



CSC Empowerment &
Inclusion Programme (CEIP)



2017

ANNUAL REPORT

EMPOWERING THE POWERLESS



CSC Empowerment & Inclusion Programme

CONTENTS

Message from the Chairperson	1
Message from the CEO	2
Introduction to CSC & CEIP	3
Guiding Principles	5
Core Values	7
Areas of Operations	8
Organizational Structure	9
Scope of Work	11
Project Catalogue	13
Microfinance	15
- Microfinance Product Details	16
- Branch Network	17
- Inducing Innovation	18
- Financial Portfolio	18
- Spatial Analysis – Client Business Types	19
- Outstanding Minority Clients: Paving the Path to Social Integration	21
- Feature Story: Ruth Masih	23
Social Intervention	25
- Promotion of Women Rights in Punjab and Capacity Development	26
- Enhanced Women Socio-Economic Development	26
- Education	27
- Health	28
- Bridging Healthcare Gap: A Community-Based Solution	30
- Land to the Lady Tiller:	31
- Male Receptiveness towards women rights interventions	33
Capacity Development	34
- Financial Literacy Program	35
- Paralegal Training to Counter Violence against Women	36
- Students Peace Club for Interfaith Harmony	37
- Sensitizing Religious Leaders about Women Rights	37
- Strengthening Female Enterprise	38
- Grassroots Mobilization through CBOs	38

Product Development & Innovation	39
- Solar Energy Loan: Survey Findings	40
- Solar Power: The Bright Solution	41
- Scooty Loans: Client Observations	42
Activities & Events	43
- Operational Excellence	
- Training on Anti-Sexual Harassment Legislation	43
- Training on Immunization: Equity & Coverage	43
- Launch Ceremony: PWRPCD Project, Shiekhupura	43
- International Women's Day Celebration	43
- Evaluation of Social Intervention Projects	44
- 2017 Global Symposium on Microfinance	44
- Making Finance Work for Women	44
- Global Social Business Summit	44
- Credit Information Bureau Compliance & Regulations	45
- Due Recovery Calculation	45
- Digitization SWOT Workshop	45
Partnering for Innovation	46
- International Finance Corporation: Solar Energy Awareness Campaign	47
- Punjab University: Scooty Loans for Students	47
- Symbiotics: Routing Investment for Social Dividends	47
- Economic Affairs Division: NOC for Nationwide Interventions	47
- List of Partners	49
Way Forward	
- Product Advancement: Home Improvement Loans	51
- Embracing Digitization	51
- Strategic Expansion	52
- *KPIs – Analysis	52
- *Product Disbursement Mix	52
- Expansion Trends	53
Financial Statements – CEIP	55
Financial Statements – CSC	59



MESSAGE FROM THE CHAIRPERSON



2017 has been an exciting year for the team at CSC and CEIP. The efforts that have been invested in this organization, over the past 28 years, have matured to bring new laurels to us this year. Focusing on products with high social impact, we have launched Scooty, Solar, and Home Improvement Loans for CEIP clients. While the monetarily larger Scooty loan aims to enhance female mobility, Solar loans start as small as PKR 900, and are countering the energy crisis that is lowering the potential of our borrowers. Home Improvement Loans are being offered to CEIP's existing clients to enhance their housing capacity, thereby impacting their income through rentals.

CEIP's products will not be reserved to existing areas, as we enter a strategic expansion phase. Under the plan, CEIP will expand from the existing 21 to 57 branches by 2021, increasing active clients to over 125,000. This expansion will partly be supported by CEIP's first ever international investment, worth \$1.5 million, made by Symbiotics group.

Equally active on the social development front, our team concluded two important projects in Sheikhpura and Khanewal, while another in Shiekhupura has been initiated. Efforts for linkage creation between skills training and asset transfer beneficiaries with CEIP's Interest Free Loan operations in Dera Ghazi Khan come

have borne fruit. Among other beneficiaries, 48 landless women that had received 2 acres of land and agricultural input have availed PMIFL loans from CEIP. Lady Health Workers are also sustainably running low-cost medical facilities that were set up by CSC during this post-flood rehabilitation project.

Considering these milestones in our institutional growth, I would use this opportunity to thank our team and partners for their untiring efforts. CSC and CEIP have recalibrated their focus towards creating greater social impact and achieving sustainability, which I am confident will be felt by all our stakeholders, and reciprocated with similar enthusiasm. As a humble representative of Pakistan's development sector, I would say that we are headed in a direction where quality of impact will become as important as its outreach, and it is only indicative of our commitment to the cause of social development and financial inclusion in this country.

Ayesha Tasleem
Chairperson

1

MESSAGE FROM THE CEO



2017 has been an exciting year for the team at CSC and CEIP. The efforts that have been invested in this organization, over the past 28 years, have matured to bring new laurels to us this year. Focusing on products with high social impact, we have launched Scooty, Solar, and Home Improvement Loans for CEIP clients. While the monetarily larger Scooty loan aims to enhance female mobility, and bringing down the hurdles to their choice of educational institutions and workplaces, Solar loans start as small as PKR 900, and are countering the worsening energy crisis that is laying to waste the potential of our working class. Home Improvement Loans are being offered to CEIP's existing clients, with the aim to enhance their housing capacity, thereby having significant impact on their income through rentals.

CEIP's microcredit and high social impact products will not be reserved for our existing areas for long, as the company is entering a phase of strategic expansion. Under the plan, CEIP will expand from the existing 21 to 57 branches by 2021, increasing our active clients to over 125,000. This expansion for CEIP will partly be supported by Symbiotics Group through a \$1.5 million investment for 2 years, which has allowed for the new products to be introduced alongside. Our team has been equally active on the social development front where two important projects have been

successfully concluded in Sheikhpura and Khanewal, and another has been initiated for three years in Sheikhpura. The most commendable of these efforts has been the linkage creation between skills training and asset transfer beneficiaries with our Interest Free Loan operations in Dera Ghazi Khan. Among many other that took part in CSC's post-flood rehabilitation program, 48 landless women that had received 2 acres of land and agricultural inputs, alongside numerous other beneficiaries, have availed PMIFL loans from CEIP in 10 UCs of D.G. Khan. On the other hand, Lady Health Workers are sustainably running low-cost medical facilities that were set up by CSC during the project.

Considering these to be important milestones in our growth as an institution, I would use this opportunity to thank our team and partners for their untiring efforts. CSC and CEIP have recalibrated their focus towards creating greater social impact and achieving sustainability, which I am confident will be felt by all our stakeholders, and reciprocated with similar enthusiasm. As a humble representative of Pakistan's development sector, I would say that we are headed in a direction where quality of impact will become as important as its outreach, and it is only indicative of our commitment to the cause of social development and financial inclusion in this country.

SHAISTA JAN
CEO

2

INTRODUCTION TO CSC & CEIP

Established in 1989, Community Support Concern (CSC) has for the last 28 years, been actively involved in identifying and resolving key social and economic issues faced by the most marginalized groups in society, especially women and youth.

In 2015, the microfinance wing of CSC evolved into a separate legal entity, and became CSC Empowerment & Inclusion Program (CEIP). With this, it assumed the responsibility of enhancing financial inclusion in the country. As CSC continues to focus on social inclusion and socio-economic development of marginalized communities, CEIP furthers the agenda of an enabling financial environment for the poor. Both entities maintain an underlying emphasis on women empowerment and development.

CEIP works to bring about economic empowerment of deprived communities that have traditionally been denied access to adequate means of reducing poverty. Having served around 185,000 clients with its microfinance support of almost PKR 5.9 billion, CEIP has impacted over 1.1 million lives in 5 districts of Southern and Central Punjab. The service offered to each client includes not only monetary support but also financial literacy, skills trainings, business development advisory, and market-access platforms, which collectively ensure the setting up of sustainable businesses to support borrowers' families.

The microfinance function of CEIP works as a broad-based mechanism for enabling financial inclusion of women, aimed at the emancipation of this oppressed section of the society and their inclusion in its economic fabric. With over 99% of its loans disbursed to women for establishing microenterprises, CEIP is driving economic reform by strengthening female participation and entrepreneurship. By harnessing the economic potential of women, CEIP is also facilitating societal transformation in the form of enhanced female mobility, access to public spaces, greater familial decision-making, and reduced occurrence of domestic violence.

As part of the organization's social development program, CSC has made development interventions in Punjab's underprivileged areas through projects that focus on improving Health, Education, Disaster Management, and Enterprise Development, with an underlying focus on Women Empowerment in each segment. Each of these projects has been developed and matured with continual participatory interaction and guidance from the community under impact, ensuring resonance and receptiveness at the grassroots, and tailored approach for community-led development. CSC has conducted projects with the support of various government departments, local partners, and international donors, targeting key issues faced by women.

Through its comprehensive programs in the social and microfinance sectors, CEIP is enabling community-led development and economic empowerment in its areas of operation directly, and to other outlying segments of the society through indirect linkages.

Having a futuristic approach towards formulating the requisite nexus between business and social development for each of its borrowers and investors, CEIP is driving operational innovation in the areas of mutual interest of all its stakeholders. Enhancing the areas and scopes of development and microfinance functions would not only allow for more people to benefit from these efforts, but also provide impetus for CEIP to continue striving for service excellence, and eliminating economic inactivity and financial exclusion from the society.



CSC VISION, MISSION, GOALS & OBJECTIVES



VISION

Communities leading socially and economically prosperous lives.



MISSION

Extending quality social development support to under-served and marginalized communities through innovative and participatory approaches.



GOAL

Strengthening and empowering the communities to solve their problems through collective action and community participation.



OBJECTIVES

To aware, educate, motivate, and organize, target communities for an improved quality of life.
To enable, and encourage, communities to become self-sustainable.
To train women as agents of change for socioeconomic development.

CEIP VISION, MISSION, GOALS & OBJECTIVES

VISION

No economically active poor will remain financially excluded in our program area.

MISSION

To emerge as an outstanding microfinance institution offering wide range of financial products and services to financially excluded segments of the society focusing women for micro and small enterprises, achieving sustainability and social performance.

GOAL

- Enhancing financial inclusion in remote areas
- Empowering women and youth
- Achieving operational excellence.

OBJECTIVES

- Enable target borrowers to start/expand their business.
- Offer Innovative and need based financial products and services.
- Achieving 100% financial sustainability from microfinance operations.
- Provide financial education and business.

CORE VALUES



Commitment to Vision and Mission



Professionalism and Service Excellence



Responsibility and Accountability



Personal Development and Mentoring



Team Work and Trust Building



Compliance of Policies & Processes

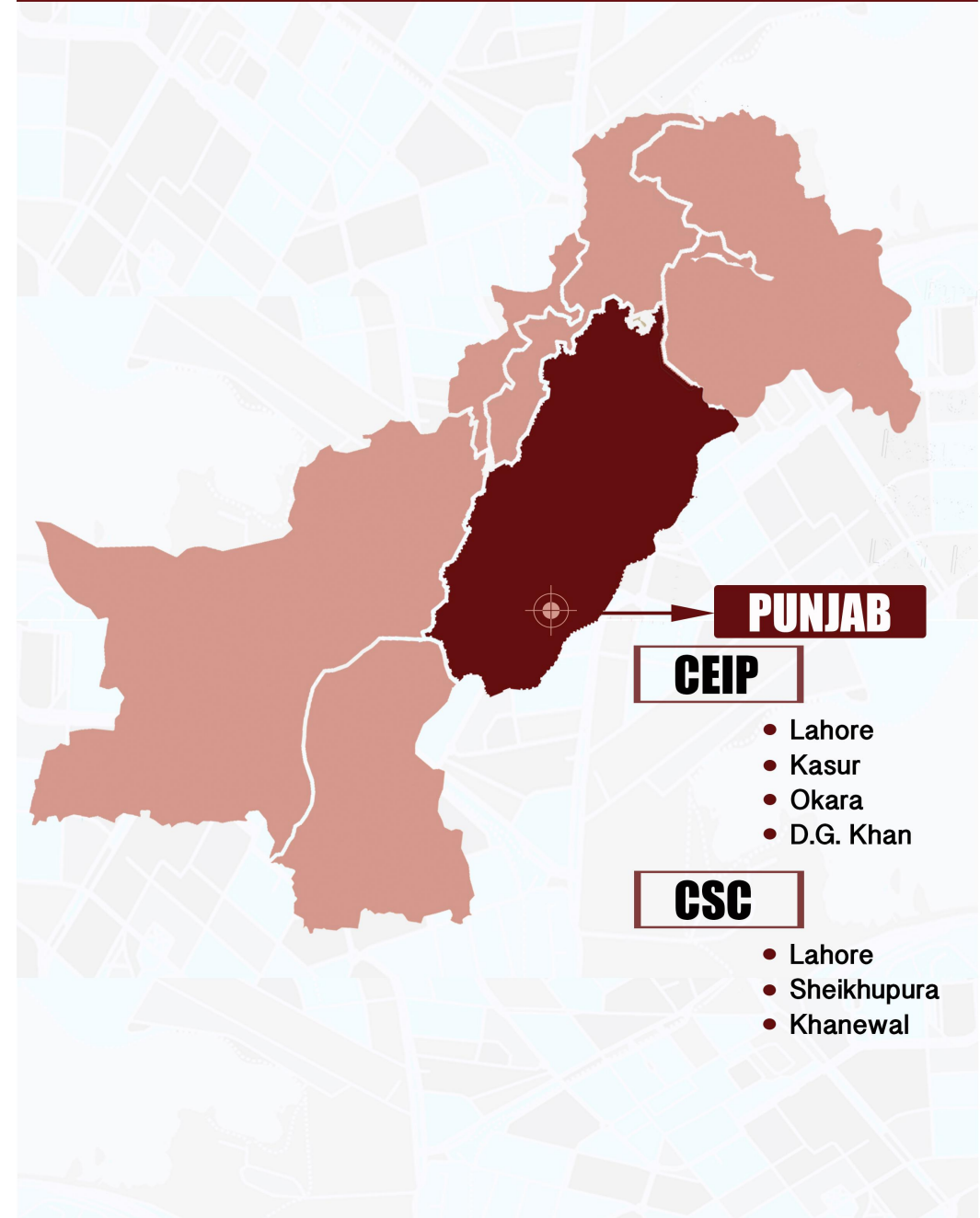


Open Communication

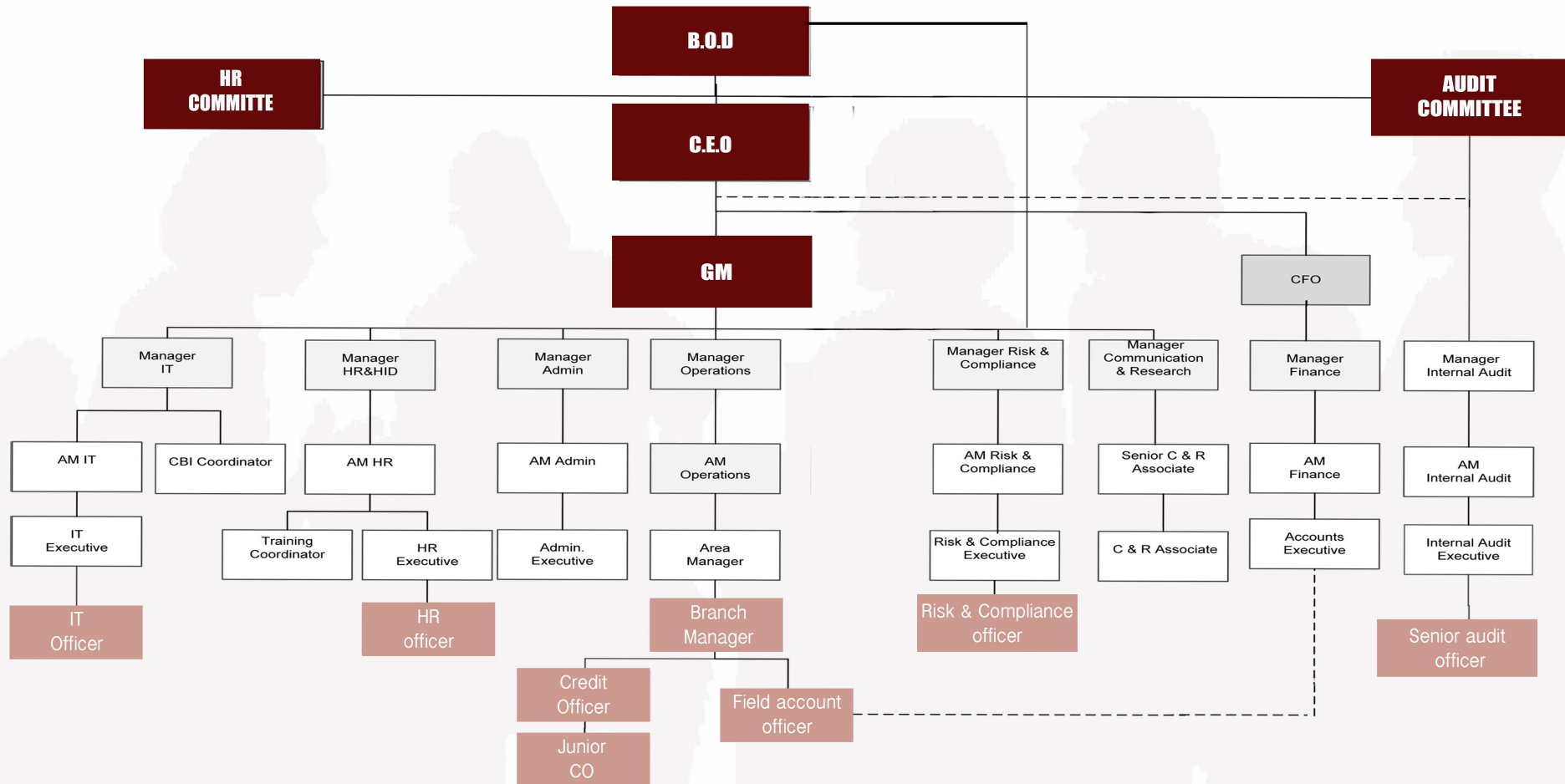


Integrity and Credibility

OPERATIONAL AREAS



ORGANIZATIONAL STRUCTURE



Board of Directors

Chairperson
Director
Director
Director
Director
CEO

Mrs. Taslim Akhtar
Ms. Amna Sharif
Mrs. Shazia Abbas
Mr. Muhammad Ali
Mrs. Rabia Saeed
Dr. Mah Talat
Mrs. Shaista Khalid Jan

Board Committees

Audit Committee

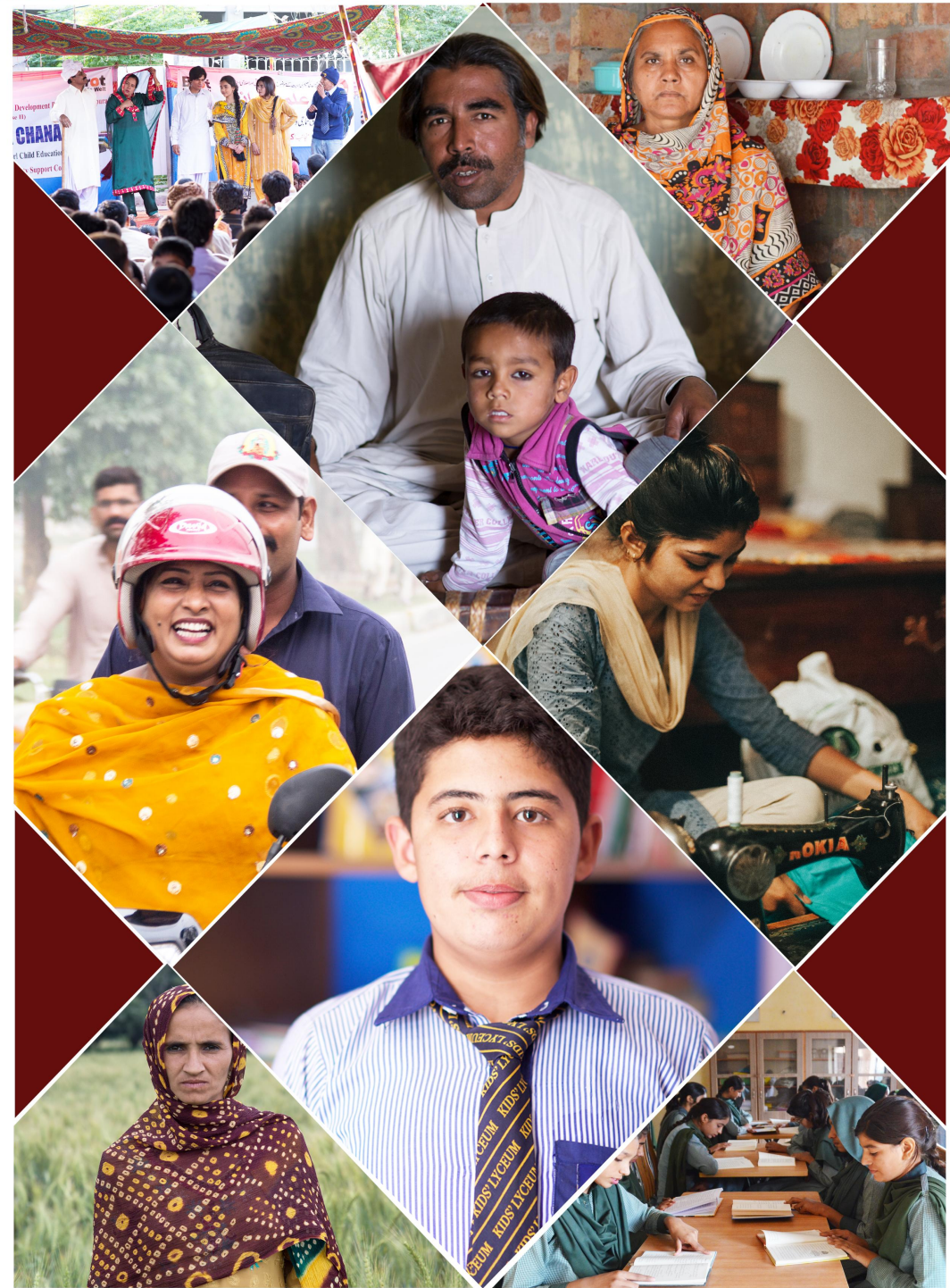
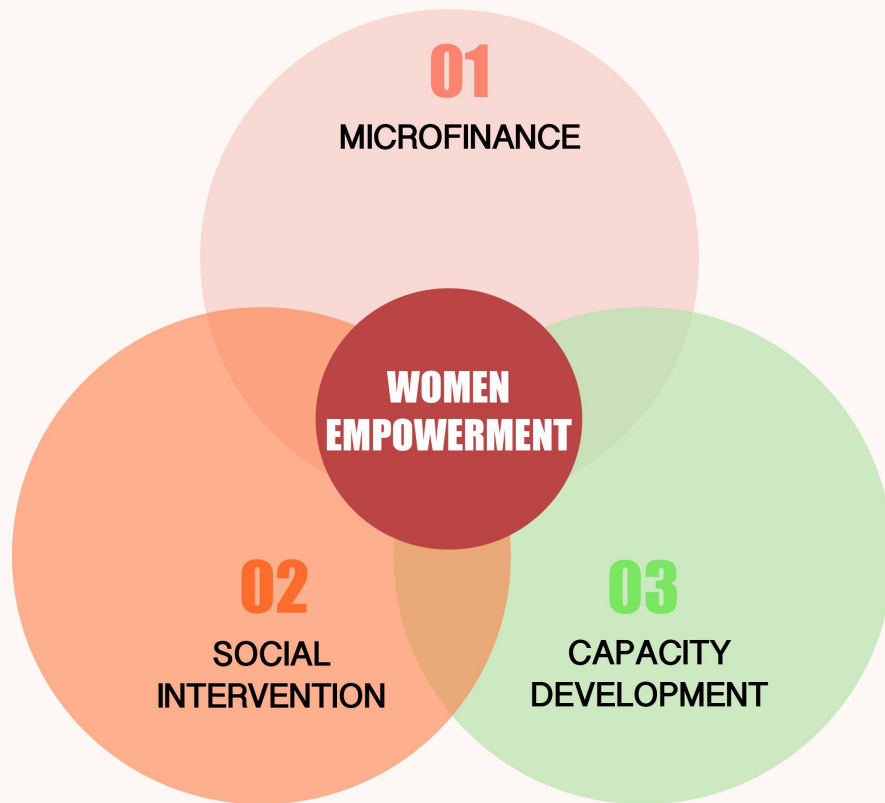
Mrs. Shazia Abbas- Chairperson
Mrs. Mah Talat- Member
Mr. Muhammad Ali - Member
Mr. Asim Hameed- Member

Human Resource Committee

Mrs. Taslim Akhtar- Chairperson
Mrs. Rabia Saeed-Member
Mr. Irfan Ali- Secretary

SCOPE OF WORK

With a female literacy rate of mere 47%, compared to 70% among males, Pakistan poses one of the widest gender gaps in the world upon its women. Worsened further by hindrances to female economic participation, the country boasts only 26% of its women as gainfully employed, and stands at 143 out of 145 countries in economic participation, as ranked by the World Economic Forum's Global Gender Gap Report 2015. However, amongst the youth ages, gender parity has gradually risen from 0.65 in 2000/01 to 0.80 in 2013/14, signifying fruitful strides being made towards empowerment of women. Playing their role in this encompassing agenda of Women Empowerment, CEIP and CSC target a diverse set of issues faced by the poor, with an accentuated focus on youth. Having well-defined work segments, the two organizations collectively further a scheme of holistic development for its clients and beneficiaries, and the communities around them. Alongside the primary functions of microfinance and social intervention, emphasis is laid on capacity development of all involved stakeholders in order to enhance the effectiveness of each scheme, and induce sustainability into derived results.



PROJECT CATALOGUE

MICROFINANCE

Currently, CEIP is implementing two projects that offer a range of products to its conventional and interest-free microfinance clients, delivering a comprehensive economic and social impact:

(a) Prime Minister Interest Free Loan

Donor: PPAF

Phase 1: Nov 2014–Oct 2018 (Ongoing)

Location: D.G. Khan

Phase 2: April 2015–March 2019 (Ongoing)

Location: D.G. Khan

(b) Microcredit and Enterprise Development Program

Focusing on the quality of support extended, CEIP offers a range of microfinance products to suit the evolving needs of its clients. The products are designed to provide a comprehensive growth facilitation of microenterprises, maximize the conduciveness of workplace/home, and enhance the mobility of microentrepreneurs. The products include:

1. Microcredit Loans (MC)
2. Business Development Loans (BDL)
3. Solar Energy Loans (SEL)
4. Scooty Loans (SCL)



SOCIAL INTERVENTIONS

During 2017, CSC implemented projects in Shiekhupura and Khanewal, inducing awareness of women rights in target areas, and setting up relevant structures for their practice.

(a) Promotion of Women Rights in Punjab and Capacity Development (PWRPCD)

Donor: Bread for the World (BftW)

Location: Shiekhupura; Nov, 2017 – Ongoing

Location: Khanewal; Nov, 2016 – Oct 2017

(b) Enhanced Women Socio-Economic Development (EWSed)

Donor: Bread for the World (BftW)

Location: Shiekhupura; Nov, 2014 – Oct, 2017.



MICROFINANCE



MICROFINANCE

Microfinance has been a key financial tool to the economically active poor and marginalized communities for the development of micro, small, and medium enterprises. Initially, provided as microloans on individual and group basis, microfinance now includes a wide range of products to enhance financial inclusion. This modern form of microlending has its roots in the 1970s, when pioneer Muhammad Yunus aided a group of impoverished villagers in Bangladesh through a loan of mere \$27 each. He went on to establish Grameen Bank, which has lent over \$20.7 billion to more than nine million of the poorest in Bangladesh.[1] In 200 million strong Pakistan, 21% population lives on less than \$1.25 a day, and 60% on less than \$2 a day. It is estimated that around one-third of adult population does not use any type of financial services available. Before the initiation of microfinancing in Pakistan, the poor largely depended on their family, local money lenders, and feudals for loans, which often let them be exploited through long debts, passed on through generations. The introduction of microfinance paved way to a safer mode of borrowing for economic development and needs of the poor. The establishment of private microfinance institutes such as Aga Khan Rural Support Programme (AKRSP), and microfinance banks such as Khushhali Bank engaged the poor in enterprise development.

CEIP, as a microfinance institute, works towards financial inclusion, livelihood sustainability through micro-enterprises and social development to empower the marginalized sections of communities across Punjab. So far CEIP has served around 185,000 clients through an estimated accumulated microfinance of USD 50 million. Financial services are provided to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related financial services. Through our financial services and investments, we aspire to build a unique portfolio of financial inclusion, livelihood sustainability and social development.

Starting off in 1989 as CSC, CEIP took over PMIFL and the Microcredit Program from CSC in June 2015. The new status has enabled the institution to access funding facilities more effectively, have better representation in the sector and attract donor confidence. The objective of CEIP is sustainable human capital development by effectively targeting the disadvantaged and financially excluded communities in both rural and semi-urban areas.

“So far CEIP has served around 185,000 clients through an estimated accumulated microfinance of USD 50 million. 🇵🇰🇵🇰”

Through its integrated and participatory development model, CEIP has empowered thousands of client communities socially and economically, particularly women and youth. CEIP strives to create awareness and bring behavioral changes among communities by identifying their needs, analyzing common issues and solving problems with a pluralistic approach. It strives to complement microfinance through its commitment towards providing support for enterprise development, financial education, and business development services.

Microcredit Loans (MC)

Designed to provide microenterprise support, Microcredit Loans are essential for entrepreneurs aiming to establish enterprises, and enhance their operations to achieve sustainability.

Business Development Loans (BDL)

Introduced to extend revamped support to microentrepreneurs, Business Development Loans provide liquidity for sustainable enterprises that are aiming to expand the scale and scope of their operations for enhancing profitability.

Solar Energy Loans (SEL)

Providing alternative to conventional electricity, Solar Energy Loans equip borrowers with solar products at homes and workplaces for making work possible during power outages, and impacting their social wellbeing by reducing dependence on more expensive and hazardous means of generating power.

Scooty Loans (SCL)

Providing financial support to young women for availing scooties from among multiple variants, Scooty Loans aim to enhance female mobility to educational institutions and workplaces, rendering new impetus to economic participation and self-sufficiency of women.

Home Improvement Loans (HIL)

Equipping to clients for the transforming housing market, Home Improvement Loans facilitate the upgradation of homes and workplaces for financial gains through renting out of additional rooms or dedicating them for microenterprise operations.

Prime Minister Interest Free Loan

Donor: PPAF

Phase 1: Nov 2014 – Oct 2018 (Ongoing)

Location: D.G. Khan

Phase 2: April, 2015 – March, 2019 (Ongoing)

Location: D.G. Khan

Serving clients falling under the poverty bracket for conventional microfinance, CEIP is implementing an Interest Free Loan scheme, supported by the Pakistan Poverty Alleviation Fund (PPAF). Referred to as the Prime Minister's Interest Free Loan (PMIFL) scheme, the project is an important part of CEIP's poverty graduation model, and prepares clients in initiating microenterprises and enhancing their capacity to opt for larger microfinance loans.

In 2013, the Prime Minister of Pakistan committed to bring productive microfinance loans to the doorsteps of the economically marginalized so that they could set-up microenterprises to enhance their incomes and improve their living standards. As a result of this commitment, the Government of Pakistan announced the PMIFL scheme worth Rs. 3.5 billion to support productive microenterprise activities for the poor in rural and urban areas of Pakistan. This scheme provided interest-free microfinance loans for marginalized communities, especially women. Micro loans of up to PKR 50,000 were disbursed among women for establishing and expanding their own enterprises.

The scheme is an important part of CEIP's poverty graduation model, and prepares clients for conventional microfinance. CEIP has successfully implemented the scheme in 10 Union Councils of Dera Ghazi Khan. The PMIFL Scheme has proved to be an ideal integration with CEIP's existing interventions targeting livelihood development in the district, by providing financial assistance to beneficiaries that have been trained for various technical skills.

footnotes

[1] <http://www.grameen.com/data-and-report/historical-data-series-in-usd/>

[2] <https://www.microfinancegateway.org/country/pakistan>

CEIP BRANCH NETWORK

Number of branches, (December, 2017): 21

Number of Served Clients (Date) : 184,724

LAHORE BRANCHES	Area 2	Area 3
	Green Town	Bund Road
	Qainchi	Shad Bagh
	Bhatta Chowk	Harbanspura
	Walton	Daroghawala
KASUR BRANCHES	Area 4	Area 5
	Ali Raza Abad	Khudiyan
	Raiwind	Theeng More
	Maraka	Okara
	Manga Mandi	Renala Khurd
D.G. KHAN BRANCHES	Mamori Branch	
	Gadai Branch	
	Ghous Abad Branch	
	Khaki	
	Basti Malana	

STATISTICS July 2017- June 2018

Portfolio at Risk	1.01%
Operating self sufficiency	122%
Return on Assets	5.6%
Portfolio yield	35.5%
Portfolio as % of total assets	79%

INDUCING INNOVATION

Green Town branch, Lahore

Making strides under the leadership of Sumaira Shahid, CEIP's Green Town branch in Lahore has been a bastion of product and operational innovation. As Branch Manager, Sumaira along her team has been at the helm of incubating new ideas and products at the Green Town branch, and streamlining them for induction at other branches.

Product Innovation	Operational Innovation
Scooty Loans	MIS front-end integration
Solar Energy Loans	Complaint Redressal System
Home Improvement Loans	SMS-based Client Notification Portal

“Branch Manager, Sumaira along her team has been at the helm of incubating new ideas and products at the Green Town branch, and streamlining them for induction at other branches.”

FINANCIAL PORTFOLIO

LOAN PRODUCT	Micro Credit (MC)	BOL	PMIFL	SEL	HIL	TOTAL
No of Active Clients	23,215	415	4,972	185	5	28,607
Outstanding Loan Portfolio	708 M	22 M	100 M	473,309	683,560	831 M
Total Disbursements	5,404 M	64 M	452 M	603,557	750,000	5,921 M
Served Clients	165,383	647	18,482	207	5	184,724
Current Recover Rate	100%	100%	100%	100%	100%	100%
Average Loan Size	32,680	99,907	24,467	2,915	150,000	31,714
Portfolio at Risk	0%	0%	0%	0%	0%	0%

SPATIAL ANALYSIS

Disbursed Loan Amounts

Area - 2	
Business type	Disbursement Amount
Commerce	131,625,000
Trading & Business	123,370,000
Others	39,105,000
Handi Craft	18,055,000
Manufacturing	900,000
Live Stock	680,000
Agriculture	320,000
Total	314,055,000

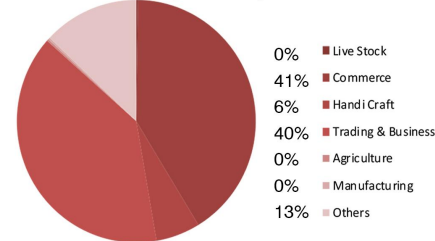
Area - 3	
Business type	Disbursement Amount
Commerce	198,475,000
Trading & Business	71,545,000
Others	7,860,000
Handi Craft	5,865,000
Live Stock	2,400,000
Manufacturing	2,040,000
Agriculture	420,000
Total	286,205,000

Area - 4	
Business type	Disbursement Amount
Trading & Business	86,280,000
Live Stock	81,065,000
Others	69,470,000
Handi Craft	34,890,000
Agriculture	6,345,000
Manufacturing	160,000
Commerce	120,000
Total	192,050,000

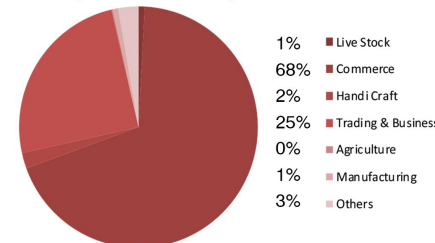
Area - 5	
Business type	Disbursement Amount
Trading & Business	126,370,000
Live Stock	64,815,000
Agriculture	38,195,000
Others	31,860,000
Handi Craft	12,910,000
Manufacturing	8,430,000
Commerce	590,000
Total	282,580,000

Client Percentages during 2017

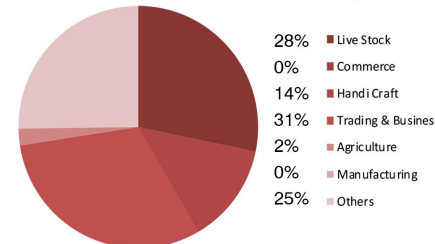
Area-2 : Lahore Central (Urban)



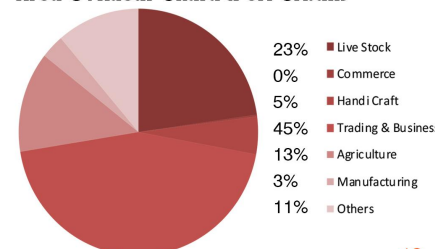
Area-3 : Lahore East (Urban)



Area-4 : Lahore South Kasur (Peri-Urban)

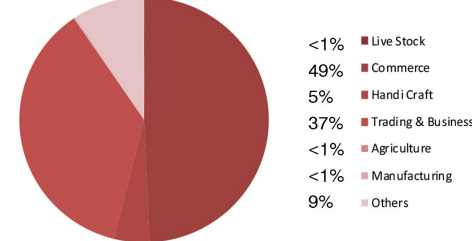


Area-5 : Kasur-Okara (Peri-Urban)

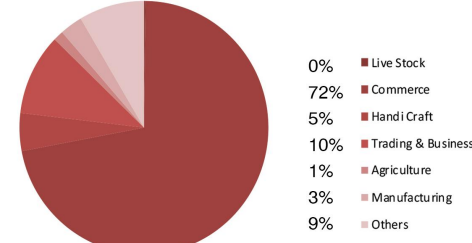


Client Percentages before 2017

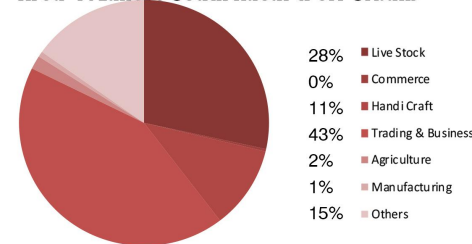
Area-2 : Lahore Central (Urban)



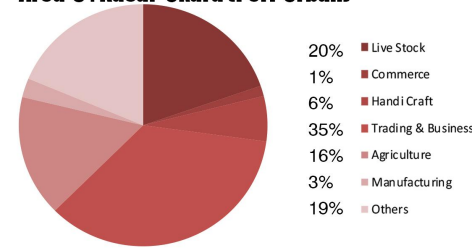
Area-3 : Lahore East (Urban)



Area-4 : Lahore South Kasur (Peri-Urban)



Area-5 : Kasur-Okara (Peri-Urban)



The microcredit loans disbursed by CEIP to its clients in four areas of operations are indicative of a transforming economy. The figures of 2017 can be compared with collective statistics from all previous years to spatially analyse urban and peri-urban markets.

Urban market, constituting of Area-2 (Lahore Central) and Area-3 (Lahore East) displayed the following trends:

- Reducing focus on commercial activity, the urban borrowing for Commerce fell significantly in both Areas.
- Borrowing for Trading and Business ballooned across both Areas, suggestive of a diversifying, service-based economy developing in the city.
- Livestock and Agriculture remained consistent in their low proportion, suggesting minimal integration of agri-economy in Lahore's urban centres.
- Manufacturing and Handicrafts displayed mixed trends. While borrowing for Handicrafts increased in Area-2, it felt sharply in Area-3. Similarly, Area-3 lost significant percentage points in Manufacturing, while Area-2 remained consistent.

Peri-Urban borrowing in Area -4 (Lahore South - Kasur) and Area-5 (Kasur - Okara) showed the following trends:

- Borrowing for Livestock remained consistent at a high 28% in Area-4, along with significantly smaller 2% share of Agriculture.
- Although smaller in Livestock, Area-5 increased their Livestock borrowing by 3 percentage points, while Agriculture fell from 16% to 13%.
- Trading & Business fell steeply in Area-4, but gained 10% share in Area-5 during 2017.
- While Manufacturing remained consistent across the peri-urban borrowers, Handicrafts had a mixed trend with 3% stimulus in Area-4, but 1% fall in Area-5.

Comparatively, both urban and peri-urban economies are geared towards the service sector, with overall increase in Trading & Business, and decreasing trends in Agriculture and Manufacturing. However, trends in peri-urban borrowers vary greatly, and require a more diverse approach to facilitating this economic transformation.



Outstanding Minority Clients: Paving the Path to Social Integration

Among the thousands of women that are realizing their dreams through CEIP's microfinance support and capacity development efforts, struggle for those belonging to Lahore's Christian minority community is the toughest. In fond recognition of hundreds of our minority clients, we feature those who are inspiring others to achieve economic success and pave their path to social integration.



Name:	Nazia Suleman
Religion:	Christianity
No. of Dependents:	3
Business Type:	Bangle Maker
Monthly Income:	Rs. 25,000
Monthly Savings:	Rs. 7,000

Name:	Naila Bibi
Religion:	Christianity
No. of Dependents:	No. of Dependents:
Business Type:	Lamp Manufacturer
Monthly Income:	Rs. 55,000
Monthly Savings:	Rs. 14,450



Name:	Irshad Bibi
Religion:	Christianity
No. of Dependents:	6
Business Type:	Wedding dress rentals
Monthly Income:	Rs. 55,000
Monthly Savings:	Rs. 16,500

Name:	Ruth Masih
Religion:	Christianity
No. of Dependents:	4
Business Type:	Food Preparation
Monthly Income:	Rs. 20,000
Monthly Savings:	Rs. 5,000





FOLLOWING THE RECIPE OF SUCCESS

Ruth Masih

Buisness: Food preparation

Monthly income: Rs. 20,000

Resident of Lahore's Christian neighbourhood of Youhanabad, Ruth has made a long journey to success, recently recognized by the Punjab Micro-Finance Network (PMFN) with the Best Entrepreneurship Award, presented to her on the International Day for Eradication of Poverty, celebrated on 17th of October, 2017. Ruth's factors of success as a microentrepreneur have been her immaculate networking skills and presentable demeanor. These two qualities have helped Ruth rise through different stages of her enterprise growth. Having started the food preparation and supply business in her vicinity, Ruth utilized her networking skills to convince people for availing her service and grew the clientele by branching out to other parts of Lahore.

Being a Christian woman in a predominantly Muslim city, Ruth has faced hindrance in becoming acceptable to her prospective market. Prejudices against minority religions, especially those related to hygiene, once restricted Ruth's ability to grow her clientele. However, with her networking skills, she was able to find channels of inclusive and accepting clients that would gauge the food prepared by Ruth on its taste and presentation, and not on the religious identity of the person preparing it.

She feels that there is growing pluralism in the society, and the concern about having food prepared by a Christian woman is decreasing.

23

While she might not realize it, Ruth herself is playing a significant part in doing away with that barrier for her community's social and economic inclusion. She has formalized effective marketing techniques, and has printed business cards that are passed on to clients for referrals, and are distributed among neighbouring target areas by her son as well.

Ruth plans to scale-up her business in terms of operational size and product services. At the moment, she runs this business from the kitchen at her home, but if her profitability continues to increase, and financial support carries through, she would expand into a designated restaurant with takeaway and eat-in facilities.

This culinary expert believes that having a restaurant will be more beneficial not only financially, but also as an area of engagement for the society around her, where people can have space to interact among each other. Simultaneously, a scaled-up restaurant will allow Ruth to provide cooking and baking classes to girls in her neighborhood that have the passion for starting their own businesses, but have not mastered the culinary art yet. To diversify her market, and expand business further, Ruth offers cooking service at clients' doorsteps which allows her to further lower her costs by transferring the utilities and cutlery expenses to the clients by using their kitchens. Her business has had extensive impact on her family's livelihood in terms of quality of housing, studies of her children, and the family's social engagement. The house she lived in was lower than the ground level and would be flooded by water from the street drains. Utilizing the profits generated by the business, Ruth was able to make improvements at her home to ensure that it is elevated from the ground level and protected from flooding. Her kids are now able to study, and her family has expanded its social engagement as a result of her interaction with numerous clients. Ruth is now more integrated with the wider community around her irrespective of their religious affiliation.

As a microentrepreneur, Ruth's contribution to her community is twofold. Her effort is creating greater space for women in her community, and also countering stereotypes held regarding Christians by the society. By providing food and cooking service to households in the community around her, she is sharing the burden of a task otherwise typically performed by women, and allowing them to utilize that time for performing jobs geared towards economic gain. Ruth's efforts have nurtured trust and confidence in Christians among people of majority religious groups. Her microenterprise is humanizing the presence of Christian citizens in the country, and is playing a great part for reinstating the social fabric of a society marred by differences of creed.

“Prejudices against minority religions, especially those related to hygiene, once restricted Ruth's ability to grow her clientele. However, with her networking skills, she was able to find channels of inclusive and accepting clients that would gauge the food prepared by Ruth on its taste and presentation, and not on the religious identity of the person preparing it.”

24



SOCIAL INTERVENTION

Promotion of Women Rights in Punjab and Capacity Development (PWRPCD)
Donor: Bread for the World (BftW)
Location: Shiekhupura; Nov'17 – Ongoing
Location: Khanewal; Nov'16–Oct'17

PWRPCD is a women rights project that aims to create awareness about, and set out a facilitation process for availing justice against acts of violence against women, and rehabilitating them through economic skills development, by engaging female and male stakeholders among the community, and linking them with institutions providing justice. The project has been implemented in Punjab's Khanewal district, and has been initiated in Shiekhupura for a period of three years.

Under the project, customized workshops will be conducted to sensitize women about their rights in the law. It will also provide livelihood and skills trainings. It will further set up linkages with local bodies, CBOs, and influence groups for interventions that encourage income-generating activities. Promotion of women rights, leading towards creating awareness, practice, and acceptance, will remain a key focus among the communities of 30 villages of the project area.

So far, the intervention has resulted in positive changes. 2382 people from 10 villages of Khanewal reported increased awareness on women rights through various activities, including 10 street theatres and sensitization trainings with religious leaders. 30% of the women identified as victims of gender-based violence were successfully linked to legal entities through CBO interventions and also received legal assistance in practicing their rights. 40 women and girls received training on benefits and techniques of Kitchen Gardening, and to help them set their gardens, CSC provided these women with vegetable seeds to plant. 70% of women who received training were able to utilize their skills and have successfully set up kitchen gardens. A total of 181 women and men got livelihood trainings and 60 women and girls participated in 2 skill enhancement trainings. 21 male youth participated in vocational training on Mobile Phone Repairing as part of the project's Livelihood Development initiatives.

Enhanced Women Socio-Economic Development (EWSED)

Donor: Bread for the World (BftW)
Location: Shiekhupura; Nov'14–Oct'17.

The project launched grassroots interventions in 30 villages of Tehsil Ferozwala in District Sheikhpura to improve access to justice by women and to rehabilitate victim women through skill enhancement trainings. Through this project, CSC accomplished a 41 % decrease from baseline survey in level of domestic violence due to its sensitization trainings conducted with religious leaders, women and the men in the project area communities. The local CBOs and Legal Assistance Cell created by CSC helped 52% of respondents from old, and 44% from new villages with assistance in domestic violence cases. The local CBOs also helped create a 72% increase in awareness on social issues. A total of 172 women in the project area received legal aid under the program. It effectively raised awareness on women's right to inheritance and right to income which resulted in a 35% increase from baseline survey in women's ownership of property and a 49% increase from baseline survey in women's control over their income. A total of 300 women in the project area are now successfully running their own businesses and are able to contribute to their family income. CSC also saw a 58% increase from baseline survey in CNIC registration of women.

As a result of the project activities, successful linkages between community members and CBOs, religious leaders, lawyers, local bodies, etc. were established. Dil-e-Qaisara Welfare Society, Social Welfare Society and Mehria Foundation are a few successful examples of CBOs working on women rights in the project areas.

EDUCATION

CSC - CEIP, is focused towards building a society that is inclusive to all, through its many programs and projects in areas of women empowerment, livelihood development, financial literacy, health, and education. In education, CSC is operating a school in the village of Shahzada, a few kilometers outside Lahore, Fatima Jinnah High School, with an aim to provide quality education to chbackgrounds. The school was established in 1995, and has the capacity of teaching around 350 students with 22 furnished classrooms, and 13 teachers. Apart from providing the students with formal education, the school organizes extracurricular activities for students to engage in, such as sports, plays, and annual prize distribution ceremonies. While operating the school, CSC has observed a strong relation between affordability and enrollment. Analyzing the last 4 years data, from 2015 to 2018, the school saw an upward trend of enrollment of students in school, followed by a drop in 2018, due to an increase in student fees. Between the years 2015 to 2016 and 2016 to 2017, the school saw an increase in enrollment of students by 14.1% and 23.5%, respectively. In 2018, due to an increasing trend of school administration and maintenance costs the school had to increase the school fees of students, which previously ranged from PKR.170. to PKR.370. to a readjusted fee of PKR. 250. to PKR. 500. This increase in fees resulted in dropout of 26.9% of students between the years 2017 to 2018. Comparing this trend to more expensive private schools for privileged pupil, a regular increase in annual student fees does not reflect so harshly on the enrollment of or on dropout of students from these schools.

This observation is prevalent in areas where parents have a very limited spending capacity, and a small increase in school fee greatly affects their overall budget. This trend is amplified due to cultural constraints on female education, despite only a slight variation in the fee structure across classes. For example, in 2017, the fee difference between Playgroup and 5th grade was only PKR. 100, but the dropout rate stood at 67% . However, the need of affordable school for children residing in underprivileged areas persists as unavailability can worsen the societal norms of female education. CSC understands the needs of its students, and hopes to aid them in every possible way, while maximizing the school's self-reliance, and sustainability.

CSC plans to establish a computer lab through external funding serving a dual purpose., Firstly, it would familiarize the students of Fatima Jinnah High School with new technology, and secondly it would serve as a profit raising tool by offering computer classes to community youth, after school hours. CSC has observed a demand in the area for computer training institutions for women, since the nearest option is located outside the village, making it difficult for female students to benefit from them. Through this computer lab, CSC will raise enough revenue to sustain school costs, reducing fee burden on students. Moreover, CSC plans to start a volunteer program through which university students and professionals can volunteer on the weekends to tutor the students and engage them in co-curricular activities



HEALTH

CSC recognizes that there needs to be a shift in health service delivery in Pakistan, from a curative approach to a preventive one. Our projects thus focus especially on creating awareness regarding a wide range of health concerns along with providing curative relief to the most marginalized communities in Pakistan. The health status of Pakitan is characterized by a high population growth rate and high incidence of infant and maternal mortality rate. Poor outcomes in the health sector are mainly due to ineffective delivery of services as well as low spending on health in Pakistan. Moreover, primary health care and rural health service have long been ignored, leading to a high rural-urban disparity in healthcare, resulting in rapidly increasing poverty levels in rural areas, especially during the last decade. The importance of community engagement has been recognized as a critical component of any successful public health strategy. Realizing that women and children are the most ignored individuals in underdeveloped societies, CSC with the cooperation of its partners has initiated a number of projects covering primary healthcare, sexual and reproductive health, and HIV/AIDS prevention. Through Pakistan Initiative for Mothers and Newborn Health (PAIMAN), which ran from 2006 to 2008, CSC has also focused on reducing religious myths and misconceptions about issues related to reproductive health through sensitization of religious leaders, vulnerable community stakeholders, teachers, and community leaders. Under this project, CSC provided trainings to 30 Community Health Workers on pre-natal and post-natal care, immunization, and nutrition advice for mothers and families. In addition to this, 8 awareness sessions on maternal and infant healthcare were conducted with 73 teachers and 127 students, as well as 15 awareness sessions for young men. 59 TBAs as well as vaccinators also participated in related awareness sessions conducted by CSC. 10 theatre performances were conducted for 617 beneficiaries from the community and 14 mobile medical camps were also set up to provide health services to patients from areas with zero or limited health facilities





Bridging the Healthcare Gap: A Community-Based Solution

Left out of favor by their remoteness, numerous regions in Pakistan have been struggling to survive in the face of healthcare neglect. Often required to travel to other cities, or await medical professionals to visit as part of rotational health camps, residents of Dera Ghazi Khan are yet to be introduced to facilities enjoyed in other parts of the Punjab province. While healthcare improves in D.G. Khan city, potential for the adjoining UCs remains meek, and calls for a community-based solution to bridge the healthcare gap in the region.

The limitation to state's reach in remote areas requires a collaborative approach towards enhancing healthcare capacity, and CSC has been able to exemplify this in two of D.G. Khan's flood-prone Union Councils, Ghausabad and Samina. As part of Improving the Reproductive Health and Rights of Marginalized and Underserved Communities project, funded by European Commission, CSC established 2 health clinics, one in each UC. The project identified Traditional Birth Attendants (TBAs) and Lady Health Visitors (LHVs) from the community, and engaged the provincial health department in training them. While the project lasted for 4 years, both the clinics have been operational since 2006, and have managed around 220,000 patient visits to date.

The Health Clinics in Ghausabad and Samina, D.G. Khan, are modeled to maximize access by charging a flat fee of only PKR 50 to each patient. An additional PKR 50 is charged for providing medicine, which are otherwise overpriced, or unavailable, in the market. Similarly, contraceptives are also provided on subsidized rates after being procured from the Population Council, and guidelines for their use are imparted.

The clinics are well equipped, and are maintained using the collected patient fee. Nadia Naureen, an LHV associated with Ghausabad Health Clinic since 2013, suggests that by virtue of featuring ultrasound machines, the clinics have revolutionized mother and child healthcare in the area, and are frequented for prenatal & postnatal checkups, apart from various common ailments.

In addition to low-cost services to the community members, Ghausabad Health Clinic proactively identifies women in their respective localities, and engages them in LHV and TBA trainings. Rashida Zafar, who has been working at the clinic since 2006, is of the opinion that training women as LHV is the key to healthcare success in the region, as female patients face mobility issues, and prefer services within their homes.

Utilizing this self-sustaining model, clinics can be established with the engagement of community in areas that lack basic health facilities. This community-based solution is essential for creating an enabling environment for locals to identify and fill the vacuum organically, raise awareness about MNCH and general healthcare, and train local women as LHV and TBAs to amplify the effort while also providing employable skills. CSC's experience suggests that healthcare gap can be bridged sustainably, and could post improved health indicators for remote regions through comprehensive community mobilization.



Land to the Lady Tiller: From daily wages to sustainable farming

The rural economy of Pakistan is primarily agricultural, and systematically patriarchal. Employing a half of Pakistan's labour force, the sector engages as many as 79% of rural women in physical labour. While women dominate Pakistan's agriculture in numbers, their share in agricultural income is less than 21%, with 60% rural men earning the remaining 79%, translating into a 5 times higher income for men.

An underlying factor behind this income gap is that in South Asia only 12% women are self employed agri-workers, as compared to 33% men with landholding. Considering this disparate ownership of agricultural land to be one of the key reasons behind the gendered nature of Pakistan's rural economy, CSC has made comprehensive efforts for making agriculture inclusive of women in landowning and self-employing roles.

As part of the 'Move Forward to Regain Prosperous Lives (MFRPL)' project in then flood-affected UCs of Dera Ghazi Khan, CSC devised and implemented the Landless Women Initiative with financial support of Bread for the World, and technical support of Agriculture Department Punjab.

Among other interventions, the project identified 50 flood-affected women for a poverty graduation program. During the first year, each landless woman was provided with 2 acres of land, and agricultural inputs, followed by only agricultural inputs in second year, and neither in third. Structured to reduce dependency on external help, the program gradually enhanced the productive capacity of these women, and linked them with the 'Prime Minister's Interest Free Loan (PMIFL) Scheme' being implemented by CSC in 10 UCs of D.G. Khan.

Among 50 beneficiaries, 48 women successfully completed the programme, and qualified for three years of PMIFL, which is helping them reinvest in their business and expand to an optimum sustainable capacity. With a success rate as high as 96%, the Landless Women Initiative has set an exemplary case for providing land to the lady tiller. Currently, all 48 women are holding 2 acres of land, or more, leased in their names. Three beneficiary women, who remained active members of the Women Farmers' Cooperative set up during the programme, have mutually acquired 1 acre of land for off-seasonal vegetable farming. Having mastered the technique of tunnel farming, these enterprising women are sharing their skills with other women in the vicinity and will lay the path to agricultural innovation in D.G. Khan.

In order to expedite agricultural process innovation, and enhance the engagement of women in self-employed agriculture, collaborative effort should be made by government and non-governmental departments under a similar approach. It is only through a systematic engagement of 47 million lady tillers of Pakistan that the economy will become truly inclusive of women.

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As part of the 'Move Forward to Regain Prosperous Lives (MFRPL)' project in then flood-affected UCs of Dera Ghazi Khan, CSC devised and implemented the Landless Women Initiative with financial support of Bread for the World, and technical support of Agriculture Department Punjab.

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Male Receptiveness towards Women Rights Interventions



The empowerment and autonomy of women and the improvement of their political, social, economic, and health status is a highly important end in itself and is essential for the achievement of equitable and sustainable development. The full participation and partnership of both women and men is required in productive and reproductive life, including shared responsibilities for the care and nurturing of children and maintenance of the household. Women are constantly overburdened with household work and receive less formal education than men and at the same time, they lack power and influence within households and over their own lives.

The power relations that impede women's attainment of healthy and fulfilling lives operate at many levels of society, from the most personal to the highly public. Achieving change requires carefully designed program actions that will improve women's access to secure livelihoods and economic resources, alleviate their extreme responsibilities with regard to housework, remove legal impediments to their participation in public life, and raise social awareness through effective programmes of community mobilization and education. Given this, it is pertinent that men act as partners and facilitators in helping remove the aforesaid impediments to women's success as equal members of the society. In its early years, CSC's work with its beneficiaries revealed

a myriad of problems that hindered the successful implementation of its project activities aimed at empowering women, due to these inequitable power dynamics between men and women.

We strive to take this power equation into account during designing and implementation of our programs and seek systemic behavioral change that works to eliminate biases at the grassroots. Men, as suggested by our field surveys, often take the issue of women rights and equality lightly, every so often making jocular comments regarding the matter. Our foremost priority, therefore, is to target influencers in communities, including teachers, media personnel, elected representatives and religious preachers. We have found that the arena of cultural and religious ideas is especially difficult to penetrate. To tap into the socio-cultural and religious psyche of men, it is important to take these influencers on board at every level. CSC organizes and facilitates gatherings which are chaired by an influencer, where all men in the community are encouraged to actively participate. We believe that these gatherings act as important spaces to not only initiate dialogue but also act as modes of peer pressure and social influence. Further, CSC conducts sensitization trainings and workshops. These trainings focus on helping men understand the transforming gender roles and be motivated for advancing gender equality in their daily lives.



CAPACITY DEVELOPMENT

Capacity Development

An empowered, or capacitated, person or community is better prepared to respond to opportunities and challenges. The transformation of institutional and individual capacities lies at the heart of achieving sustainable change and inculcating ownership in recipient communities. Realizing the importance of this type of non-monetary support for sustainable development, CEIP provides capacity building opportunities in the form of enterprise development trainings for its clients. Capacity and skill development trainings and workshops are especially focused towards women who are small-scale agricultural producers, livestock traders, small commercial traders, semi-skilled workers and home-based craftswomen. Capacity development trainings are also provided to clients to increase knowledge and awareness about important human development issues, such as health,

education, and women rights. These are delivered in the form of course-based trainings and workshops, and through knowledge sharing seminars. Primarily targeting young men and women from the most underserved communities in the region, CSC's livelihood and skills development programs aim to develop the vocational capacities of all its beneficiaries in addition to providing them with assets and tool kits for sustainable livelihood. Our workshops and trainings also engage non-recipient members of the community in order to establish linkages and partnerships, as well as create ownership among the clients. In almost all of its project interventions, CSC has focused on capacity building through skill development training workshops, sensitization trainings on rights, and community engagement. This not only helps serve the intended project aim but also ensures that change resulting from our interventions is sustainable.

Financial Literacy Programme

With the purpose of imparting financial education and awareness to its clients and operational staff, CEIP has launched a Financial Literacy Program (FLP) with the support and collaboration of Asian Development Bank (ADB), Pakistan Banks' Association (PBA), Pakistan Microfinance Network (PMN), Pakistan Poverty Alleviation Fund (PPAF) and Bearing Point. The program has been developed taking into account the lessons learnt from the Financial Literacy Gap Assessment Survey of beneficiaries, and provides basic financial literacy to the poor and marginalized communities that are being financially included through CEIP's microfinance lending.

The FLP pilot helped impart financial education and awareness on seven personal finance themes that include budgeting, savings, investments, debt management, financial products, branchless banking, and consumer rights and responsibilities to about 50,000 beneficiaries from low income strata, including CEIP's clients. CEIP, as per the instructions of State Bank of Pakistan (SBP), has conducted

financial literacy sessions at its branches in Qainchi and Raiwind, aiming to providing financial literacy to both its clients and branch staff. As a result of the training, clients are taking interest in keeping record of their costs and revenue in order to calculate actual profit at the end of each month. More successful clients are able to divide this profit into domestic expenditure and savings, with the aim to reinvest or consume at a later stage. By engaging more clients in such financial literacy programs, CEIP plans to motivate its clients for maintaining their accounts, and taking gradual steps towards reinvesting in their businesses.

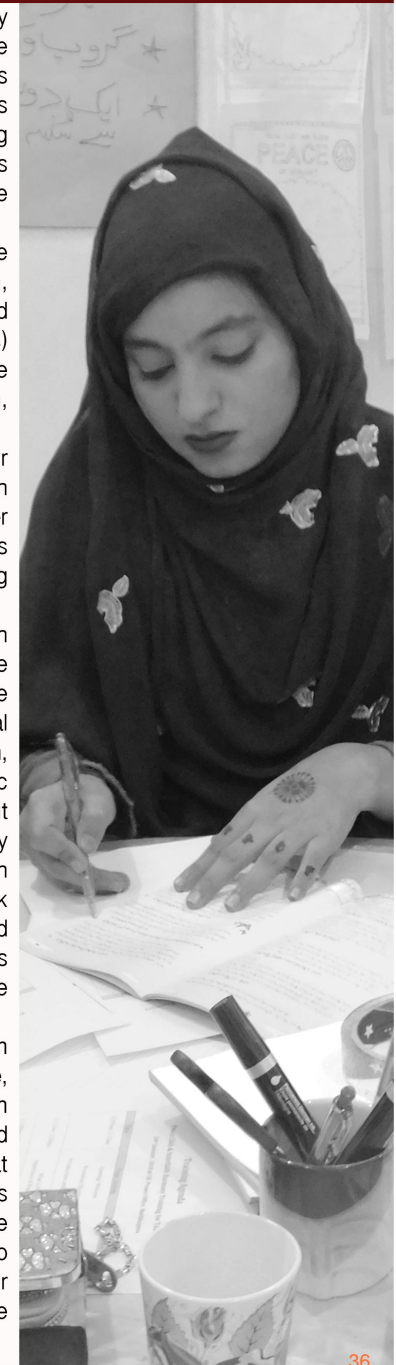
Paralegal Trainings to Counter Violence Against Women

As part of its Promotion of Women Rights in Punjab and Capacity Development project, CSC conducts paralegal trainings to provide the young females and males of Shiekhupura with the essential tools for countering Violence Against Women. Four Paralegal Trainings have been conducted in the first two months of the project, training 52 girls and 49 boys. The trainings are based on the Punjab Women's Protection Act 2016, which forms the legal basis for victims to receive justice, and perpetrators to be punished as per the law.

Upon receiving these Paralegal Trainings, the participants assume an essential duty of identifying cases of violence against women, and assist victims in acquiring justice. Cases are often resolved through the intervention of Community Based Organizations (CBOs) that hold influence among the community due to their welfare services. If cases cannot be resolved through CBO intervention, they are transferred to the Tehsil Bar Association Ferozewala. CSC believes that these paralegal trainings are an essential tool for creating awareness about women's rights by engaging the youth in securing them, and is shaping a gender-considerate younger generation. We have had numerous successes in training paralegals and creating communities where men play their role in ensuring equality and justice for their female counterparts.

Shafaqat, a young man from Mandhiali, is a member of a youth group fighting for the provision of basic education, reproductive healthcare, and skills development training for the neglected female population of Sheikhupura district. Despite being born in a rural town, where men presume authority and priority over women, Shafaqat's decision to join CSC's Enhanced Women Socioeconomic Development project is an indicator of increased sensitization about women rights issues. His youth group consists of equally socially responsible volunteers. After receiving strategic training through multiple workshops and theatres, Shafaqat became a central link between CSC's local CBO and the women who were being denied their constitutional rights. The CBO operates alongside paralegals such as Shafaqat and his group, and seeks to find adequate solutions to the problems identified by them.

Since becoming a paralegal, Shafaqat has been successful in referring a number of cases of forced marriages, domestic abuse, divorce settlements, and child custody. He goes door-to-door in his community to discuss people's experiences. The Enhanced Women Socioeconomic Development project has allowed Shafaqat to add value to the society, by lending male support where it was previously lacking. Shafaqat aspires to make his community more inclusive for women, and women more aware of their rights. He also runs a private institution, which serves as an educational center for girls in the Mandhiali village, furthering their pursuit for knowledge and economic self-sufficiency.



Students' Peace Club for Interfaith Harmony

Cognizant of growing religious extremism in the country, and striving to prevent violent tendencies from taking root among the youth, CSC has taken the Students' Peace Club initiative as part of its ongoing project in Shiekhupura. Under the initiative, workshops are organized with teachers to encourage them to make 'Student Peace Clubs' at school level, and practice various activities that can be conducted by these clubs to celebrate religious diversity. During the training, teachers learn about the role of peace clubs in changing student's perceptions on peace and interfaith harmony in their communities. Teachers are introduced to the concept of electing Peace Captain in their classrooms, who are to act as peacekeepers and promote a healthy environment. Each Peace Captain is elected by the students for 3 months, during which they monitor their classmates for good behaviour, promote dialogue, and maintain a friendly environment.

CSC hopes that by engaging teachers in the process of shaping young minds towards greater acceptance, real change can be observed throughout the communities as students take home what they have learned, and pass on their understandings to their friends and family. Through these Peace Clubs, students can become agents of change, and help shape a more inclusive society for people of all faiths.

Sensitizing Religious Leaders about Women Rights

As part of its BROT-funded Promotion of Women Rights in Punjab and Capacity Development project, CSC conducts sensitization workshops with religious leaders on women rights. An effective mix of religious leaders is ensured to maximize the qualitative outreach of the workshop to their followers in the target region. The workshops are held in villages of Shiekhupura, and introduce essence of women rights through various IEC materials, which have been developed specifically for faith groups, addressing gender-specific issues through the use of scripture, traditions, and other supportive literature. Keeping in view the influence of faith-based leaders in the rural areas of Punjab, sensitizing these leaders on women rights, especially with regard to marriage contract, right to inheritance, education, economic participation, and protection against domestic violence, will allow for the learning to spread far and wide. Through these workshops, which will be regularly conducted to engage new segments of religious leaders in the project area, CSC aims to transform the conduct of society towards women, especially of those conceived to be restricting their rights.



Strengthening Female Enterprise

CSC conducts Enterprise Development Trainings for women in Shiekhupura under Promotion of Women Rights in Punjab and Capacity Development project. Each training engages around 25 women for developing and enhancing their entrepreneurial capacities through structured activities. The participating women aim to initiate their microenterprises to become economically active, and contribute to their family's livelihood. The trainings are conducted over a period of 5 days, and involve detailed learning of business tools such as understanding the types of business, conducting market surveys for business start ups, developing procurement and production plans, creating marketing tools, setting product prices, and calculating costs, revenues, and profits. Through a comprehensive set of activities, all participants are taken through a real-life business cycle, where they prepare their own products, and sell items in a local market simulation.

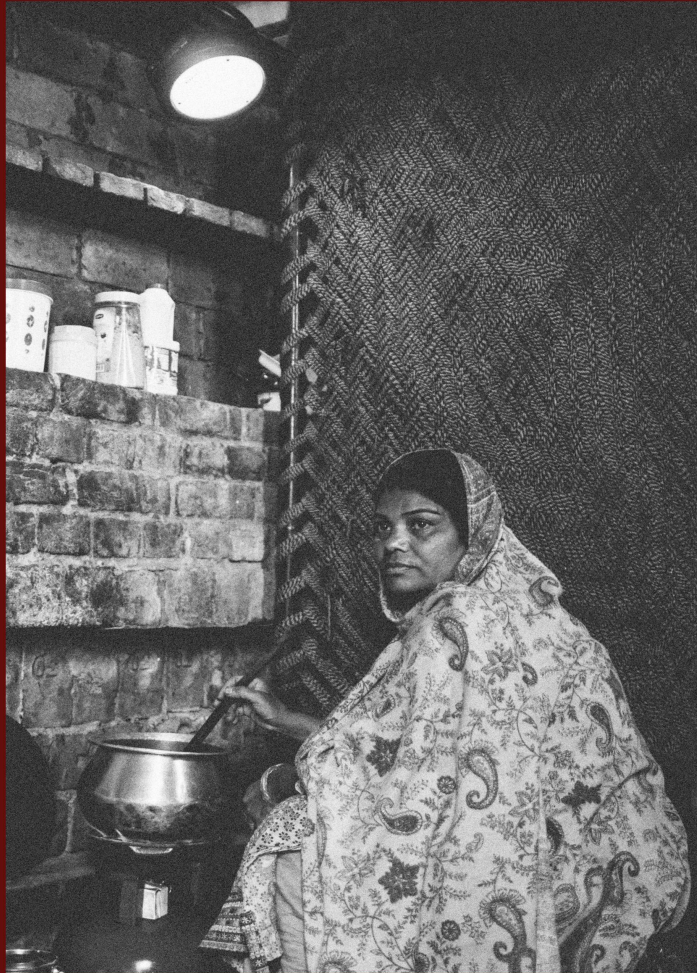
As part of this training, CSC provides participants with a sum of PKR 200 each as start-up capital for their business, and divide them in groups of 5 to create teamwork and partnership management. The groups then pool in their investments to jointly produce items of food retail that were sold in a market simulation. Ending with different profits despite having begun with the same amount of capital, each group is then able to identify the flaws in their business plan, and learn from the strengths of other groups.



Grassroots Mobilization through Community-Based Organizations

Involved in mobilizing the community for activities of collective welfare, CSC is in the process of forming 30 Community-Based Organizations (CBOs) as part of its Promotion of Women Rights in Punjab and Capacity Development project. These CBOs will work to enhance the social values of the community through collective decision-making and action that will benefit all members, especially with regard to Women Rights.

The essential aspects of CBO formation that CSC takes into consideration are the identification of issues of common interest, alignment of aims and objectives of the community, setting up of an organizational structure, provision of community welfare services, and management of its financial viability. To ensure that these goals are met, CSC conducted an Organizational Community and Financial Management Workshop with members of new CBOs, introducing them to the specific aspects of organizational management. CBOs set up by CSC are active in identifying and resolving cases of Violence Against Women, including cases of inheritance. The CBOs are trained in legal procedures for protecting women rights, and are also assisted by paralegals in this regard. Cases that are beyond the domain of the CBO are forwarded to lawyers at the Tehsil Bar Council of Ferozewala. Out of a total 30 CBOs that will be part of this project, 15 are already functional, while 5 new CBOs have been set up in the first three months of the project. Another 10 CBOs will be set up in other villages as well and will work on the same mode.



Product Development & Innovation

CIEP is developing sustainable solutions that expand the purview of financial inclusion of its clients, and improve the livelihoods of their families, and the communities around them. During the past year, CEIP has introduced innovative products focusing on providing solution to worsening power outages that hinder business, and enhancing female mobility for greater economic participation.

Solar Energy Loan - Survey Finding



CEIP conducted a survey in Lahore, to assess the market demand for solar energy products. The Risk and Compliance Department distributed questionnaires among 308 active and non-active clients. Out of the 308 client respondents, 79.2% (244) were interested in buying a solar product; among them majority of the participants 98% (240) opted it for their homes only, while 1.6% (4) were interested in it for their businesses only, and the remaining 0.8% were interested in purchasing solar products for both their homes and businesses. The three solar products, that were considered in the survey were; solar lights, solar fans, and complete home systems. Out of the interested clients, 134 (54.9%) opted for solar lights only, 53 (21.7%) opted for fans, and 21.7% (53) clients were interested in purchasing both fan and light. The number of clients interested in purchasing complete solar home systems were four, , which is around 1.6% of those surveyed. while 122 did not. Upon initial questioning,

among those who knew about solar power 87.6% showed interest in purchasing the products. Whereas, among those who did not know about solar power, 31% showed interest in the product after only a brief introduction, which indicates that as clients become more aware of the benefits of solar power, the demand for such products also increases.

Given these survey results, CEIP is committed to expanding its outreach for its solar energy program. CEIP is already conducting surveys to establish demand and create awareness about solar energy and its benefits. All operational staff in Lahore and Renala branches have been trained in the usage and maintenance of solar energy products. It further aims to establish maintenance facilities where clients can provide feedback, lodge complaints and seek usage guidance.

Solar Power: The Bright Solution



CEIP has developed Solar Energy Loan products that are being established through a multi-phased product development process, involving pre-launch market survey, product pilot, post-pilot marketing campaign, and final product rollout.

Firstly, CEIP conducted a survey in Lahore, to assess the market demand for solar energy products. Finding the survey results favorable, CEIP initiated a four-month product pilot in September 2017, after entering into partnership with Harness Energy and Allied Solar for supply of products. The pilot was conducted in two branches, Green Town and Renala, with a target of serving 300 clients, and offered quality-verified solar lights and fans that suited the needs of CEIP's clients. Although initially unconvinced, the operations staff was pleasantly surprised with the improving response from the clients and the resultantly increasing demand for solar products. A mid-pilot survey was conducted to keep track of the issues that clients were facing, and highlighted the need for product usage training for clients. Among other clients, Maryam and Amna are sisters that opted for a solar light to help enhance their tailoring business. Amna decided to get "a solar lamp with long battery time, to keep [their] business from suffering during power outages". "I had little idea that this lamp will not only increase my earning by letting me work at night, but also reduce my electricity bill, as now we don't use grid power in the evening at all", said Maryam.

By the end of the pilot, CEIP surpassed the target by over 50%, and indicated towards the seasonal nature of product preferences, with lights being acquired more during winters due to lesser daylight hours and demand of fans remaining low. As the next step in its product development process, CEIP collaborated with the International Finance Corporation (IFC) - 'Lighting Pakistan' for conducting a solar energy awareness campaign. Extending throughout March 2018, the campaign directly engaged over 1,000 households in Lahore through culturally resonant activities including Street Theaters and Community Mela, disseminating specific information about offered solar products, and creating awareness towards benefits of renewable energy. All activities were followed by client evaluation surveys that gauged the campaign to be highly effective. Building on the green field prepared for solar products through these activities, CEIP is entering into the final phase of product rollout in April 2018. The rollout will feature solar home systems with 60% client segmentation of the targeted 8,000 solar clients until June 2019. Capturing this large client-base will be a challenging task for all stakeholders, hence requisite inventory management and client servicing systems have been developed to optimize its delivery.

Scooty Loans - Client Observation

Making observations through over 100 loan processes initiated for availing scooties, CEIP has identified three common chains holding women back:

1) Familial Unacceptability

Being the most frequently quoted concern, familial unacceptability of girls riding scooty has shown multiple reasons that lead to hindering female mobility. While the safety concerns remain the most common, they proved to be more addressable as a result of the scooty and rider insurance plans, compared to cultural reasoning that requires a gradual transformation.

2) Societal Inappropriateness

An often voiced concern during the process of these loans has been about the inappropriateness of girls riding scooties. Although most young women found themselves comfortable with the ride itself, their conventional perception of gender roles put hurdles to their free mobility – a phenomenon being countered by CEIP through support for female entrepreneurship that served inspiration for girls.

3) Street Harassment

Having faced continual incidents of harassment, a significant proportion of girls expressed concerns about potential street harassment for scooty riding women. While such incidents remain beyond the control of women, a pilot-stage client suggests that being on a scooty minimizes its possibility. As scooties are not closed like public buses, harassment becomes noticeable, and it is easier to seek help. Similarly, scooties are quicker through traffic, so ensure constant movement to avoid or evade such encounters.

Resolving Client Concerns

Utilising the feedback received from potential clients, and developing a thorough understanding of hindrances faced by them in availing scooty loans, CEIP has taken the following measures:

- 1) Providing insurance plans for riders and their scooties as part of the loan, to resolve safety concerns and enhance family acceptability.
- 2) Collaborating with the Government of Punjab on a product marketing campaign that aims for behavioural change in the society, making the product socially appropriate.
- 3) Imparting awareness to clients about responsiveness in situations of harassment to make them feel more secure in utilising the product.



Activities and Events

Operational Excellence

CEIP is fast growing with a network of 21 branches and 211 employees. Over the years, we have developed a wide portfolio of financial and non-financial services and solutions to meet changing client needs. Our vision is to give the underserved and marginalized hope and a future by empowering them. In line with the demands of the organization, driven by its rapid growth, we regularly hold trainings and workshops to enhance the capacity of our existing staff, not only to better internal operations but also to equip them to provide better services to our clients.



Training on Anti-harassment Legislation:

CSC participated in an Anti-Sexual Harassment Legislation workshop conducted by Mr. Arsalan Haleem, Training Consultant, on 15th December 2016, at Avari Hotel. This was a detailed session on laws passed by the Parliament to protect employees from workplace harassment, particularly women. It highlighted what organizations need to do, in order to implement the law within their organization to help promote a healthy, and safe environment for all.

Training on Immunization: Equity and Coverage

A two-day training on Immunization: Equity and Coverage was organized by Chips at Hospitality Inn. The training covered important topics related to timely vaccinations of infants, and on monitoring of vaccinations in difficult areas, with high occurrence of vaccine preventable diseases.



Launch Ceremony of Women's Right in Punjab and Capacity Development (PWRPCD) Project- Sheikhpura

On 6th January, 2018, the project launching ceremony of PWRPCD was held at the project office, Sheikhpura, where men, women, children, teachers, lawyers, and community representatives from different villages of Sheikhpura participated. The aim of this project is to educate women about their rights and enhance their social status.



International Women's Day Celebration:

CSC celebrated International Women's Day on 8th of March at its project offices in Sheikhpura and Khanewal as well as at its Head Office in Lahore. A seminar, with key speaker Sajid Ali, was organized at Khanewal for 80 women beneficiaries along with a women's day march. At Deer, Sheikhpura, around 100 people participated in an informative seminar organized by the CSC's staff highlighting the significance of women empowerment.



Evaluation of Social Intervention Projects

CSC took part in a workshop organized by BROIT, for its partners in Pakistan, on Monitoring and Evaluation as a tool for NGOs. The 3-day workshop was held from 13th - 15th March, 2017 in Dubai, lessons from which are being applied to CSC's current projects.

2017 Global Symposium on Microfinance

CEIP participated in 2017 Global Symposium on Microfinance, held on 22nd and 23rd May in Kuala Lumpur, to discuss innovations in the field of microfinance, in order to meet the needs of small enterprises, and provide them with effective products and services.



Making Finance Work for Women Summit

CEIP participated at the Making Finance Work for Women Summit in Dar-es-Salaam, discussing gender-focused perspectives under the key themes of Digital Financial Services, Behavioral Design, SME Development, Impact Investment, and Corporate Leadership.

Global Social Business Summit in Paris

CEIP took part in the Global Social Business Summit in Paris, from 4th to 7th November, and its Young Challenger's and Pioneer's Meeting, deliberating the cases of innovative social businesses from across the world for utilizing their field learnings in Pakistan.



Credit Information Bureau Compliance and Regulation

CIB was established in 1992, by the State Bank of Pakistan, to monitor and collect accurate data on credit history of potential borrowers of a financial institute. CIB helps institutes like CEIP with financial discipline, better credit risk management, and on making lending decisions.

CIB organized a ToT workshop for registered MIFs, to replicate with borrowers, on how to maintain a good credit history by managing timely loan repayments and credit worthiness. CEIP attended the two-day workshop, on 21st and 22nd March, 2017, and later replicated the training with its current Microcredit Clients. The trainings was a great success with the clients who learned the importance of maintaining a good credit history in order to fully avail the advantages of borrowing from MFIs in the future.

Due Recovery Calculation

Following its vision of helping communities lead socially and economically prosperous lives, CEIP continues to improve its operations in order to create a more efficient working environment, where its clients can enjoy sustainable and reliable services. To further this commitment, a one-day training workshop was conducted by the Finance Department on Due Calculation and Re-disbursement Principle, which incorporated changes in financial policies such as change in calculation of interest rate method from 20% flat to 34% declining. The training was attended by employees from all branches of CEIP, including area managers, branch managers and accountants, and by heads of Departments from the Head Office.



Digitization SWOT Workshop

In its efforts to further digitization in Pakistan's microfinance sector, CEIP conducted a Digitization SWOT Workshop at its head office in Lahore. The aim of this SWOT workshop was to gauge the adaptability of its operational and managerial staff towards the technological transformation being planned by the organization. The workshop was conducted by Mr. Jamil Ahmed, who is steering the technological advancement plan for CEIP. Branch Managers, Area Managers, and other relevant officials of CEIP participated in the SWOT workshop, and opined their understanding of integrating digital services with CEIP's operational functions. They assessed the Strengths and Weaknesses of the organization and its field staff in adapting to the new technologies being introduced, and deliberated on the opportunities and threats that exist in the market in respect with this transformation. The results of SWOT were gathered at the end of the workshop, and will be evaluated to be incorporated into the implementation plan. Previously, CEIP had developed a comprehensive Management Information System for data management of each client, and later integrated SMS-based client notification system for disbursement and repayment transactions.



Partnering for Innovation



PARTNERING FOR INNOVATION

To support the continuous cycle of innovation for the benefit of the organization's clients, CEIP has partnered with various organizations, ranging from private investors to government and public institutions. These partnerships do not only result in innovative solutions to prevalent problems in the society, but help CEIP remain financially viable with new products and solutions offered to its clientele that makes the organization sustainable, and encourages growth.

During the year 2017, CEIP has been able to expand and grow through investments in innovative ventures with the help of its partners, and hopes that it can replicate these successful partnerships in the coming year.

International Finance Corporation: Solar Energy Awareness Campaign

CEIP has collaborated with IFC, and product partners, Harness Energy and Allied Solar, to begin an ambitious clean energy campaign aimed at addressing the energy needs of Pakistani consumers. CEIP along with its partners would campaign for the use of quality approved solar products through organizing solar themed street theatres, and exhibition. These events would create awareness on the benefits of using solar products, like cheaper, low-cost, safer, and cleaner source of electricity compared to conventional energy sources such as UPS, Kerosene lamps, and main electricity. CEIP would provide its clients a range of solar product solutions, through its Microfinance program, which includes home systems, solar lights and fans from D-Light and Niwa. These products are portable and compact, and will be available to the clients on easy-to-pay installments for use at home and work.

Punjab University: Scooty Loans for Students

CEIP found that many female students wish to be independent when it comes to their mobility rather than constantly relying on expensive and tiresome alternatives for their travel, which hinders women's mobility in the country. In January 2017, CEIP entered into a partnership with the Gender Department at the Punjab University to provide scooties on easy installments to their female students. We believe this partnership will be fruitful and that we will see positive results soon.

Symbiotic: Routing Investment for Social Dividends

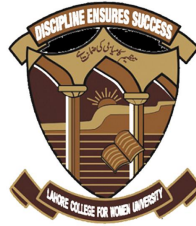
Symbiotic is a leading investment company that specializes in emerging, sustainable and inclusive finance. Its mission is to positively affect low and middle-income households in emerging and frontier economies in areas such as job creation, food and agriculture, housing, and energy. It does this through specialized investment solutions that connect socially responsible investors, to micro, small and medium enterprises, and value-chain development projects, in low-income economies such as Pakistan. This year, CEIP signed an MoU with Symbiotic to fund its endeavors towards financing microfinance loans and enterprise and value-chain development projects, in low-income economies such as Pakistan.

Economic Affairs Division: NOC for Nationwide Interventions

CSC signed an MoU with the Government of Pakistan, through the latter's EAD to allow the organization to maintain existing, and open new offices across Pakistan. This will prove effective in expanding the organization's outreach and development portfolio.



LIST OF PARTNERS



WAY FORWARD



Maintaining a CRR of 99.8%, and ensuring the continuity and predictability of revenues, CEIP has been able to chalk out a definitive growth plan for 2018-19. Expanding its Outreach and Loan Portfolio, CEIP further plans to deepen its interventions in Punjab, while CSC extends development support to rural Sindh. Over the course of the upcoming fiscal year, 8 branches as part of 2 new areas are to be established which will open up new markets of borrowers, and help enhance the impact outreach. CEIP's expected outreach is projected to grow over 67,000 borrowers, and Outstanding Loans Portfolio capacity to expand to PKR. 3,235m. In the upcoming year, CSC and CEIP will also broaden the impact of the various products under its belt. To scale up its solar energy portfolio, the additional 8 branches will cater to customers to meet the target of 8,000 clients by the end of the year.

Product Advancement: Home Improvement Loans

Keeping in view the demands of its Microfinance clients, CEIP was able to add Home Improvement Loans to its product portfolio by offering its low-income clients an opportunity to upgrade their homes. The Home Improvement Loan is being offered to both urban and rural clients who fulfill the eligibility criteria set for the loan. The criteria is set in order to assess loan repaying capacity of a client thorough appraisal processes. Disbursing loans amounting to PKR 150,000 HIL allows for borrowers to renovate and extend their houses and workplaces to increase their capacity, targeting higher rental income and greater operational capacity. Among the 54 HILs extended by CEIP, numerous have started bearing fruits for the clients. Munira Mai opted for HIL to renovate four rooms and construct a fifth one for rental purposes. While one room remains under construction, she is receiving PKR 20,000 as rent for the four newly renovated rooms, giving her monthly savings of Rs. 8,600 after paying the due installments and utility charges. Working with a different approach, Naseem Mai has utilised the loan to renovate the upper portion of her house as a single rental unit, and is earning PKR 8,000 a month. She plans on paying off the loan through this income, and then later utilising it to renovate her own portion of the house. After this successful launch of Home Improvement Loans, CEIP has re-evaluated the product to accommodate the demand for higher loan amounts, and would soon roll out larger loans under the Home Improvement category. For fiscal year 2018-19, a target of disbursing 30 Home Improvement Loans has been set, with average loan size of PKR 165,000 so that the success experienced by Munira Mai and Naseem Bibi can be replicated for other enterprising women.

Embracing Digitization

Globally, microfinance institutions are engaging digital channels to provide financial services, which is opening up new opportunities to reach populations that were previously unserved. Currently, mobile money services are available in 60 percent of the developing countries, and around 16 countries' population have higher number of mobile accounts than traditional bank accounts. CEIP envisions adopting this innovative approach, and reaping the benefits of digitization for its clients as well as its operational staff. The Pakistan Microfinance Network (PMN) is currently assisting CEIP with a thorough analysis of its proposed implementation model of mobile wallet and assessing where improvements can be made before it is rolled out for its clients. Once this product is launched, It will help reduce operational costs, staffing needs and cash at risk for the organization as well as provide increased access to information, and opportunity to scale projects more rapidly. Simultaneously, it will benefit borrowers through increased information, ease of use, and reduced risk.

Strategic Expansion:

CEIP is expanding its operational capacity in Punjab by opening new branches, introducing new innovative products, and increasing the number of Credit Officers per branch. This strategy has allowed CEIP to simultaneously grow within its existing area of operations as well as cater to new areas. Furthering this growth plan, CEIP has chalked down a definitive expansion strategy from 2017 to 2021, during which CEIP's network of branches are expected to grow by approximately 38 branches to a total of 57 branches.

CEIP expects to reach a clientele of 125,000 by the end of 2021, at a growth rate of 40% annually, with an Outstanding Loan Portfolio of approximately PKR. 3.85 billion.

Loan Product	2017-18	2018-19	2019-20	2020-21
Portfolio at Risk	1.01%	1.04%	1.06%	1.08%
Operational Self Sufficiency	122%	143%	176%	185%
Return on Assets	5.6%	9.6%	14.5%	16.1%
Portfolio Yield	35.5%	35.3%	36.4%	37.1%
Portfolio as Percentage of assets	79.0%	84.7%	87.0%	89.2%

Product Disbursement Mix

CEIP's strategic plan includes changing the product disbursement mix over the years to reflect the diversification of new product innovations. CEIP has introduced three new loan products into its product portfolio, which included Solar Energy Loan, Scooty Loan, and Home Improvement Loan. Each product has its own development phases in accordance to market demands and needs.

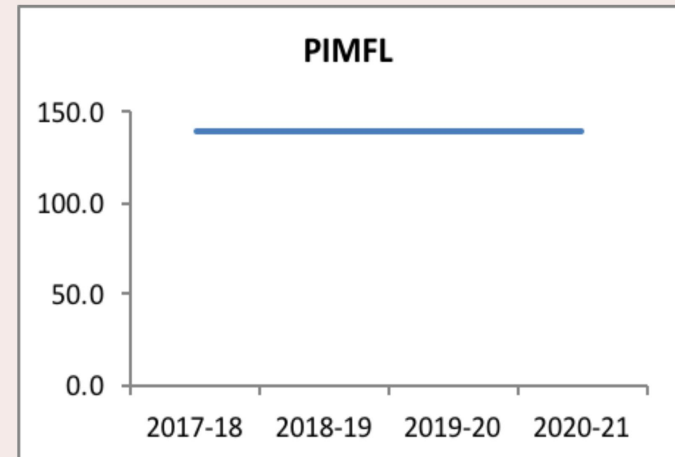
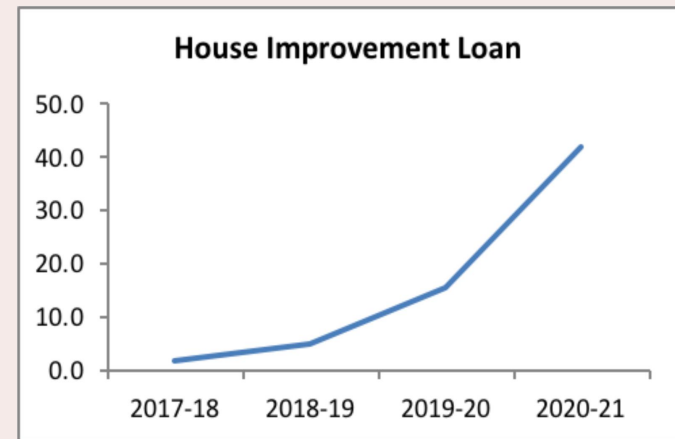
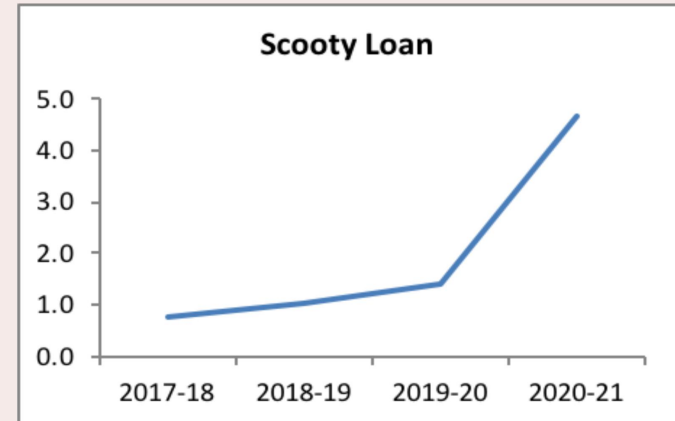
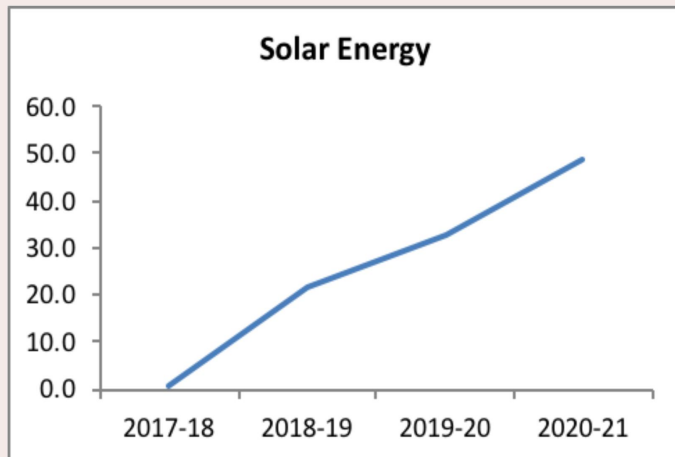
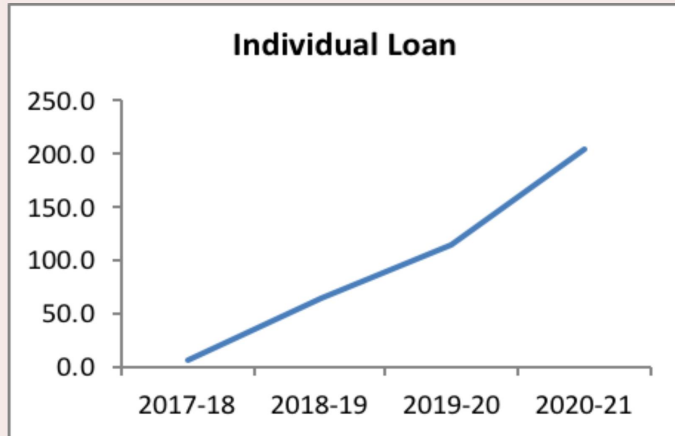
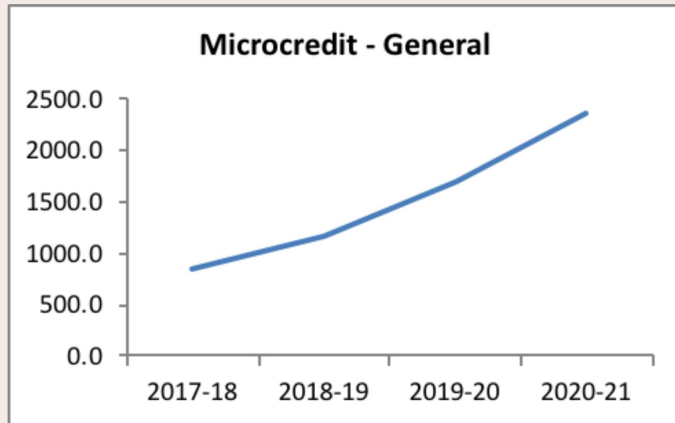
Product-wise Disbursement Amounts (in million PKR)

Product-wise Disbursement Amounts (in million PKR)				
Loan Product	2017-18	2018-19	2019-20	2020-21
Microcredit - General	839.3	1160.4	1689.7	2373.4
Individual Loan	6.6	63.9	115.6	205.8
Solar Energy	0.8	21.7	32.5	48.8
Scooty Loan	0.8	1.0	1.4	4.6
House Improvement Loan	1.7	5.2	15.8	41.9
PIMFL	139.2	139.2	139.2	139.2
Total	988.3	1391.4	1994.2	2813.7

Product-wise Disbursement Proportions				
Loan Product	2017-18	2018-19	2019-20	2020-21
Microcredit - General	84.9%	83.4%	84.7%	84.4%
Individual Loan	0.7%	4.6%	5.8%	7.3%
Solar Energy	0.1%	1.6%	1.6%	1.7%
Scooty Loan	0.1%	0.1%	0.1%	0.2%
House Improvement Loan	0.2%	0.4%	0.8%	1.5%

During the next three years, the Microcredit Loan will dominate as CEIP's main loan product, at an average share of 90.4%, meanwhile, Individual Loans would steadily increase its share in the mix from 3.4% in 2019 to 5.3% in 2021. Although Prime Minister Interest Free Loan, funded by PPAF, has an increasing disbursement trend, but it would see a gradual decrease in the percentage share of CEIP's product portfolio. The three new loan products, Solar Energy, Scooty Loan, and Home Improvement Loan would see a jump in disbursement amounts, which would be observed in the product portfolio as well. Solar Energy's growth in terms of product portfolio share increases steadily from 2019 to 2021. Scooty's product portfolio share remains low, however, the disbursement amounts would steadily increase over the years. Home Improvement Loan's product share doubles each year, and would stand at 1.5% by 2021.

EXPANSION TRENDS



FINANCIAL STATEMENTS OF CEIP & CSC



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CSC EMPOWERMENT AND INCLUSION PROGRAMME** ("the Company") as at 30 June 2017 and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in 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 said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any 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 policies 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:

As more fully explained in the note 2.6.1 to the financial statements, during the year the Company has changed its accounting policy for charging service charges on micro credit portfolio using effective interest rate method as required by the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (SMEs). This change in accounting policy is applied from 01 January 2017 instead of retrospective application as required in section 10 of the IFRS for SMEs. Moreover, had this accounting policy been changed retrospectively, its financial impact on service charges income, service charges receivable, carrying amount of micro credit portfolio and fund has not been determined.

Except for the effects of the matter stated in preceding paragraph, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the repealed 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 repealed 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 changes as stated in note 2.1(a) and note 2.6.1 to the financial statements with which we concur;

Riaz Ahmad & Company

Chartered Accountants

- 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, statement of comprehensive income, cash flow statement and statement of changes in fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed 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 2017 and of the surplus, its comprehensive income, its cash flows and changes in fund for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 04 OCT 2017

LAHORE

CSC EMPOWERMENT AND INCLUSION PROGRAMME (A Company setup under section 42 of the Companies Act, 2017)

BALANCE SHEET AS AT 30 JUNE 2017

	NOTE	2017 Rupees	2016 Rupees
ASSETS			
Non-current assets			
Fixed assets	3	24,341,840	21,072,239
Long term micro credit portfolio	4	6,071,109	-
Long term security deposits		1,612,820	1,953,420
Deferred income tax	5	-	1,122,972
		32,025,769	24,148,631
Total non-current assets			
Current assets			
Micro credit portfolio	6	591,045,300	460,975,393
Advances	7	3,666,052	3,049,464
Short term deposits and prepayments	8	3,946,300	3,208,840
Service charges receivable on micro credit portfolio		10,812,648	4,271,882
Other receivables	9	22,356,256	18,628,005
Short term investments	10	66,549,896	179,215,740
Cash and bank balances	11	98,734,343	159,597,833
		797,110,795	828,947,157
Total current assets			
		829,136,564	853,095,788
TOTAL ASSETS			
LIABILITIES			
Non-current liabilities			
Long term financing - secured	12	181,880,000	131,880,000
Liabilities against assets subject to finance lease	13	-	528,987
Deferred income tax	5	334,775	-
Deferred credit - grants	14	209,532	453,749
Endowment fund	15	-	112,000,000
		182,424,307	244,862,736
Total non-current liabilities			
Current liabilities			
Accrued and other liabilities	16	11,177,679	9,815,004
Accrued markup	17	11,374,661	8,658,347
Short term borrowings - secured	18	-	84,000,232
Current portion of long term liabilities	19	372,889,967	391,601,642
Provision for taxation		9,773,277	5,513,501
		405,215,584	499,588,726
Total current liabilities			
		587,639,891	744,451,462
TOTAL LIABILITIES			
		241,496,673	108,644,326
NET ASSETS			
REPRESENTED BY:			
Fund		241,496,673	108,644,326

CONTINGENCIES AND COMMITMENTS

The annexed notes form an integral part of these financial statements.

Shanta San
CHIEF EXECUTIVE

[Signature]
DIRECTOR

CSC EMPOWERMENT AND INCLUSION PROGRAMME
(A Company setup under section 42 of the Companies Act, 2017)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 Rupees	19 March 2015 to 30 June 2016 Rupees
INCOME			
Service charges		168,391,506	99,999,942
Risk coverage fee		4,399,450	925,650
Loan processing fee		17,597,800	19,667,000
Income under PMIFL scheme		11,645,768	9,287,363
Contribution from subscribers		-	1,200,000
Amortization of deferred credit - grants	14	244,217	84,505
Other income	21	15,357,324	13,990,882
		<u>217,636,065</u>	<u>145,155,342</u>

EXPENDITURE

Salaries and other benefits	22	78,266,140	49,008,918
General and administrative expenses	23	62,484,583	45,070,743
Trainings and workshops		3,286,678	3,723,976
Provision made against non - performing loans - net	24	1,497,432	4,724,858
Financial and other charges	25	41,414,611	29,688,836
		<u>186,949,444</u>	<u>132,217,331</u>
SURPLUS BEFORE TAX		<u>30,686,621</u>	<u>12,938,011</u>
TAXATION	26	9,834,274	4,390,529
SURPLUS AFTER TAX		<u><u>20,852,347</u></u>	<u><u>8,547,482</u></u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CSC EMPOWERMENT AND INCLUSION PROGRAMME
(A Company setup under section 42 of the Companies Act, 2017)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017 Rupees	19 March 2015 to 30 June 2016 Rupees
SURPLUS AFTER TAX	20,852,347	8,547,482
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to income and expenditure account	-	-
Items that may be reclassified subsequently to income and expenditure account	-	-
Other comprehensive income for the year / period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR / PERIOD	<u><u>20,852,347</u></u>	<u><u>8,547,482</u></u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CSC EMPOWERMENT AND INCLUSION PROGRAMME
(A Company setup under section 42 of the Companies Act, 2017)
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017 Rupees	19 March 2015 to 30 June 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year / period	30,686,621	12,938,011
Adjustments for non - cash charges and other items:		
Depreciation	5,493,660	3,910,115
Amortization of intangible asset	43,333	287,668
Loans written off against death cases	1,919,307	1,401,500
Provision made against non - performing loans - net	1,497,432	4,724,858
Financial and other charges	24,972,246	29,688,836
Amortization of deferred credit - grants	(244,217)	(84,505)
Gain on disposal of operating fixed assets	(1,330,027)	(523,896)
	32,351,734	39,404,576
Cash flow before working capital changes	63,038,355	52,342,587
Increase in current assets		
Micro credit portfolio	(139,557,755)	(113,140,558)
Advances	(616,588)	4,186,851
Deposits and prepayments	(737,460)	(766,695)
Service charges receivable	(6,540,766)	(889,127)
Other receivables	(2,800,039)	(11,195,882)
	(150,252,608)	(121,805,411)
Increase in accrued and other liabilities	1,362,675	889,518
Cash used in operations	(85,851,578)	(68,573,306)
Financial charges paid	(22,216,491)	(27,572,038)
Taxes paid	(5,044,963)	(7,432,123)
Net cash used in operating activities	(113,113,032)	(103,577,467)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(11,018,567)	(3,085,746)
Proceeds from sale of operating fixed assets	3,542,000	1,240,000
Short term investments - net	112,665,844	(23,111,548)
Long term security deposits - net	25,500	(558,600)
Net cash from / (used in) investing activities	105,214,777	(25,515,894)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained from PPAF	325,000,000	494,000,000
Long term loan repaid to PPAF	(493,612,250)	(458,751,083)
Loan obtained from PPAF under PMIFL scheme	-	53,960,000
Loan obtained from PMIC	200,000,000	-
Liabilities against assets subject to finance lease	(352,753)	84,423
Short term borrowings - net	(84,000,232)	600,000
Net cash (used in) / from financing activities	(52,965,235)	89,893,340
Net decrease in cash and cash equivalents	(60,863,490)	(39,200,021)
Cash and cash equivalent transferred from Community Support Concern	-	198,797,854
Cash and cash equivalent at the beginning of the year / period	159,597,833	-
Cash and cash equivalent at the end of the year / period	98,734,343	159,597,833

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

31 PROVIDENT FUND RELATED DISCLOSURES

The Company operates a contributory provident fund scheme for all its permanent employees. Separate provident fund has not been established by the Company, therefore, investment in term deposit receipt and deposit in bank account made out of the contributions of provident fund have been recorded in the books of account of the Company. Break-up of investments is given as under:

	2017		2016	
	Percentage	Rupees	Percentage	Rupees
Term deposit receipt (Note 10.3)	40.85%	3,500,000	41.43%	3,500,000
Saving bank account (Note 11.2)	59.15%	5,068,303	58.57%	4,948,650
	100.00%	8,568,303	100.00%	8,448,650

31.1 The investments out of provident fund have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2017	2016
32 NUMBER OF EMPLOYEES		
Number of employees as on June 30	206	198
Average number of employees during the year / period	202	198

33 DATE OF APPROVAL

These financial statements were approved on **04 OCT 2017** by the Board of Directors of the Company.

34 CORRESPONDING FIGURES

The corresponding figures shown in income and expenditure account, statement of comprehensive income, cash flow statement, statement of changes in fund and the related notes pertain to the period from 19 March 2015 to 30 June 2016 and, therefore, are not comparable.

35 GENERAL

Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR

CSC EMPOWERMENT AND INCLUSION PROGRAMME
(A Company setup under section 42 of the Companies Act, 2017)

STATEMENT OF CHANGES IN FUND FOR THE YEAR ENDED 30 JUNE 2017

	FUND	ACCUMULATED SURPLUS	TOTAL
 Rupees		
Balance as at 19 March 2015	-	-	-
General fund transferred from Community Support Concern	100,096,844	-	100,096,844
Profit for the period ended 30 June 2016	-	8,547,482	8,547,482
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	8,547,482	8,547,482
Balance as at 30 June 2016	100,096,844	8,547,482	108,644,326
Transferred from endowment fund (Note 15.1)	112,000,000	-	112,000,000
Profit for the year ended 30 June 2017	-	20,852,347	20,852,347
Other comprehensive income for the year	-	-	-
Total comprehensive income for the Year	-	20,852,347	20,852,347
Balance as at 30 June 2017	212,096,844	29,399,829	241,496,673

The annexed notes form an integral part of these financial statements.

Shanta Jan
CHIEF EXECUTIVE

[Signature]
DIRECTOR

Riaz Ahmad & Company

Chartered Accountants

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Lahore 54660, Pakistan
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

Opinion

We have audited the financial statements of COMMUNITY SUPPORT CONCERN ("the Organization"), which comprise the statement of financial position as at 30 June 2017, and the income and expenditure account, statement of changes in general fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The board of directors are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, board of directors are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization financial reporting process.

Riaz Ahmad & Company

Chartered Accountants

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

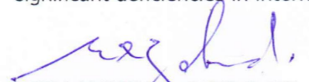
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Riaz Ahmad & Company

Chartered Accountants

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

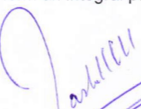
Date: 13 OCT 2017

LAHORE

COMMUNITY SUPPORT CONCERN
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	NOTE	2017 Rupees	2016 Rupees
ASSETS			
Current assets			
Cash and bank balances	3	8,501,791	5,128,099
Short term investment	4	32,000,000	40,078,333
Advances, deposits and other receivable	5	394,892	79,264
Total current assets		40,896,683	45,285,696
Non-current assets			
Operating fixed assets	6	2,621,134	2,023,992
Intangible asset	7	-	-
Total non-current assets		2,621,134	2,023,992
TOTAL ASSETS		43,517,817	47,309,688
LIABILITIES			
Current liabilities			
Accrued and other liabilities	8	1,264,989	2,142,091
Total current liabilities		1,264,989	2,142,091
Non-current liabilities			
Deferred credit - grants	9	7,581,889	4,191,809
Total non-current liabilities		7,581,889	4,191,809
TOTAL LIABILITIES		8,846,878	6,333,900
NET ASSETS		34,670,939	40,975,788
REPRESENTED BY:			
General fund		34,670,939	40,975,788
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes form an integral part of these financial statements.



CHAIRPERSON

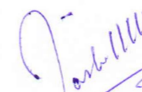


CHIEF EXECUTIVE OFFICER

COMMUNITY SUPPORT CONCERN
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 Rupees	2016 Rupees
INCOME			
Amortization of deferred credit - grants	9	27,637,670	32,730,656
Profit on saving bank accounts		315,983	151,752
Profit on term deposit receipt		1,631,074	280,001
Other income	11	1,762,988	1,850,227
		31,347,715	35,012,636
EXPENDITURE			
Salaries and other benefits		18,385,227	15,341,286
Program cost, trainings, workshops and seminars		9,755,019	16,480,992
Other expenses	12	9,283,240	3,860,115
Bank charges		229,078	74,190
		37,652,564	35,756,583
DEFICIT BEFORE TAX		(6,304,849)	(743,947)
TAXATION			
		-	-
DEFICIT AFTER TAX		(6,304,849)	(743,947)

The annexed notes form an integral part of these financial statements.



CHAIRPERSON



CHIEF EXECUTIVE OFFICER

**COMMUNITY SUPPORT CONCERN
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017**

	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	(6,304,849)	(743,947)
Adjustments for non-cash charges and other items:		
Depreciation	501,308	453,898
Amortization of deferred credit - grants	(27,637,670)	(32,730,656)
Security deposit written off	-	124,000
Bank charges	229,078	74,190
	<u>(26,907,284)</u>	<u>(32,078,568)</u>
	<u>(33,212,133)</u>	<u>(32,822,515)</u>
Working capital changes		
(Increase) / decrease in current assets:		
Interest accrued on short term investment	78,333	(78,333)
Grant receivable	-	1,858,485
Advances, deposits and other receivable	(315,628)	318,812
(Decrease) / Increase in current liabilities:		
Accrued and other liabilities	(877,102)	(377,855)
	<u>(1,114,397)</u>	<u>1,721,109</u>
Net cash used in operations	<u>(34,326,530)</u>	<u>(31,101,406)</u>
Bank charges paid	(229,078)	(74,190)
Net cash used in operating activities	<u>(34,555,608)</u>	<u>(31,175,596)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment made	(99,000,000)	(40,000,000)
Investment matured	107,000,000	-
Capital expenditure on operating fixed assets	(1,098,450)	-
Net cash from / (used in) investing activities	<u>6,901,550</u>	<u>(40,000,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Received from Micro-credit operations	-	40,000,000
Grants received	31,027,750	28,456,442
Net cash from financing activities	<u>31,027,750</u>	<u>68,456,442</u>
Net increase / (decrease) in cash and cash equivalents	<u>3,373,692</u>	<u>(2,719,154)</u>
Cash and cash equivalent at the beginning of year	<u>5,128,099</u>	<u>7,847,253</u>
Cash and cash equivalent at the end of the year	<u><u>8,501,791</u></u>	<u><u>5,128,099</u></u>

The annexed notes form an integral part of these financial statements.

CHAIRPERSON

CHIEF EXECUTIVE OFFICER

**COMMUNITY SUPPORT CONCERN
STATEMENT OF CHANGES IN GENERAL FUND FOR THE YEAR ENDED 30 JUNE 2017**

	GENERAL FUND Rupees
Balance as at 30 June 2015	1,719,735
Transferred from Micro-credit operations	40,000,000
Deficit for the year ended 30 June 2016	(743,947)
Balance as at 30 June 2016	<u>40,975,788</u>
Deficit for the year ended 30 June 2017	(6,304,849)
Balance as at 30 June 2017	<u><u>34,670,939</u></u>

The annexed notes form an integral part of these financial statements.

CHAIRPERSON

CHIEF EXECUTIVE OFFICER



CSC Empowerment & Inclusion Programme

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