restricted funds)	16	685,791,626	127,116,452
Employee benefits	17	17,956,120	11,504,634
		713,747,746	138,621,086
<b>Current liabilities</b>			
Short term borrowings	18	170,000,000	182,881,184
Loan for microcredit	19	74,810,273	53,356,864
Accrued mark up	20	4,585,138	5,416,999
Accrued and other liabilities	21	9,410,869	5,362,698
		258,806,280	247,017,745
		972,554,026	385,638,831
<b>Net assets</b>		<b>1,251,448,565</b>	<b>1,138,361,754</b>
<b>Represented by:</b>			
Endowment fund		1,000,000,000	1,000,000,000
Accumulated surplus		251,448,565	138,361,754
		1,251,448,565	1,138,361,754

### CONTINGENCIES AND COMMITMENTS

22

The annexed notes from 1 to 37 form an integral part of these financial statements.

  
Chief Executive



  
Director

**SINDH RURAL SUPPORT ORGANIZATION  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 Rupees	2008 Rupees
<b>INCOME</b>			
Profit on investments and bank deposits	23	139,675,925	113,308,979
Grants (Restricted funds)	24	384,328,608	61,587,945
Income from microcredit loans	25	8,069,317	9,951,089
Other income	26	45,037,734	1,763,481
		577,111,584	186,611,494
<b>EXPENDITURE</b>			
Operating expenditure	27	128,506,659	102,722,626
Programme assistance	28	325,478,516	34,674,690
Finance cost	29	10,039,598	21,171,340
		464,024,773	158,568,656
Surplus for the year		<u>113,086,811</u>	<u>28,042,838</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive




Director



**SINDH RURAL SUPPORT ORGANIZATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2009**

	2009 Rupees	2008 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	113,086,811	28,042,838
Adjustments for non-cash charges and other items:		
Depreciation	12,941,991	6,865,472
Amortization - intangibles	1,811	-
Financial charges	10,039,598	21,171,340
Employee benefits - net	6,451,486	4,264,190
Amortization of premium on long term investment	909,052	909,052
Grants (Restricted funds)	(384,328,608)	(61,587,945)
Amortization of grants related to fixed assets	(18,953)	-
Gain on disposal of fixed assets	(8,612)	(600)
	<u>(354,012,235)</u>	<u>(28,378,491)</u>
<b>Deficit before changes in working capital</b>	<b>(240,925,424)</b>	<b>(335,653)</b>
<b>Effect of working capital changes:</b>		
(Increase)/decrease in current assets		
Stock of medicines	87,716	(3,676,005)
Microcredit loans receivables	(74,466,336)	28,881,217
Short term investments	(3,912,133)	67,786,743
Advances, trade receivables, prepayments and other receivables	(43,110,428)	(20,082,830)
	<u>(121,401,181)</u>	<u>72,909,125</u>
Increase/(decrease) in current liabilities		
Short term borrowings	(12,881,184)	32,881,734
Loan for microcredit	21,453,409	28,836,816
Accrued and other liabilities	4,048,171	(66,149,082)
	<u>12,620,396</u>	<u>(4,430,532)</u>
	<u>(108,780,785)</u>	<u>68,478,593</u>
Cash (used in) / generated from operations	(349,706,209)	68,142,940
Finance cost paid	(10,871,459)	(16,369,430)
Grants received	943,022,735	188,704,397
Net cash generated from operations	<u>582,445,067</u>	<u>240,477,907</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred on fixed assets	(103,192,728)	(17,539,631)
Proceeds from sale of fixed assets	83,000	1,800
Receipt of / (payment) of long term loan	180,291,216	(180,291,216)
Proceeds from sale of long term investment	912,133	70,000,000
Net cash generated from / (used in) investing activities	<u>78,093,621</u>	<u>(127,829,047)</u>
Net increase in cash and cash equivalents	660,538,688	112,648,860
Cash and cash equivalents at the beginning of the year	221,573,053	108,924,193
<b>Cash and cash equivalents at the end of the year</b>	<b><u>882,111,741</u></b>	<b><u>221,573,053</u></b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

  
Chief Executive

  
Director



SINDH RURAL SUPPORT ORGANIZATION  
 STATEMENT OF CHANGES IN FUND  
 FOR THE YEAR ENDED 30 JUNE 2009

	Endowment Fund	Accumulated Surplus	Total
	----- Rupees -----		
Balance as at 01 July 2007	1,000,000,000	110,318,916	1,110,318,916
Surplus for the year	-	28,042,838	28,042,838
<b>Balance as at 30 June 2008</b>	<b>1,000,000,000</b>	<b>138,361,754</b>	<b>1,138,361,754</b>
Surplus for the year	-	113,086,811	113,086,811
<b>Balance as at 30 June 2009</b>	<b>1,000,000,000</b>	<b>251,448,565</b>	<b>1,251,448,565</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

  
 \_\_\_\_\_  
 Chief Executive

*G. Khan*

  
 \_\_\_\_\_  
 Director

**SINDH RURAL SUPPORT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**1. COMPANY AND ITS OPERATIONS**

- 1.1 Sindh Rural Support Organisation (SRSO / the company) was incorporated as a public company limited by guarantee on 29 May 2003 under section 42 of the Companies Ordinance, 1984. SRSO took over the operations of National Rural Support Program (NRSP) Sukkur Region, on 01 July 2003. The main objective of the company is to alleviate poverty in the province of Sindh. The activities of the company are being supported by the Endowment Fund provided by the Government of Sindh, grants (restricted funds) and income earned on
- 1.2 The program is carried out in nine districts of the Sindh province and the registered office of the company is based at Sukkur.
- 1.3 These financial statements include the financial position and result of operations of the Company's head office, district offices namely Sukkur, Shikarpur, Ghotki, Khairpur, Noshero Feroz, Larkana, Shahdadkot, Kandhkot and Jacobabad and programs namely, Family Advancement for Life and Health, Union Council Based Poverty Reduction Programme, Implementation of Support Package of Government of Sindh's Grant of State Land To Land Less Harees and Crop Maximization Project.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved Accounting Standards comprise of Accounting and Financial Reporting Standards for Medium-Sized Entities (MSEs) issued by Institute of Chartered Accountants of Pakistan (ICAP) and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions or directives of Companies Ordinance, 1984 shall prevail.

**3. BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention, except financial instruments carried at fair value.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been consistently applied in dealing with items which are considered material to the company's accounts:

**4.1 Property and equipment**

**4.1.1 Cost**

Lease hold land is stated at revalued amount. Other fixed assets except capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Capital work-in-progress is stated at cost. Cost in relation to certain assets signifies historical cost as referred to in Note 5

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

**Change in accounting policy**

The Company decided to change its accounting policy for the measurement of land from cost to revalued amounts as it believes the new policy will provide more relevant and reliable information about the carrying amount of these assets. The management believes that using revalued amounts will impart more accurate information as to the appropriate value of this class of assets. This change in policy is applied prospectively in accordance with the treatment specified as per IAS-16 "Property, Plant and Equipment". However, there is no impact on profit and loss due to change in this policy.

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## SINDH RURAL SUPPORT ORGANISATION

**4.1.2 Depreciation**

Depreciation is charged to income on the straight line method so as to write off the cost of an asset over its estimated useful life at the rates given in Note 5.

Depreciation on addition is charged from the month in which an asset is put to use while no depreciation is charged for the month in which an asset is disposed off.

**4.1.3 Derecognition**

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in profit and loss account in the year the asset is derecognized.

**4.1.4 Intangibles**

Intangible fixed assets are stated at cost less accumulated amortization.

Intangible fixed assets are amortized on the period stated in Note 6 by using the reducing balance method.

**4.1.5 Impairment**

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Impairment losses are charged to income and expenditure account.

**4.2 Financial Support to Community Organizations**

Financial support is provided to Community Organization (COs) in accordance with the criteria established by the company. The cost of such financial support is booked when the company's share of the scheme becomes due for payment:

- Microcredit loans receivables which are overdue by more than 1 year are fully provided for.
- Known impaired receivables which are overdue by more than 3 years are written off.

**4.3 Staff retirement benefits**

The company operates the following retirement benefits schemes for its employees:

**4.3.1 Defined contribution plan**

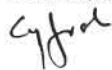
The company operates an unfunded provident fund scheme for all its permanent employees for which the company and employees contribute equally @ 10% of basic salary. The monthly employee and employer's contributions are paid to a separate bank account.

**4.3.2 Defined benefit plan**

The company operates an unfunded gratuity scheme covering all its employees with two or more years of service with the company. Provision for gratuity has been made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period.

**4.3.3 Compensated absences**

The company provides a facility to its employees for accumulating their annual earned leave. Under the unfunded scheme employees are entitled for 30 days privilege leave for each completed year of service. Provisions are made to cover the obligation under the scheme and are charged to income.



### SINDH RURAL SUPPORT ORGANISATION

#### 4.4 Taxation

The company's income from donations, contributions and profit from investment in securities of the Federal Government are exempted from income tax. Resultantly, no provision for current and deferred taxation has been made in these financial statements. Provision is made for other taxable income, if any.

#### 4.5 Revenue Recognition

- Grants (restricted funds) against specific projects are accounted for in accordance with the terms attached to the respective grants.
- Grants (restricted funds) utilized for acquiring fixed assets are taken to deferred grant and amortized over the useful life of the assets.
- Service income on receivables against micro credit is recognized using effective interest rate method.
- Training receipts are recognized on accrual basis.
- Interest on bank deposits, term deposit receipts and investments in Pakistan Investment Bond is recognized using effective interest rate method.
- Credit processing fee is recognized on receipt basis.
- Management fee from projects is recognized in accordance with the terms of agreement.

#### 4.6 Receivables

Known impaired debts are written off, while debts considered doubtful of recovery are fully provided for.

#### 4.7 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

#### 4.8 Investment - Held to maturity

Held-to-maturity investments are investments with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- a) Those that the entity upon initial recognition designates as at fair value through profit or loss; and
- b) Those that the entity designates as available for sale.

These investments are initially recognised at cost which is fair value of consideration given. Subsequently, these are amortized by using effective interest rate method.

The impairment loss, if any, on held to maturity investments and its reversal is recognized in profit or loss.

#### 4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cheques in hand and balance at banks on current accounts.



## SINDH RURAL SUPPORT ORGANISATION

**4.10 Financial instruments**

Financial assets on the balance sheet include micro credit receivables, advances, deposits and prepayments, cash and bank balances.

Financial liabilities on balance sheet include accrued and other liabilities.

Financial assets and liabilities are recognized at the fair value of the consideration given or received at the time when the company becomes party to the contractual provisions of the instrument by following trade date accounting.

A financial asset or part thereof is derecognized when the company loses control over the contractual right that comprises the financial asset or part thereof. Such control is deemed to be lost if the company realizes the right to the benefits specified in the contract, the right expires or the company surrenders those rights. A financial liability or part thereof is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Any gain or loss on subsequent measurement and de-recognition is charged to income and expenditure account.

**4.11 Offsetting of financial assets and liabilities**

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**4.12 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Depreciation (Note 4.1.2)
- Provision (Note 4.7)





SINDH RURAL SUPPORT ORGANIZATION

5. PROPERTY AND EQUIPMENT

	2009	2008
	Rupees	Rupees
Operating fixed assets	124,394,511	29,987,336
Capital work in progress	5,198,853	151,894
	<u>129,593,364</u>	<u>30,139,230</u>

5.1 Operating fixed assets

DESCRIPTION	COST		DEPRECIATION		BOOK VALUE AS AT 30-Jun 2009	RATE %
	As at 01 July 2008	Additions/ (deletions) during the year	As at 01 July 2008	Charge for the year		
Lease hold land	654,966	10,000,000	8,636	8,636	10,837,694	1
Free hold assets:						
Furniture and fixture	6,459,153	5,851,897 (853,545)	1,550,349	731,953 (153,610)	9,328,813	10
Office equipments	3,723,279	10,093,038	1,257,639	1,219,570	11,339,108	20
Computers	3,581,466	6,596,159	2,389,393	1,845,588	5,942,644	33
Audio visual equipment	341,460	807,895	87,074	99,990	962,291	20
Vehicles	32,719,490	74,774,500 (106,556)	12,399,387	9,036,253 (32,168)	85,983,962	20
Rupees - 2009:	47,679,814	108,123,489 (960,101)	17,692,478	12,941,991 (185,778)	124,394,511	

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SINDH RURAL SUPPORT ORGANIZATION

DESCRIPTION	COST		DEPRECIATION		BOOK VALUE AS AT 30-Jun 2008	RATE %
	As at 01 July 2007	Additions/ (deletions) during the year	As at 30 June 2008	As at 01 July 2007		
----- Rupees -----						
Lease hold:						
Land	-	854,966	854,966	-	8,636	846,330 1
Free hold:						
Furniture and fixture	5,134,332	1,324,821	6,459,153	996,056	554,293	4,908,804 10
Office equipments	2,619,927	1,103,352	3,723,279	668,061	589,578	2,465,640 20
Computers	2,979,154	602,312	3,581,466	1,343,143	1,046,250	1,192,073 33
Audio visual equipment	171,450	171,810 (1,800)	341,460	39,221	48,453 (600)	254,386 20
Vehicles	19,389,014	13,330,476	32,719,490	7,781,125	4,618,262	20,320,103 20
Rupees - 2008:	30,293,877	17,387,737 (1,800)	47,679,814	10,827,606	6,865,472 (600)	29,987,336

5.1.1 Land is acquired on 99 year lease from Govt. of Sindh.

5.1.2 During the year, lease hold land of the company has been revalued by Engineering Pakistan International (Private) Limited, an independent valuer, as at 30 June 2009, and is stated at market value. Had there been no revaluation, the value of land would be have been lower by Rupees 10 Million (2008: Rupees Nil).

5.2 This represents construction in progress of Head Office Complex.

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SINDH RURAL SUPPORT ORGANIZATION

		2009	2008		
		Rupees	Rupees		
<b>6. INTANGIBLES ASSETS - computer software</b>	<b>Note</b>				
<b>As at 01 July</b>					
Cost		-	-		
Accumulated depreciation		-	-		
Net Book Value		-	-		
<b>Movement during the year</b>					
Addition - cost		22,280	-		
Amortization charge for the year		(1,811)	-		
<b>As at 30 June</b>					
Cost		22,280	-		
Accumulated depreciation		(1,811)	-		
<b>Net book value as on 30 June</b>		<b>20,469</b>	<b>-</b>		
		<b>33%</b>	<b>33%</b>		
<b>7. LONG TERM INVESTMENTS- held to maturity</b>					
Pakistan Investment Bonds (PIB's)	(7.1)	232,600,000	232,600,000		
Premium on purchase of PIBs		2,869,810	3,778,862		
Less: Amortization for the year	(27)	909,052	909,052		
		1,960,758	2,869,810		
		234,560,758	235,469,810		
Certificates of deposit		912,133	912,133		
Less: transferred to current maturity		(912,133)	-		
		-	912,133		
		234,560,758	236,381,943		
<b>7.1</b>	These PIB's are under lien of First Women Bank Limited against a running finance facility of Rs. 200 million. These carry interest at the rate of 8% (2008: 8%) per annum. The maturity period of these PIBs is as follows:				
<b>Certificates</b>		<b>Maturity date</b>			
Rs. 94.4 million		29 April 2014			
Rs. 38.2 million		06 October 2013			
Rs. 100 million		† 29 April 2014			
<b>8. LONG TERM LOAN - unsecured</b>					
This represents loan extended to National Rural Support Program and carries interest at the rate of 10.25% (2008: 10.25% per annum)					
<b>9. STOCK OF MEDICINES</b>					
This represents veterinary medicines related to live stock project.					
<b>10. ADVANCES AND TRADE RECEIVABLES</b>					
<i>Advances - considered good</i>					
Staff against expenses		993,597	907,695		
Suppliers and others		285,000	134,060		
Community organizations		4,231,130	20,951,434		
Grants receivable	(10.1)	11,560,184	-		
		17,069,911	21,993,189		
<b>10.1 Grants receivable (Restricted funds)</b>					
	<b>Note</b>	<b>Opening Balance 01 July 2008</b>	<b>Funds received during the year</b>	<b>Funds utilized</b>	<b>Closing Balance 30 June 2009</b>
----- Rupees -----					
Rural Support Programs Network (RSPN)					
Live Stock Project		(407,442)	(837,027)	5,291,645	4,047,176
UNICEF		-	-	1,380,463	1,380,463
Crop Maximization Program	(10.1.1)	-	(6,093,134)	7,067,859	974,725
Pakistan Poverty Alleviation Fund (PPAF)					
Social Mobilization Fund		-	(23,315,900)	27,847,969	4,532,069
National Rural Support Programs					
Global Fund to Fight AIDS, Tuberculosis and Malaria		-	(2,205,711)	2,831,462	625,751
		(407,442)	(32,451,772)	44,419,398	11,560,184

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SINDH RURAL SUPPORT ORGANIZATION

10.1.1 CROP MAXIMIZATION PROJECT

A Project of Ministry of Food, Agriculture and Livestock (MINFAL) titled "Special Program for Food Security and Productivity Enhancement of Small Farmers in 1012 villages (Crop Maximization Project – II) has been approved by Government of Pakistan for a period of 5 years.

11. OTHER RECEIVABLES

This includes an amount of Rs. 28.700 million (2008: Rs. 0.707 million) receivable from following associated undertakings.

	Note	2009 Rupees	2008 Rupees
- Thardeep Rural Development Programmes		8,823,976	-
- Rural Support Programmes Network		994,567	706,767
- National Rural Support Programmes		15,410,512	-
- Grants Receivable (PPAF)		1,232,000	-

12. MICROCREDIT LOANS RECEIVABLES

Considered good

Agricultural input	†	23,637,000	1,706,096
Live stock		72,634,774	25,426,329
Enterprise development		8,265,800	1,590,153
		104,537,574	28,722,578

Consider doubtful

Agricultural input		2,122,709	2,417,009
Live stock		9,411,392	10,180,459
Enterprise development		941,376	924,038
		12,475,477	13,521,506
		117,013,051	42,244,084

Less: provision for non-performing microcredit loans

Agricultural input		2,122,709	1,837,416
Live stock		10,138,789	10,138,789
Enterprise development		941,376	924,038
		13,202,874	12,900,243
		103,810,177	29,343,841

13. ACCRUED MARK UP / SERVICE CHARGES

Certificates of deposit		-	34,186
Pakistan investment bonds		3,353,380	4,174,273
Term deposit receipts		20,722,418	17,787,223
Advance to National Rural Support Network (NRSP)		224,656	5,208,289
Bank deposits		34,802	413,915
Microcredit loans receivables		978,416	916,543
		25,313,672	28,534,429

14. SHORT TERM INVESTMENTS - held to maturity

Term deposit receipts	(14.1)	770,400,000	697,400,000
Certificates of deposits	(7)	912,133	-
Pakistan investment bond (PIB)		-	70,000,000
		771,312,133	767,400,000

14.1 These carry interest at the rate of 10% to 11.6% ( 2008 : 10% to 11.6%) maturing from 03 July 2009 to 05 October 2009

15. CASH AND BANK

Cash in hand		549,956	-
Cash at bank			
Current accounts		8,338,014	1,256,883
Deposit accounts	(15.1)	873,223,771	220,316,170
		882,111,741	221,573,053

15.1 These carry mark up ranging from 5% to 9% (2008: 6.5% to 10.05%).

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SINDH RURAL SUPPORT ORGANIZATION

	Note	2009 Rupees	2008 Rupees
16. DEFERRED GRANTS			
Deferred grants - (grants related to fixed assets)	(16.1)	88,020,035	-
Deferred grants - (grants related to income)	(16.2) †	597,771,591	127,116,452
		<u>685,791,626</u>	<u>127,116,452</u>

16.1 Deferred grants - (grants related to fixed assets)

Particulars	Note	Opening Balance 01 July 2008	Funds received and/or utilized during the year	Amortization for the year	Repaid	Closing Balance 30 June 2009
----- Rupees -----						
Rural Support Programs Network (RSPN)						
Crop Maximization Project	(16.1.1)	-	2,510,850	(394,285)	-	2,116,565
Family Advancement for Life and Health	(16.1.1)	-	400,840	-	-	400,840
Government of Sindh						
Union Council Based Poverty Reduction Programme	(16.1.1)	-	46,686,068	(1,116,111)	-	45,569,957
Implementation of Support Package of Government of Sindh's Grant of State Land To Land Less Hare	(16.1.1)	-	40,132,141	(1,412,515)	-	38,719,626
Pakistan Poverty Alleviation Funds (PPAF)						
Social Mobilization Funds	(16.1.2)	-	1,232,000	(18,953)	-	1,213,047
		-	<u>90,961,899</u>	<u>(2,941,864)</u>	-	<u>88,020,035</u>

16.1.1 Particulars	Vehicles	Furniture & Fixtures	Office Equipment	Computer Equipment	Audio Visual Equipment	Total
----- Rupees -----						
Rural Support Programs Network (RSPN)						
Crop Maximization Project	2,092,550	175,050	-	243,250	-	2,510,850
Family Advancement for Life and Health		205,786	147,972		47,082	400,840
Government of Sindh						
Union Council Based Poverty Reduction Programme	35,877,084	2,478,566	5,157,518	2,846,250	326,650	46,686,068
Implementation of Support Package of Government of Sindh's Grant of State Land To Land Less Hare	34,617,266	1,066,225	2,363,350	1,752,800	332,500	40,132,141
	<u>72,586,900</u>	<u>3,925,627</u>	<u>7,668,840</u>	<u>4,842,300</u>	<u>706,232</u>	<u>89,729,899</u>

16.1.2 The detail of these projects are as follows:

- **Family Advancement for Life and Health (FALAH)**  
The aim of the Family Advancement for Life And Health (FALAH) project is to increase the choice of methods of family planning and birth spacing in Pakistan by removing barriers, improving understanding of the value of family planning for family health and well-being. The project is funded by United States Agency for International Development (USAID) for the period covering five years. It would be implemented in 20 districts in the four provinces of Pakistan as well as nationality for selected
- **Union Council Based Poverty Reduction Programme (UCBPRP)**  
The project named 'Union Council Based Poverty Reduction Programme through RSPs' would be implemented in all Union Councils of District Kashmir – Kandhkot and Shikarpur. This project will be executed by Sindh Rural Support Organization (SRSO) and the sponsoring agency would be Planning and Development Department, Government of Sindh. The overarching objective of this project is "to improve the quality of life of communities living in rural areas that lack basic facilities by involving the Rural Support Programmes."
- **Implementation of Support Package of Government of Sindh's Grant of State Land To Land Less Harees (SLLH)**  
Sindh Rural Support Organization (SRSO) will be engaged to assist the Land Utilization Department in Board of Revenue (BOR) to organize land allottees and form their cooperatives and establish linkage with various agencies involved in carrying out developmental activities of Government of Sindh in 17 districts.

SINDH RURAL SUPPORT ORGANIZATION

16.1.3 This represents the grant received in respect of Pakistan Poverty Alleviation Funds - Social Mobilization Fund

16.2 Deferred grants - (grants related to income)

Particulars	Note	Opening	Funds	Funds	Repaid	Closing
		Balance	received	utilized		Balance
		01 July	during			30 June
		2008	the year			2009
----- Rupees -----						
Rural Support Programs Network (RSPN)						
Different activities		340,200	1,769,472	(2,109,672)	-	-
Family Advancement for Life and Health		-	2,998,000	(1,436,263)	-	1,561,737
Pakistan Poverty Alleviation Fund (PPAF)						
Capacity building		-	7,005,024	(2,281,090)	-	4,723,934
Community physical infrastructure Phase - III		595,000	16,023,326	(16,580,449)	-	37,877
Phase - III		-	26,048,808	(24,576,660)	-	1,472,148
Khushal Pakistan Fund		68,773,810	-	(34,854,373)	(32,816,859)	1,102,578
Government of Sindh						
Women development programme		57,000,000	70,000,000	(63,641,000)	-	63,359,000
Union Council Based Poverty Reduction Programme		-	444,212,932	(149,894,110)	-	294,318,822
Implementation of Support Package of Government of Sindh's Grant of State Land To Land Less Harees		-	260,189,224	(33,571,529)	-	226,617,695
People housing cell		-	12,600,000	(8,022,200)	-	4,577,800
		<u>126,709,010</u>	<u>840,846,786</u>	<u>(336,967,346)</u>	<u>(32,816,859)</u>	<u>597,771,591</u>

16.3 In addition to above, SRSO has received funds amounting to Rs. 106,530,000 (2008 Rs. 21,900,000) as grants from Federal, Provincial & Districts Governments in respect of a project named as "People's Primary Healthcare Initiative" which has been disbursed to the Program Support Unit (PSU), Karachi.

17. EMPLOYEE BENEFITS	Note	2009	2008
		Rupees	Rupees
Gratuity		6,082,039	4,188,256
Provident fund		8,748,360	5,098,518
Non accumulating compensated absences		3,125,721	2,217,860
		<u>17,956,120</u>	<u>11,504,634</u>

18. SHORT TERM BORROWINGS - secured

This represents short term running finance facility amounting to Rs. 170 million (2008: Rs. 200 million) availed from First Women Bank Limited. It carries markup at 1 month KIBOR + 1% (2008: 1 month Kibor). These have been secured against Pakistan Investment Bonds as disclosed in Note 7.1.

19. LOAN FOR MICROCREDIT - secured

This represents loan from Pakistan Poverty Alleviation Fund for credit disbursement to community organizations. The loan carries markup at the rate of 8% per annum (2008: 8%). These are secured by demand promissory note from board of directors of the company.

20. ACCRUED MARK UP

Short term borrowings	4,585,138	3,383,641
Loan for microcredit	-	2,033,358
	<u>4,585,138</u>	<u>5,416,999</u>

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## Appendix B – Audited Financial Statements

### SINDH RURAL SUPPORT ORGANIZATION

	Note	2009 Rupees	2008 Rupees
<b>21. ACCRUED AND OTHER LIABILITIES</b>			
Accrued expenses		4,482,515	755,662
National Rural Support Programs - NRSP			-
Institute of Rural Management - IRM (NRSP)		-	3,799,159
Rural Support Programme Network - RSPN			-
Pakistan Poverty Alleviation Fund - PPAF			-
NRSP ex-staff			-
President's Programme for Health and Care Initiative - PPHCI			-
Insurance payable		899,943	764,985
Payable to staff		2,400	37,705
Withholding tax payable		13,061	1,470
Advances against projects		-	-
Other payables		4,012,950	3,717
		<u>9,410,869</u>	<u>5,362,698</u>
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
Contingencies as on balance sheet date were Rs. Nil (2008: Rs. Nil).			
Commitments as on balance sheet date were Rs. Nil (2008: Rs. Nil).			
<b>23. PROFIT ON INVESTMENTS AND BANK DEPOSITS</b>			
Pakistan investment bonds		22,654,905	23,528,767
Term deposit receipts		788,642,171	63,124,366
Long term loan		-	9,161,895
Deposit accounts - programmes		25,019,898	5,123,953
Deposit accounts - others		3,358,951	12,369,998
		<u>139,675,925</u>	<u>113,308,979</u>
<b>24. GRANTS (Restricted funds)</b>			
<b>Grants related to income</b>			
Rural Support Programs Network - RSPN	(10 2, 16 2)	17,285,902	17,258,580
Government of Sindh	(16 2)	255,128,839	-
PPAF for CPI Scheme	(10 2, 16 2)	71,286,168	15,481,192
Thardeep Rural Development Program		-	3,734,243
NRSP	(10 2)	2,831,462	-
Khushal Pakistan Fund	(16 2)	34,854,373	25,113,930
		381,386,744	61,587,945
<b>Grants related to fixed assets</b>			
Government of Sindh	(16 1)	2,528,626	-
Rural Support Program Networks	(16 1)	394,285	-
Pakistan Poverty Alleviation Funds	(16 1)	18,953	-
		2,941,864	-
		<u>384,328,608</u>	<u>61,587,945</u>
<b>25. INCOME FROM MICROCREDIT LOANS</b>			
This represents service charges at the rate of 20% (2008: 20%), which is received from borrowers on the outstanding balance of micro financing on daily product basis over a period of one year.			
<b>26. OTHER INCOME</b>			
Human Resource Development Income		3,655,648	57,274
Rural Credit & Enterprise Development Income		1,957,844	359,685
Physical Infrastructure & Technology Development Income		-	10,034
Enterprise Development income		176,239	22,000
National Resource Management Income		1,179,103	147,506
Insurance Income		924,694	442,616
Sale of live stock		1,400,320	447,893
Rental income		1,729,128	-
Management fee		33,822,881	-
Miscellaneous income		191,877	276,473
		<u>45,037,734</u>	<u>1,763,481</u>

*C. J. Khan*

SINDH RURAL SUPPORT ORGANIZATION

27. OPERATING EXPENDITURE	Note	2009	2008
		Rupees	Rupees
Salaries, wages and benefits		70,314,468	45,144,081
Travelling		3,444,203	1,320,369
Communication		1,316,700	538,341
Meeting and conferences		1,564,419	1,273,377
Union council baseline expenses		-	1,877
Utilities		3,173,788	1,537,240
Vehicle running and maintenance		14,463,538	5,210,252
Office supplies		1,583,608	548,960
Office rent		6,126,090	3,037,964
Repairs and maintenance		2,057,361	993,173
Printing and stationery		4,644,233	1,976,342
Insurance		817,912	946,921
Books and periodicals		5,800	1,675
Depreciation	(5)	12,941,992	6,865,472
Amortization of intangible assets	(6)	1,811	-
Amortization of premium on PIBs	(7)	909,052	909,052
Legal and professional charges		270,960	487,490
Auditors' remuneration		490,000	225,000
Provision for non - performing microcredit loans		302,631	12,900,243
Advertisement		187,799	43,989
Flood relief operations		-	17,954,660
Establishment of clinics		-	453,466
Donations	(27.1)	2,500,000	-
Miscellaneous expenses		1,390,296	352,682
		<u>128,506,659</u>	<u>102,722,626</u>

27.1 The directors of the company has no interest in the donee organisation.

28. PROGRAMME ASSISTANCE

Physical infrastructure schemes	105,176,504	21,749,753
Training	46,356,117	7,286,533
Natural resource management	3,180,497	1,971,840
Social sector services	1,220,800	1,938,171
Gender and development	692,854	187,571
Social mobilization	82,533,483	717,132
Monitoring, evaluation and research	43,254,508	555,148
Enterprise development	1,064,221	268,542
Community Investment Fund	1,170,000	-
Interest free non refundable advances for women	23,000,000	-
Support package for land less hares	17,829,532	-
	<u>325,478,516</u>	<u>34,674,690</u>

29. PROGRAM WISE EXPENDITURE

	UCBPRP Rupees	SLLH Rupees	Others Rupees	Total Rupees
<b>Program Assistance costs</b>	117,388,429	17,962,752	190,127,335	325,478,516
<b>Operating Costs:</b>				
Salaries, wages & benefits	5,221,751	2,437,209	62,655,508	70,314,468
Office rent	432,676	690,800	5,002,614	6,126,090
Office supplies	180,370	138,792	1,264,446	1,583,608
Utilities	204,544	185,244	2,784,000	3,173,788
Communication	108,312	112,879	1,095,509	1,316,700
Meeting and conferences	395,699	13,579	1,155,141	1,564,419
Repair & maintenance	188,113	274,330	1,594,918	2,057,361
Vehicle running & maintenance	942,873	1,126,380	12,394,285	14,463,538
Travel cost	208,877	76,544	3,158,782	3,444,203
Printing & stationery	910,716	239,671	3,493,846	4,644,233
Auditor's remuneration	140,000	100,000	250,000	490,000
Miscellaneous expenses	151,997	57,554	1,180,745	1,390,296
Advertisement	3,500	-	184,299	187,799
Insurance	-	-	817,912	817,912
Books and periodicals	-	-	5,800	5,800
Depreciation	-	-	12,941,992	12,941,992
Amortization of intangible assets	-	-	1,811	1,811
Amortization of premium on PIBs	-	-	909,052	909,052
Legal and professional charges	-	-	270,960	270,960
Provision for non - performing microcredit loans	-	-	302,631	302,631
Donations	-	-	2,500,000	2,500,000
	9,089,428	5,452,982	113,964,249	128,506,659
	<u>126,477,857</u>	<u>23,415,734</u>	<u>304,091,584</u>	<u>453,985,175</u>

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SINDH RURAL SUPPORT ORGANIZATION

	2009	2008
	Rupees	Rupees
30. FINANCE COST		
Bank charges	3,586,210	327,605
Mark-up on short term borrowing	6,453,388	20,843,735
	<u>10,039,598</u>	<u>21,171,340</u>

31. TAXATION

The company's income is exempt from income tax under section 2 (36) of the Income Tax Ordinance 2001.

32. RELATED PARTY DISCLOSURES

The related parties comprise associated undertakings (Thardeep Rural Development Programme, National Rural Support Programme & Rural Support Programmes Network, Government of Sindh), directors of the company and key management personnel. The company in the normal course of business carries out transactions with these related parties. Amounts due from and to related parties have been disclosed in their respective notes. Transactions with the related parties are as follows:

Grants received	184,571,444	80,197,808
Amount received from Rural Support Programs Network	542,275	257,150
Amount paid to Thardeep Rural Development Program	5,677,270	-
Grant paid	308,601,249	-
Donations paid to Rural Support Program Network	2,500,000	-
Amount received from National Rural Support Program	190,893,329	23,629,605
Amount paid to National Rural Support Program	72,813,558	3,146,115

Transactions with key management personnel under terms of employment are excluded from such transactions.

33. CHIEF EXECUTIVE REMUNERATION

Managerial remuneration	1,818,180	1,454,545
Contribution to provident fund	818,172	654,545
Housing and utilities	181,824	145,455
Medical reimbursements	181,824	145,455
	<u>3,000,000</u>	<u>2,400,000</u>

No. of persons

<u>1</u>	<u>1</u>
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In addition Chief Executive is provided with free use of company maintained vehicle.





## SINDH RURAL SUPPORT ORGANIZATION

## 34. FINANCIAL INSTRUMENTS

30 June 2009						
	Interest Bearing		Non-Interest Bearing			Total
	Less than one year	One to five years	Sub-total	Less than one year	One to five years	
----- Rupees -----						
<b>Financial assets</b>						
Long term investment	-	234,560,758	234,560,758	-	-	234,560,758
Short term investments	771,312,133	-	771,312,133	-	-	771,312,133
Micro credit loans receivables	103,810,177	-	103,810,177	-	-	103,810,177
Advances and trade receivables	-	-	-	17,069,911	-	17,069,911
Other receivables	-	-	-	27,837,207	-	27,837,207
Accrued mark - up / Service charges	-	-	-	25,313,672	-	25,313,672
Cash and bank balances	873,223,771	-	873,223,771	8,338,014	-	881,561,785
<b>Total financial assets</b>	<b>1,748,346,081</b>	<b>234,560,758</b>	<b>1,982,906,839</b>	<b>78,558,803</b>	<b>-</b>	<b>2,061,465,643</b>
<b>Financial liabilities</b>						
Short term borrowings	170,000,000	-	170,000,000	-	-	170,000,000
Loan for microcredit	74,810,273	-	74,810,273	-	-	74,810,273
Accrued and other liabilities	-	-	-	9,410,869	-	9,410,869
<b>Total financial liabilities</b>	<b>244,810,273</b>	<b>-</b>	<b>244,810,273</b>	<b>9,410,869</b>	<b>-</b>	<b>254,221,142</b>

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SINDH RURAL SUPPORT ORGANIZATION

30 June 2008						
	Interest Bearing		Non-Interest Bearing			Total
	Less than one year	One to five years	Sub-total	Less than one year	One to five years	
	Rupees					
<b>Financial assets</b>						
Long term investments	-	236,381,943	307,290,995	-	-	307,290,995
Long term loan		180,291,216				-
Short term investments	767,400,000	-	847,400,000	-	-	847,400,000
Micro credit loans receivables	29,343,841	-	29,343,841	-	-	29,343,841
Advances and trade receivables	-	-	-	21,993,189	-	21,993,189
Other receivables	-	-	-	741,322	-	741,322
Accrued mark - up / Service chrages	-	-	-	28,534,429	-	28,534,429
Cash and bank balances	220,316,170	-	107,336,767	1,256,883	-	1,256,883
<b>Total financial assets</b>	<b>1,017,060,011</b>	<b>416,673,159</b>	<b>1,291,371,603</b>	<b>52,525,823</b>	<b>-</b>	<b>1,343,897,426</b>
<b>Financial liabilities</b>						
Short term borrowings	182,881,184	-	149,999,450	-	-	149,999,450
Loan for microcredit	53,356,864	-	24,520,048	-	-	24,520,048
Accrued and other liabilities	-	-	-	5,362,698	-	5,362,698
<b>Total financial liabilities</b>	<b>236,238,048</b>	<b>-</b>	<b>174,519,498</b>	<b>5,362,698</b>	<b>-</b>	<b>179,882,196</b>

The effective interest/ mark up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

## SINDH RURAL SUPPORT ORGANIZATION

## 34.1 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including the effects of changes in market rates, credit and liquidity risk associated with various financial assets and liabilities respectively and cash flow risk associated with interests in respect of borrowings.

The company finances its operations through equity, borrowings and management of working capital with a view to maintaining a reasonable mix between the various sources of finances to minimize risk.

Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

(a) **Concentration of Credit Risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. The company's credit risk is primarily attributable to its micro-credit loan portfolio and its balance at banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Whereas, to manage the credit risk associated with micro-credit loan portfolio the company applies approved credit limit to its customers and as such is not exposed to major concentration of credit risk.

(b) **Interest Rate Risk**

Interest rate risk is the risk that the values of financial instruments will fluctuate due to changes in market interest rates. The company receives funds at fixed interest rate from PPAF and as such the risk is minimized. However, the company is exposed to interest rate risk as most of its bank balances and investments are floating rate instruments.

(c) **Liquidity Risk**

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its net funding requirements. The company manages this risk by having adequate credit lines in place and maintaining sufficient liquidity at branch level to meet anticipated funding requirements.

35. **Fair value of Financial Instruments.**

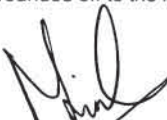
The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

36. **CORRESPONDING FIGURES**

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of better comparison. However, no significant reclassification has been made, except 'Endowment Fund' has been restated to exclude the surplus amounting to Rs.110,318,916 while the same has been included in 'Surplus'.

37. **GENERAL**

Figures have been rounded off to the nearest rupee.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director





## Credits

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