



Restoring Hope, Securing the Future, Ending Poverty



2011 Sustainability Report

SCOPE OF REPORT

Sustainability Report : Information presented in the report gives a broad overview of various aspects of the company's activities in order to get an idea of the level of corporate responsibility

“An empathetic, proactive, innovative, inclusive and effective institution, endeavoring to serve the poor and striving for transparent and true change. Facilitation for change in a professional manner while empathizing and innovating with equity and remaining accountable.”

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STATEMENT OF THE CEO

Dear friends,

It is a privilege to present to you the first corporate responsibility report of PPAF.

PPAF is the lead apex institution in the country dedicated to serving the poor. In the first decade of operations starting in 2000, PPAF has successfully laid the foundations of a vibrant and responsive development sector by expanding its presence across the country. This has been achieved by developing human and institutional capacities of its partner organizations and enabling small emerging outfits to transform into medium and large organizations that serve the poor.

By leveraging its unique experience, PPAF is playing a proactive role as a responsive and versatile national institution; an institution that is creating synergies, forming partnerships and forging alliances with diverse stakeholders – government, public-sector agencies, corporate, private entities and academia. PPAF is making a seamless transition from focus on scale to focus on depth and intensity of presence. The driver of this approach is to optimize the allocation of resources and maximize outcomes and impact at the grassroots. There is a deliberate shift of priorities towards those regions of Pakistan that have historically lagged behind in socio-economic development and are particularly under served. All PPAF initiatives are rolled out under an overarching strategy, which is community-led and builds institutions of the poor and for the poor. PPAF is focusing on significantly improving the quality of community organizations in terms of inclusion, sustainability, effectiveness, and depth of coverage. This is manifested in the move away from project-based criteria to an integrated, appropriately sequenced and multi-sectoral approach.

Since commencement of its operations, PPAF's corporate culture promotes concurrent conservation of values and the pursuit of environmental and social progress. We think and act in a sustainable and responsible manner and this value is fully embedded in our business model and strategy. We have progressively dedicated ourselves to the concept of sustainability in an even more structured manner.

The first-ever sustainability report is a testimony to our commitment to this theme and an important step to manage the sustainable development of our Company. By using this reporting framework, we intend not just to enhance the level of transparency and trust among stakeholders but also illustrate the sustainable ways in which we pursue our economic, environmental and social development goals and communicate achievements and activities.

PPAF decided to become an organizational stakeholder of the Global Reporting Initiative (GRI) because its reporting guidelines are most widely and commonly used. Our engagement with GRI has enabled us in expressing our methodology for sustainability and efficient management of business. By structuring our first sustainability report on the GRI guidelines, we have made a significant transition to an approach that takes account of the social and environmental dimensions of our work and the importance of our relations with our stakeholders.

PPAF places paramount importance on true and fair presentation and timely issuance of periodic financial and non-financial information to regulatory authorities, donors and other stakeholders. We are one of the very few organizations in the country which have adopted the GRI reporting framework.

We hope that sharing our green experience with other organizations of the country will promote and support the exchange of good practices.

For us at PPAF the word responsibility does not only mean offering the best services and practices. We know that as a responsible organization we have to contribute more to the economy, environment and society.

CHIEF EXECUTIVE OFFICER



About this Report

With its first corporate responsibility report, PPAF clearly states its long-term commitment to its employees and stakeholders as well as to the environment and society. We believe that we have achieved such level of transparency and completeness in providing information about our overall activity of a responsible organization. We are planning to publish such a report annually to keep the stakeholders abreast of PPAF contribution to the sustainable development of the country.

Scope of the Report

Information presented in the report gives a broad overview of various aspects of the company's activities in order to get an idea of the level of corporate responsibility.

The report contains quantitative data and information for the period July 01 2010- June 30 2011, and in some cases it refers to previous years. All financial and other data, which the company collects and publishes by law, comply with our official reports.



Our Vision

Restoring Hope, Securing the Future, Ending Poverty

Our Mission

Nurture institutions for the poor and of the poor.

Build trust and partnerships among duty bearers and right holders engaged in poverty alleviation and human development.

Help the provinces and lagging regions achieve their targets aligned with Millennium Development Goals.

Our Values

Delivering what is promised, and promising what we deliver;

Transparency;

Accountability

Team Work

Creativity and Responsiveness;

Honesty and Integrity

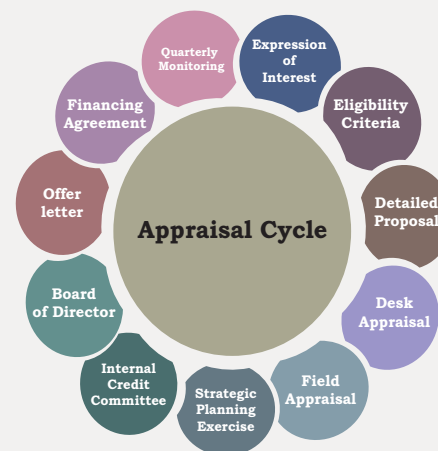
COMPANY PROFILE

As one of the largest source of pro-poor spending in the country, PPAF is the lead agency for poverty reduction in Pakistan. It embodies the spirit of public-private partnership to address the multi-dimensional issue of poverty with the view to achieving social and economic change. Its core activities include lending for microcredit / enterprise development and grant financing for small scale infrastructure, water, health, education, training, livelihoods and social mobilization as well as for human and institutional capacity building for delivery of services. Apart from these core activities, PPAF works with communities suffering from natural calamities and disasters such as earthquakes, droughts, cyclones and floods and also responds to special needs of various groups of poor.

As an apex organization, the role of PPAF is to act as a wholesale intermediary and sector developer, while its partner organizations undertake implementation of projects at the retail level. PPAF selects partner organizations that have demonstrated commitment to community driven development. PPAF adopts a participatory development model with a holistic approach using social mobilization, skill development and capital accumulation as guiding principles. The model is community based and involves formation of groups at the grass roots. It focuses on social organization, creates awareness and builds capacity. Under the model, communities organize themselves for establishing new groups and also to consolidate existing ones. The approach is demand driven based on projects identified by the communities. Responsibility for operations and maintenance also falls on these groups.

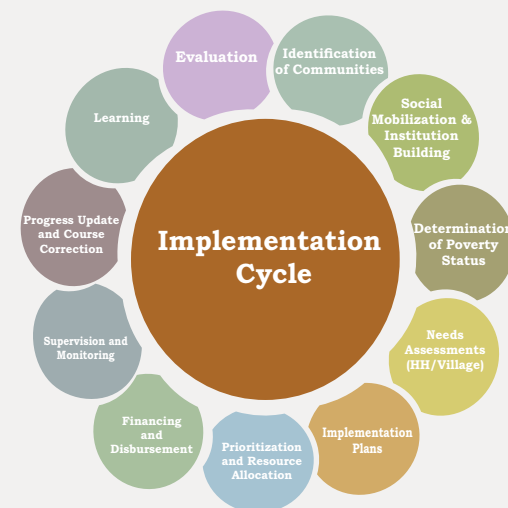
Defining Characteristics

- Integrated approach to poverty alleviation, which is aligned closely with Pakistan's commitment to the Millennium Development Goals (MDGs). Emphasis on multi-sector programmes that generate broad and deep impacts at the community level.
- Special attention to the identification, mobilization and inclusion of poor women, other poor and the poorest, as well as other marginalized segments of society.
- Building institutions for poverty alleviation, not direct implementation. Support community institutions (institutions of the poor) and the Partner Organizations (institutions for the poor) that work with community institutions.
- Selection of POs through a rigorous process. The PPAF is model-neutral, but value led, with respect to the approaches adopted by its POs.
- Provision of financing through both grants and loans; POs may receive both or any one form of assistance. The PPAF also supports the human and institutional development of its partners and the community institutions with which they work.



HOW WE SELECT PARTNER ORGANIZATION

The partner organizations are identified through rigorous and transparent eligibility criteria. They are expected to share the same values as the PPAF and must have the capacity to implement the project components in a professional and proactive manner. The eligible partner organizations are also expected to have demonstrated track record, financial sustainability and participatory development within their functions. The selection of partner organizations is an on-going process, whereby new ones are added and others who have not performed may be excluded.



We believe that to have a true impact, PPAF core values must not only be reflected in our practices and operations, but should also be embraced by our partner organizations and the community-based organizations that we aim to support. Therefore, we assist these institutions in adopting the essential values through training and workshops, and demand from our partner organizations strict adherence to these standards through our new and improved monitoring and evaluation mechanisms



KHAIRPUR MIRAS - SINDH



Product & Services

Microcredit and Enterprise Development

Microcredit is a means of extending credit, usually in the form of small loans with no collateral, to nontraditional borrowers such as the poor in rural or undeveloped areas. PPAF consciously supports loan products that are more likely to realize better targeting efficiency and maximize gains for the poor. Consequently, PPAF has invested a predominantly large share of its resources in provisioning microloans guaranteed through social collateral within the framework of group/individual lending. PPAF facilitates delivery of targeted financial services to the poor, while simultaneously seeking to develop the sector nationally through building institutional capacities and introducing innovative solutions for continued growth.

Social Mobilization

Social mobilization constitutes the bedrock of all PPAF interventions, conceptually entrenched in a belief that poor marginalized communities, given an appropriate enabling environment, possess an inherent capacity to change their

lives. PPAF follows an inclusive development strategy which seeks to prioritize community needs within an inclusive implementation framework. The contrasting communities are provided essential tools to promote sustainable joint action, through organized forums for planning and deliberation in the shape of community organizations.

Human and Institutional Development

The main objective of this programme is to strengthen institutional capacities and human resource base of partner organizations so they are able to deliver efficient and cost effective services to the end beneficiaries. Financial and non-financial assistance is provided to support incremental expansion in outreach and attain long term sustainability.



Water and Infrastructure

Provision of grants for development of rural infrastructure lies at the core of PPAF's poverty alleviation strategy. Under this component, PPAF delivers sustainable, need-based water related infrastructure to marginalized communities as well as small infrastructure schemes and subprojects focus mainly in four broad sectors: drinking water supply, irrigation, sanitation and communications. Identification of projects is demand driven, and is determined by the communities through an internal participatory process. For purposes of ownership it is mandatory for the communities to share in the costs of the project, and also to maintain the infrastructure provided.

Social Sector Development Programme

Under its social sector development programme (health and education), PPAF facilitates civil society organizations in establishing a network of schools and community health centers where such facilities were non-existent, in addition to revitalizing inefficient public sector institutions

through injecting requisite funds, better management practices and quality teaching services. All PPAF supported interventions in the social sector prioritize strict quality control, long term sustainability and durable linkages with communities.

Livelihood Enhancement and Protection

The objective of this programme is to develop the capacity, opportunities, assets and productivity of community members to reduce their vulnerability to shocks, improve their livelihoods initiative and strengthen their business operations.

Output and Outreach

Presence in 129 districts through 99 Partner Organizations across the country.

31.6 million impacted by credit (51% females) and 51.8 million by infrastructure, health and education.

25,500 health, education, water and infrastructure projects completed.

Dedicated responsibility for 34 union councils for rehabilitation and reconstruction in earthquake-affected areas.

Financing deployed in more than 89,000 villages/rural and urban settlements.

4.7 million microcredit loans with a 100% recovery rate and a market share of almost 45% of the microfinance sector.

Establishment of state-of-the-art Geographical Information System facilities.

Housing grants to 122,000 households, training in seismic constructions to over 100,000 individuals in quake-hit areas.

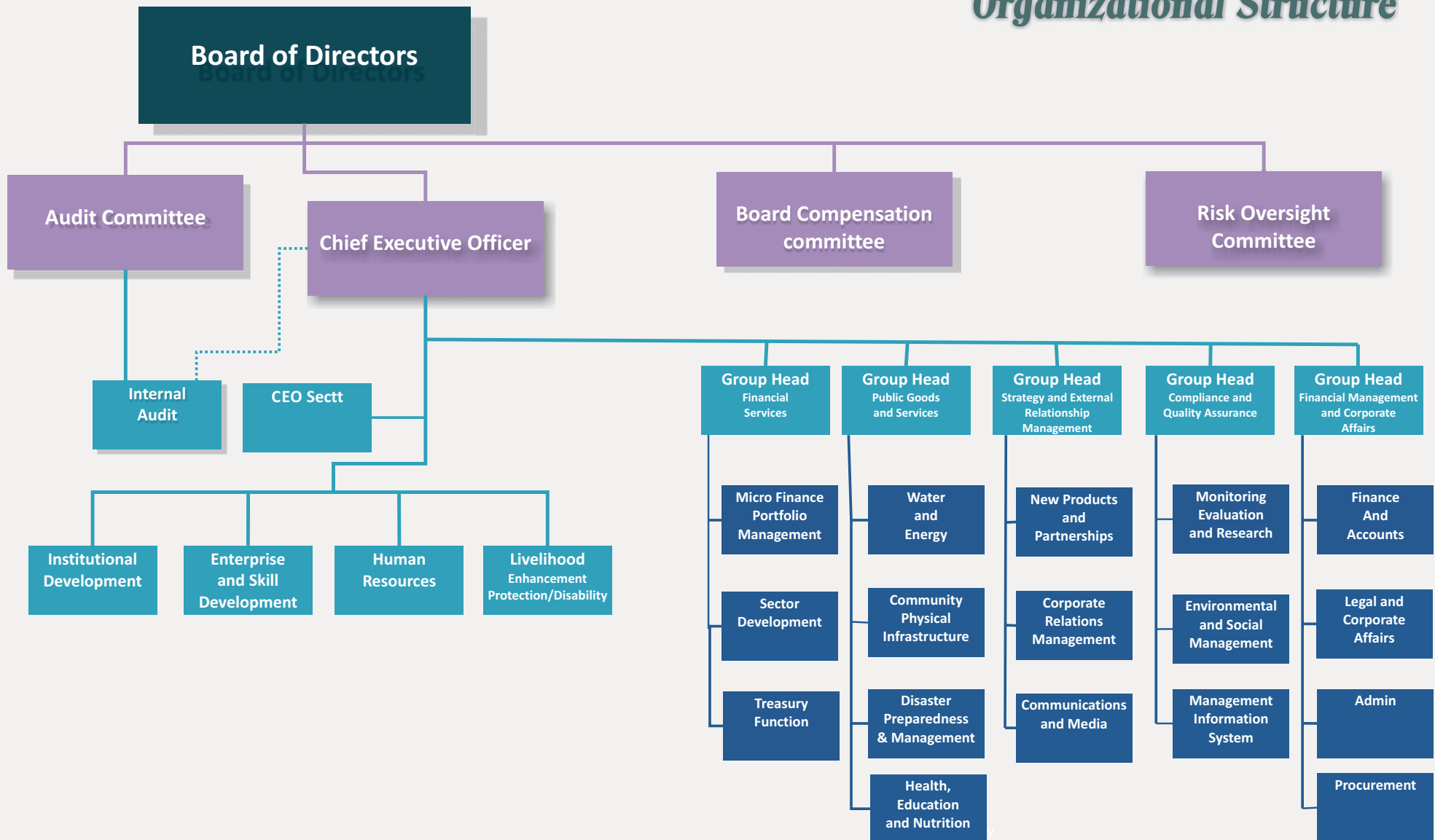
A grassroots network of over 297,000 Community Organizations & Groups with 62% female beneficiaries

Over 11,500 skill development and managerial training events for 462,200 individuals (42% females).

Around 5,000 people have been benefitted under Livelihood Enhancement and Protection Program, out of which 47% are females.



Organizational Structure



CORPORATE STRATEGY

- As with any successful organization, PPAF recognizes the need to review its strategy periodically so as to remain relevant, meet the needs of its stakeholders and respond to emerging opportunities. In this context, a strategic envisioning exercise was conducted in March 2011 with a view to develop a consensus based strategy for the next five years. As a part of this exercise, extensive consultations were held with different stakeholders including Government of Pakistan, multilaterals, bilaterals, communities and intermediaries as well as all the professional staff of the Company. The whole process was lead by an external facilitator of international repute. The strategy was considered and duly approved by the Board of Directors in its meeting held on April 30, 2011. The strategic drivers governing the future operations of the Company are as follows;
 - Build institutions of the poor
 - Address spatial dimension of poverty
 - Increased focus on the poorest districts
 - Institutional restructuring and operational coherence
 - Emphasis on quality of social mobilization
 - Proactive pursuit of outcomes, impact and grievance redressal
 - Improving service delivery, quality assurance and compliance

The strategic thrust would be on building institutions for poverty alleviation. The pivotal role of the company would be on mobilization and capacity building of institutions of the poor (community organizations) and for the poor (partner organizations) that work with community institutions in least developed areas, laying the foundation for future expansion of poverty reduction activities. Many of these will go on to take microfinance loans or productive and social infrastructure funding from the PPAF, through the existing partner organization network, while others will federate into local institutions of the poor. Based on needs of the target group, interventions will be made as integrated as possible, responding to identified priorities and the participatory spirit of the program. The interventions will be based on needs assessment as a continuous and participatory process. PPAF emphasizes multi-sector programming that generates deep and tangible impacts at the community level. These programmes are designed to be inclusive, paying special attention to the identification, mobilization and inclusion of women, persons with special needs, youth and the poorest.

INSTITUTION

- Strengthening the institutions for the poor and developing institutions of the poor
- Every PO to get opportunity to play a role according to its capability and effectiveness
- Matured POs to play a lead role in the district of their comparative advantage

INCLUSION

- Handholding the ultra-poor through a livelihood enhancement program
- Engaging youth and persons with disabilities in the entire development process
- Ensuring meaningful women participation
- Implementing a well designed work-fare program

INNOVATION

- Institutional innovations
- Program innovations
- Product innovations
- Technical innovations

INTEGRATION

- Linear project specific integration
- Intra union council, inter-project integration
- Backward and forward linkages
- Value chain development
- Inter-agency alliance building

INVESTMENT

- Leveraging the investments already made
- Developing/Implementing a rational inter-district investment regime
- Maximizing effectiveness of investment by concentrating in rationally identified spatial entities (UCs)
- Developing coping mechanisms to withstand natural disasters, particularly droughts
- Lifting the economy of the lagging areas by developing Rural Growth Centers (RGCs)
- Overcoming economic isolation by linking the RGCs with a hierarchy of regional and national growth poles/centers through backward and forward linkages
- Investing in community led demand driven programs
- Inclusive financial services where feasible and/or appropriate

Projects Executed with Government & Multiregional Donors

SOURCE	Project Description	Project Period	Agreement amount - US\$ equivalent (in million)
World Bank			
	The project aimed to reduce the incident of poverty in the country through provision of resources and services to the poor and low income, particularly women	1999-2004	90.00
	The project aimed to scale-up PPAF's operations as well as introduce second generation innovations to the delivery of financial and infrastructure services to the poor.	2004-2009	238.00
	The project aimed at rehabilitation and reconstruction in the earthquake affected areas.	2006-2009	100.00
	The project aimed at rehabilitation and reconstruction in the earthquake affected areas.	2007-2009	138.00
	The project aimed at improving the quality of life of people with disabilities	2007-2009	5.00
	The objective of the project is to alleviate poverty by improving the access of the rural and urban poor to economic resources and services.	2008-2010	75.00
	The project aims to improve poverty outcomes through a consolidation and saturation approach in targeted areas, a stronger focus on the marginalized groups of the most vulnerable and poorest households including women	2009-2014	250.00
			1,046.00

SOURCE	Project Description	Project Period	Agreement amount - US\$ equivalent (in million)
International Fund for Agricultural Development			
	The project focuses on PPAF's microfinance operations and enables the Company to extend its outreach to rural areas of the country in terms of credit and enterprise through development of new products and services.	2006-2011	26.00
	The project focused on restoration of earthquake affected communities and households.	2006-2009	26.00
	The project focuses on provision of microcredit to the poor on a self sustaining basis and envisages developing access to banks/financial institutions for future growth and expansion.	2007-2013	35.00
US Department of Agriculture			
	The focus of the project was to implement long term poverty reduction programmes, small scale infrastructure programmes, and sustainable agricultural development programmes.	2002-2010	26.00
US Agency for International Development			
	The project aimed at promoting enterprise development facility	2003-2007	5.00
	The project aimed at relief operations for 2010 flood affectees	2010-11	3.00
KfW (Development Bank of Germany)			
	The project aimed to contribute to reconstruction and the improvement of living conditions of the population in the earthquake affected areas.	2006-2009	17.00
Committee Encouraging Corporate Philanthropy of USA			
	The programme objective was reconstruction of rural housing and related infrastructure in earthquake affected areas.	2006-2010	12.00
			1,046.00

Cost-Effectiveness and Sustainability



By far the most significant aspect of PPAF's performance has been its ability to transform civil society institutions from grant to market oriented, with focus on a more market based approach. In order to achieve this, PPAF has facilitated the partner organizations in developing appropriate synergies and risk management frameworks. The institution has worked closely with partner organizations in formulating; well-defined and coherent business plans for conduct of microcredit activities, a systematic approach to expansion through well structured implementation plans; mutually acceptable performance parameters and deliverables.

PPAF has adopted a sequenced approach to interest rate setting (to POs) to bring it in line with the market in a gradual manner. PPAF's interest rates have increased from 6% to 8% to 10% to KIBOR (Karachi Interbank Offered Rate) over the last 8 years. Simultaneously, delivery cost support to POs (to partially meet their incremental operating costs) has declined from 32% to under 6%.

Additionally, PPAF has imposed floors on end user on-lending rates (but no interest rate ceilings). POs are required to set interest rate which in the long run cover the full cost of delivery and should not be less than the long term deposit rates in the country and rates charged by commercial banks to their prime customers. The POs interested in accessing large quantum funding (more than US\$6 million in outstanding or annual disbursement) are required to meet elevated eligibility criteria (in addition to the normal eligibility criteria) with enhanced performance in terms of lower portfolio at risk, higher operational sustainability and risk coverage ratio as well as improved governance, management, disclosure, and better resource use

PPAF is operationally sustainable. Since its inception, It has generated surpluses. The average annual surplus during last three years was US\$ 15 million. The cumulative reserves of the Company as at June 30, 2011 were US\$ 85 million. The cost of delivery is 2.2%.



Market Place

We realize that the scale we have reached – so many stakeholder, employees and partners – make us a significant factor not only on the development sector of Pakistan, but in the country's economy as well. The broad range of our impact brings a big responsibility as well. This is the reason why PPAF cares about its relationships with stakeholders, who participate at different stages of the whole process of services to communities. Ethical competition and marketing are as important to us as our clients' satisfaction. Our aim is to manage all these processes in a responsible, transparent and accountable manner, which could guarantee establishment of trust between PPAF and all stakeholders.

As a result of the regular market analysis and the company's activities that affect society and the environment, we have determined four priority subjects that we approach with extreme responsibility. The structure of this report's content is based on these four priorities as well as taking into account the plans, targets, expectations and interest which are most important to us and our stakeholders.

Corporate Governance Structure

The Company is committed to ensure business integrity and upholding the confidence of all its stakeholders by observing high standards of corporate governance. We have made corporate governance a system of structuring, operating and controlling the Company with a view to achieve long term strategic goals to satisfy all our stakeholders.

The Articles of Association of the PPAF prescribe a three-tier governance structure comprising a General Body, Board of Directors and a Management Team headed by a Chief Executive Officer (CEO).



THE FOUR PRINCIPLES OF CORPORATE GOVERNANCE

Accountability	Fairness	Transparency	Responsibility
<ul style="list-style-type: none"> Ensure that management is accountable to the board Ensure for the board's accountability to shareholders 	<ul style="list-style-type: none"> Protect shareholder rights Treat all shareholders, incl. minorities, equitably Provide effective redress for violations 	<ul style="list-style-type: none"> Ensure timely and accurate disclosure On all material matters, incl. the: <ul style="list-style-type: none"> Financial situation Performance Ownership Corporate governance 	<ul style="list-style-type: none"> Recognize rights of stakeholders Encourage co-op. between the company and stakeholders in: <ul style="list-style-type: none"> Creating wealth Jobs Economic sustainability

GENERAL BODY

The General Body, comprising 30 members, is responsible for giving overall policy guidance.

BOARD OF DIRECTORS

The legal and regulatory framework defines parameters regarding qualification and composition of the Board of Directors for smooth running of operations and promotion of good corporate culture. The Board is responsible for determining the direction and scope of activities of the Company.

The present Board comprises of eleven Members including the Chairman and the Chief Executive Officer of the Company. The Chief Executive Officer is the only Executive Member on the Board while all other Members, including the Chairman, represent the non-executive directorship of the Company.

BOARD AUDIT COMMITTEE

This Committee comprises five members

including

its Chairman who are appointed by the Board from the independent non-executive Directors. The Head of the Internal Audit Unit acts as Secretary of the Committee. The Committee assists the Board in overseeing Company's financial control, with particular emphasis on integrity of internal controls and financial reporting; qualification and independence of Company's external auditors; and performance of the Company's internal and external auditors.

BOARD COMPENSATION COMMITTEE

The Committee comprises four members of the Board including the Chairman who is appointed by the Board from the non-executive Directors. The Head of Human Resource Unit acts as Secretary of the Committee. The Committee assists the Board in overseeing the Company's human resource policies and framework, with particular emphasis on ensuring fair and transparent compensation policy; and continuous development and skill enhancement of employees.

CARDINAL PRINCIPLES

- The resources of the Company are not to be used for political purposes
- The funds of the Company are treated as a sacred trust and utmost fiduciary care is exercised in the management of resources.
- The Company's operations are decentralized.
- The resources of the Company are provided to well managed institutions.
- Financial assistance to partner organizations and beneficiaries is based on sound principles of cost sharing and sustainability and financial viability.

Risk Oversight Committee

The Committee comprises three members including its Chairman who is appointed by the Board from the non-executive Directors. The head of Credit & Enterprise Development Unit acts as Secretary of the Committee.

The Committee assists the Board to review the effectiveness of overall risk management framework; assess and advice on adequacy of risk management policies; procedures in identifying, measuring, monitoring and controlling risks.

The roles of the Chairman and the Chief Executive Officer are segregated and they have distinct responsibilities. The Company's Management is supervised by the Chief Executive Officer who is responsible for the operations of the Company and conduct of its business, in accordance with the powers vested in him by law, the Articles of Association of the Company and authorities delegated to him through a General Power of Attorney and Board resolutions from time to time.

Accountability and Transparency

- The financial statements prepared by the Management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity
- Proper books of accounts of the Company are maintained
- Appropriate accounting policies are consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment
- International Accounting Standards, as applicable in Pakistan, are followed in the preparation of financial statements and any departure therefrom has been adequately disclosed
- The system of internal control is sound in design and has been effectively implemented and monitored with on-going efforts to improve it further
- The Company's ability to continue as a going concern is well established
- There has been no material departure from the best practices of corporate

How We Work

PPAF provides financing through both "grants and loans". Organizations may receive both or any one form of assistance. On-lending funding is available - for the provisioning of microfinance and enterprise development - to partner organizations based on a thorough analysis of their ability to manage funds and demands from the field. Grant assistance is provided for the purposes of building small scale infrastructure as well as human and institutional development.

The themes of social inclusion, gender, and

Goals (MDGs). While we strongly uphold an overall holistic and multi-sectored strategy to generate broad and deep impacts at the community level, we are also cognizant of certain community needs that entail specifically tailored responses. "Institutions of the poor"-existing at the bottom of the socio-economic pyramid- constitute the focal point of our programmes; all models of our interventions revolve around empowering the institutions of the poor to make a considerable and sustainable dent in poverty. We strive to be a dedicated market developer

"Nothing is permanent, except change"

PPAF commenced operations in April 2000. Since then over \$1 billion have been disbursed in microfinance loans, infrastructure, water, health, education, training, capacity building, relief and reconstruction grants. It has deployed interventions in 129 districts of the country through over 297,000 grassroots community organizations and self help groups. Over the years PPAF has earned a well deserved national and international reputation as a driving force of poverty alleviation in South Asia.

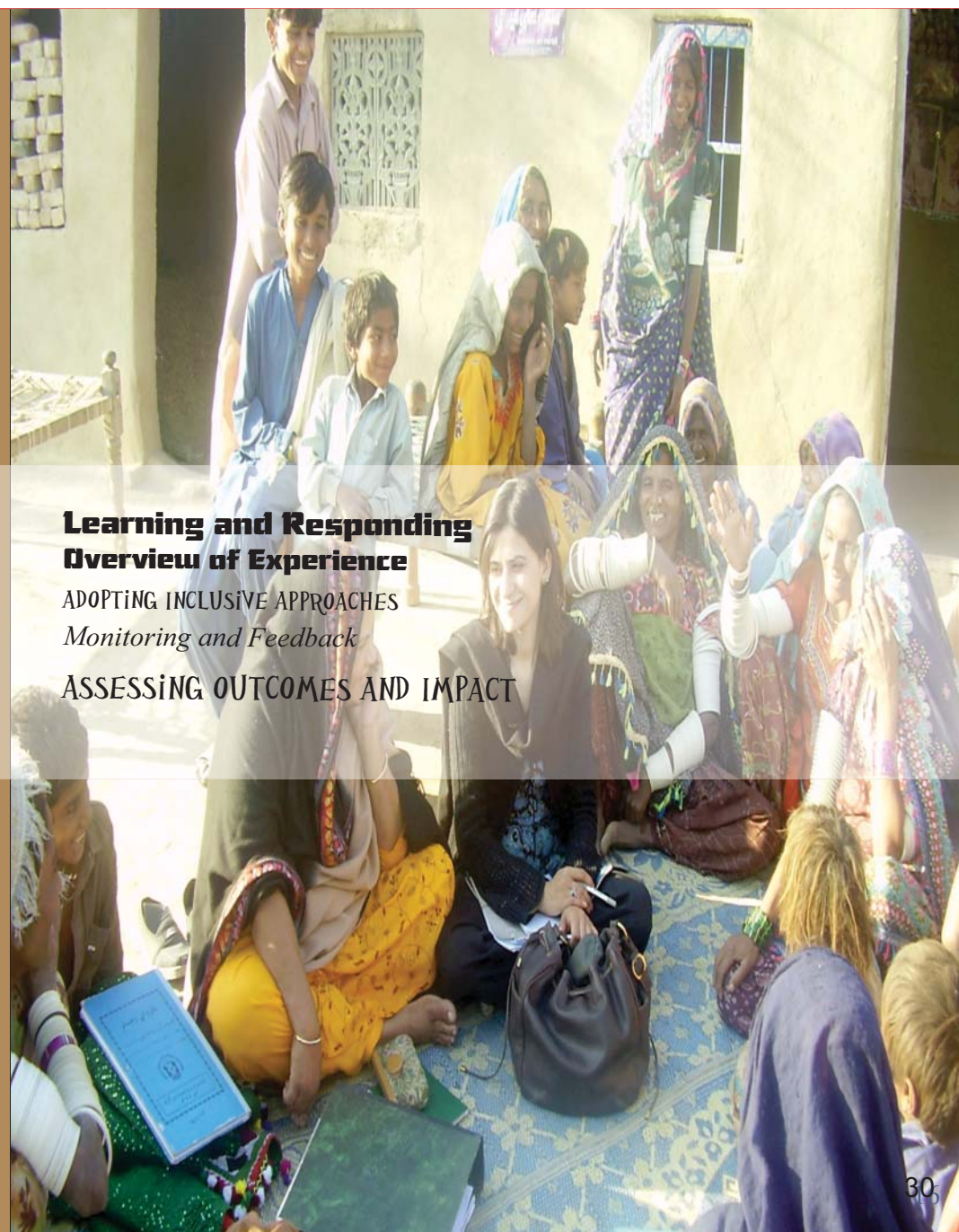
As with any successful organization, PPAF reviews its vision and strategy periodically so as to meet its clients' needs, remain relevant and respond to emerging opportunities.

environment are the common threads running through all projects and programmes, and make up substantive components within all our work. The programmes are carried out through civil society and private sector organizations with an underlying focus on a community-led, demand-driven approach emphasizing on community ownership right from identification and preparation to implementation and finally management of these interventions in a sustained fashion.

PPAF follows an effective approach to poverty alleviation, which is aligned closely with Pakistan's commitment to the Millennium Development

committed to the emergence of professional and sustainable civil society organizations.

PPAF is dedicated to reducing poverty all over Pakistan. Under our current strategy we have identified six levels of priority districts for our grant-funded and micro-finance interventions, based on certain classifications that include districts which are below/above the average Human Development Index (HDI) score for Punjab, extremely food insecure districts, districts where social mobilization has not already been undertaken by PPAF and/or partners, and districts where micro-finance is feasible and appropriate.



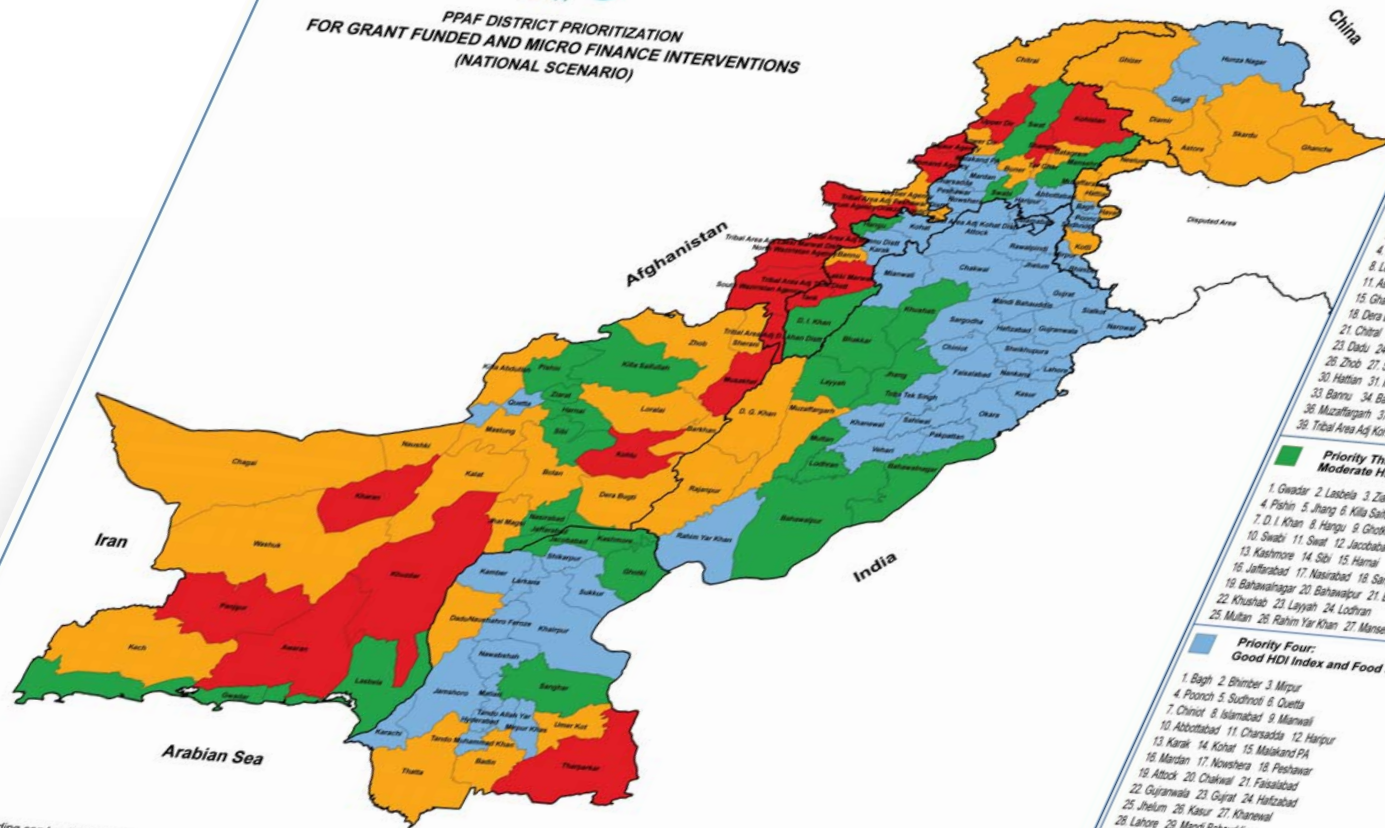
Learning and Responding Overview of Experience

ADOPTING INCLUSIVE APPROACHES

Monitoring and Feedback

ASSESSING OUTCOMES AND IMPACT

PPAF DISTRICT PRIORITIZATION
FOR GRANT FUNDED AND MICRO FINANCE INTERVENTIONS
(NATIONAL SCENARIO)



Note:

1. PPAF grant funding can be directed to all districts, other than those shown in blue color. Interventions in latter type of districts will be supported through Micro Finance.
2. This prioritization is based on conditions under normal circumstances. Disasters and conflicts may significantly alter the priority status of any district.
3. Regardless of this classification all SM districts may be treated as high priority districts.

**Priority One:
Lowest HDI Index and Food Security**

1. Awaran 2. Khuzdar 3. Kohlu
4. Musakhel 5. Pangur 6. Kohistan
7. Lakki Marwat 8. Shangla 9. Tank
10. Upper Dir 11. Tharparkar 12. Kharan
13. North Waziristan Agency 14. South Waziristan Agency
15. Bajaur Agency 16. Kurum Agency 17. Mohmand Agency
18. Tribal Area Adj Lakki Marwat Dist 19. Orakzai Agency
20. Tribal Area Adj Barau Dist 21. Tribal Area Adj D.I. Khan Dist
22. Tribal Area Adj Tank Dist

**Priority Two:
Low HDI Index and Food Security**

1. Bolan 2. Chagai 3. Khyber Agency
4. Kalat 5. Kech 6. Killa Abdullah 7. Kotli
8. Loralai 9. Mastung 10. Naushahi
11. Astore 12. Skardu 13. Diamir 14. Neelum
15. Ghanche 16. Gilgit 17. Thatta
18. Dera Bugti 19. Buner 20. Badin
21. Chitral 22. Tribal Area Adj Peshawar Dist
23. Dadu 24. Umer Kot 25. Washuk
26. Zhob 27. Sherani 28. Haveli 29. Barkhan
30. Hattian 31. Muzaffargarh 32. Jhal Magsi
33. Barau 34. Badagram 35. D. G. Khan
36. Muzaffargarh 37. Rajapur 38. Lower Dir
39. Tribal Area Adj Kohat Dist 40. Tor Ghar

**Priority Three:
Moderate HDI Index and Food Security**

1. Gwadar 2. Lailah 3. Ziarat
4. Pishin 5. Jhang 6. Killa Saifullah
7. D. I. Khan 8. Hangu 9. Ghoski
10. Swabi 11. Sialkot 12. Jaccobabad
13. Khasmora 14. Sibi 15. Hama
16. Jaffarabad 17. Nasirabad 18. Sanghar
19. Bahawalnagar 20. Bahawalpur 21. Bhakkar
22. Khushab 23. Layyah 24. Lodhran
25. Multan 26. Rahim Yar Khan 27. Manshehra

**Priority Four:
Good HDI Index and Food Security**

1. Bagn 2. Bhimber 3. Mirpur
4. Poonch 5. Sudhnoti 6. Quetta
7. Chiniot 8. Islamabad 9. Marwail
10. Abbottabad 11. Charsadda 12. Haripur
13. Karak 14. Kohat 15. Mulkand PA
16. Mardan 17. Nowshera 18. Peshawar
19. Attock 20. Chakwal 21. Faisalabad
22. Gujranwala 23. Gujrat 24. Hattababad
25. Jhelum 26. Kasur 27. Khanewal
28. Lahore 29. Mandi Bahaudin
30. Nankana 31. Narowal 32. Okara
33. Paltan 34. Rawalpindi 35. Sahiwal
36. Sargodha 37. Sheikhupura 38. Sialkot
39. Toba Tek Singh 40. Vehari 41. Hyderabad
42. Jamshoro 43. Kambar 44. Karachi
45. Khairpur 46. Larkana 47. Matiari
48. Mirpur Khas 49. Naushahro Feroze 50. Nawabshah
51. Shikarpur 52. Sukkur 53. Tando Allah Yar
54. Tando Muhammad Khan 55. Gilgit 56. Hunza Nagar

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Third Revision: May 18, 2012

Compliance Management Strategy

PPAF has established a Compliance Management Strategy, which promotes the ethical standards in the employees' behavior by enacting a series of policies and compliance procedures in the company. Therefore, the compliance function strengthens and improves the relations between the company and its employees, its donors, its partners, and the regulators. Also, the Risk Management Framework of the company, by assessing the risks related to the company's business and recommending the relevant mitigation measures, protects the company from any legal and financial consequences or any impact on the company's image.

The Compliance Management Strategy is based upon three pillars; i) Awareness and Prevention; ii) Detection; and iii) Response.

Awareness & prevention

In the framework of Compliance of Corporate Governance, the following policies were adopted by the PPAF;

- ✳ Code of Conduct
- ✳ Operational Manual
- ✳ Investment Policy
- ✳ Risk Management Framework
- ✳ Administrative Manual
- ✳ Environmental & Social Framework
- ✳ HR Manual
- ✳ Procurement Manual
- ✳ Internal Audit Policy
- ✳ Internal & External Grievance Redressal Policy
- ✳ Health & Safety Policy
- ✳ Security Policy
- ✳ Code of Client Privacy Protection
- ✳ Information Technology Policy

Ethical Competition

In order to comply with best practices, PPAF

has adopted the code of corporate governance applicable to listed companies in Pakistan and ensures compliance with the requirements stipulated in the Code. Competition allows technological advancements to develop. In order to make this possible, loyal conduct on behalf of business is essential.

Sanctions

The company has not imposed penalties, both of financial and non-financial nature, related to legislation in the field of environmental protection.

Responsible Procurement

Responsible Procurement is an important element in delivering the PPAF Vision. PPAF Procurement Policy explains how we work with suppliers and consultants.

The Policy is an integral part of our procurement processes. It drives for transparency, adherence to laws, regulations, minimum standards and continuous improvement.

It ensures that PPAF procures its goods and services in a responsible way, in line with our values.

Responsible Procurement is given systematic consideration alongside factors such as price and quality. We encourage our suppliers to work with us and to improve continuously with respect to the Policy.

Corporate Responsibility

Management Approach

Corporate responsibility is not something new to PPAF, because the company has been developing its long-term development projects since its establishment. The formal structure that concentrates the management of all related activities was set at the beginning of 2009 as Corporate Relationship Management Unit (CRM).

This contributed significantly to the integration of corporate responsibility in each aspect of PPAF operations and turned it into one of the factors for strategic decision making in the management of the company.

Corporate Responsibility Section creates a corporate responsibility strategy and annual action plan, manages and coordinates various internal and external social and environmental projects, monitors the implementation of all measures set out in the annual plan and reports to the Senior Group Head of PPAF as well as to the respective Operations Units in PPAF. The work of the Corporate Relationship Management Unit requires daily coordination with different departments within the company.

To make sure that the principles of corporate responsibility are understood and applied by all PPAF employees, we adopted and constantly communicate 'The Code of Conduct of PPAF'. This document constitutes a statement of our values and principles and defines the way our managers and employees should behave. It serves as a basis for the well being of the company and everybody who works in it. All employees are subject to the Code of Conduct, regardless of their position or contract type (permanent or part time).

Potential Financing

Multilateral

- World Bank
- Asian Development Bank
- European Union
- Commonwealth Foundation
- United Nations

Bilateral

- German government
- Italian
- US
- British Government
- Azerbaijan

Private, Corporate and Social Sectors International

British Asian Trust, Muslim Charity Forum, The Big Lottery, Bill and Malinda Gates Foundation, Acumen Fund, Toms shoes/Delloite.

National

Aizguard 9, Noor Group, National Paralympics Committee, Aventure Foundation, Pakistan Microfinance Network, PPL, UBL, Silk Bank, HBL, SCB,

Research Establishments

Harvard University, Cambridge University, Oxford/Lahore School of Economic, DECRG - WB

Corporate Partners

PPAF Corporate Relations Management acts to mobilize the national and international corporate sector in implementing the Corporate Social Responsibility and Corporate Philanthropy initiatives. In this regard PPAF has established contacts with several corporate sector organizations in Pakistan and initiated correspondence with international private trusts and foundations. Purpose of forming linkages with local and international corporate is two-fold; one is to diversify PPAF funding resources and the second and most important is to build synergies to better serve the marginalized classes of the community. PPAF, being a sector developer aimed to take the lead in this regard for collective achievement of poverty alleviation goals involving local, multinational and international corporate, media, academia, nonprofit organizations and institutions of the poor. The vision of the PPAF Corporate Relations Management is "To comprehensively co-opt the private and corporate sector (local & international) in the process of poverty reduction & grassroots development".

For proper working while executing its operations effectively and efficiently, the Unit is divided into two main components; fund raising and resource mobilization, project implementation and liaison. The year 2011 was pivotal in working on different projects to benefit the poor in different areas. The Unit is in the process of finding new partners for project up scaling and replicating success all over the country.

International;

The Committee Encouraging Corporate Philanthropy of USA (consisting of prominent American private business entities) provided

US\$ 12 million to PPAF to build and operate health and education facilities in the areas damaged by 2005 earthquake. The grant was used for designing, construction, first year's operations and turnover (upon completion) to a long term operator, of regional health centers, clinics and primary/secondary schools. The Project financed two rural health centers; twelve community health centers; two each of boys and girls secondary schools; and eighteen primary schools.

PPAF in collaboration with Citi Foundation has been organizing Micro entrepreneurship Awards for last eight years. The objective of this program is to highlight and promote the effective role micro-finance plays in poverty alleviation. In particular, the program seeks to generate recognition for extraordinary contributions that individual micro entrepreneurs have made to economic sustainability of their families as well as their communities.

National;

PPAF in collaboration with leading national corporate and private sectors have taken number of initiatives including;

-A pilot 'School Milk Program' under which some 6,000 poor school children were being provided milk on daily basis in more than 40 schools of district Rahimyar Khan (Punjab). The idea being to make milk available to school children free of cost on a daily basis with the aim of improving their mental and physical growth, enhance school enrollment and attendance as well as educational performance

Joint project for provision of water, basic infrastructure, education, health and social sector services as identified by local stakeholders in districts Ghotki and Sukkur of Sindh province over a four year period commencing January 2010

-Setting up of milk plants in Sukkur and Sahiwal with installed capacity of 300,000 liters; establishment of over 475 milk centers in Sindh and Punjab where 400,000 liters of milk with 6% fat content is being collected daily and; provision of training to communities in animal husbandry and livestock management. All these initiatives have resulted in employment generation at the village level, enhanced economic activity in rural areas and industrial income generation opportunities for the rural poor at their door step

-Establishment and growth of community-based dairy farms and other dairy development programs to improve the milk production in the country

-Promotion of hand washing across 2 districts in Punjab under the rural hygiene awareness program. On October 15, 2008, more than 60,000 schoolchildren in 900 PPAF supported/adopted schools and government-run educational facilities celebrated the first-ever Global Hand washing Day aimed at reinforcing United Nations' call for improved hygiene practices among schools across the country





COMMUNICATION STRATEGY

Considered as one of the major organs of the nervous system of institutional growth, communication is not merely an add-on element but it plays a pivotal role in integration of institutional policy design

and implementation of operational activities. It has assumed more proportionate importance in the global changing scenario and needs to be aligned with the policy advice for ensuring better results.

Prime thrust of strategy is inducing behavioral changes through effective communication, not only among communities but also in institutions, partner organizations, stakeholders and media.

Being people-centric, the behavioral change is more effective and meaningful as it spotlights capacity building and networking with beneficiaries as well as partners through horizontal integration approach instead of vouching for a vertical paradigm.

PPAF communication strategy has been designed to review that it is in consonance with institution's mission, vision, overall aims/objectives: giving voice to the poor communities to take control of their development, effective internal and external communication, and branding and positioning in national and international media, particularly focusing networking with development practitioners at international level.

The communication strategy would provide a new dimension to PPAF's progressive growth and agenda, particularly to the institutional building, social mobilization, disaster preparedness & management, youth initiatives and health, education & disability endeavors.

PPAF RADIO PROGRAM

Print and electronic media, which constitute the most effective means for educating and sensitizing public opinion, forms an important component of PPAF's multi-faceted strategy to accessing public domain.

Besides successfully availing of other modes of communication, PPAF has successfully engaged public opinion through its popular radio program – **RoshanRaahein** – that has grown in stature over the time and successfully attracted a large listenership from all over Pakistan. This program regularly broadcasts PPAF's experience in participatory development through transmitting stories on the organization's multi-sectoral interventions from across Pakistan. Additionally, the program has routinely relayed useful information on ways in which the general public and aspiring organizations can access PPAF and its network of partner organizations. It has also played an important role in educating people on how to organize themselves for the common good of their communities and begin to participate in the process of development.

The radio program helps assess the project, address community concerns and bring forth fair and candid feedback from various quarters across the country. It also helps PPAF position its image as a key player in the development sector and highlights contribution made by its partner organizations in bringing about a positive change in the lives of the poor and marginalized communities in the far off and inaccessible areas of the country.

Transparent pricing

PPAF disburses microcredit loans to POs under respective Financing Agreements at service charges based upon a range of benchmarks including Karachi Interbank Offer Rate (KIBOR). PPAF recently institutionalized a new pricing policy to incentivize the

microfinance institutions and banks to extend their lending operations to deprived and remote areas. For this purpose, a poverty map was developed for the country through which districts have been rated according to level of food security and based on a comparison with the average Human Development Index (HDI) of Punjab on a province by province basis.

District Type	Description
Category I	Below average HDI of Punjab, Extremely Food Insecure
Category II	
Category III	Below average HDI of Punjab, Food Insecure
Category IV	
Category V	Borderline HDI of Punjab and Borderline Food Insecure
Category VI	Food Secure and Above Average HDI of Punjab

Pricing for category I and II districts

These districts are areas where very few PPAF partners operate due to lack of economic development translating into social, political and adverse law and order situation. Microfinance has virtually no presence in these districts as economic opportunities remain limited. The Partner Organizations operating in these areas have to face risk associated with macroeconomic instability, political upheaval, weak social structures and credit viability requires these organizations to take risk and experiment with new approaches and products. In these areas, PPAF charges a markup rate of KIBOR (1 year) less 600 basis points or 8% whichever is higher.

Pricing for category III and IV districts

These districts have a low penetration of microfinance services and credit activities remain vastly untapped. A few PPAF partners

are present and operating in these areas. Owing to a higher level of risk in microfinance faced in these areas coupled with a high cost of delivery, PPAF charges a markup rate of KIBOR (1 YEAR) less 200 basis points or 10% whichever is higher.

Pricing for category V and VI districts

In these relatively better areas, PPAF charges a markup rates on loans priced at the relevant KIBOR (1 YEAR) or 12% whichever is higher.

Data Security & Confidentiality

Confidentiality of our stakeholders' and employees personal' data is very important for PPAF. We work in full compliance with the Code of Conduct for the Protection of the Individual's Right. PPAF ensure that all its employees are aware of their engagements related to work with data as well as with confidentiality of information.



DIVERSITY OF SERVICES & INNOVATION

KNOWLEDGE PEOPLE PROCESS COLLABORATION

Tele Medicine

To address the issue of lack of healthcare staff's availability in the remote areas, PPAF has initiated a pilot project of setting up Mobile Tele-Care Centers. Tele-care center model consists of a health clinic, that is manned by trained paramedics, this center is equipped with state of the art telemedicine tools and equipment, whereas on the hub side (staffed with doctors, health specialists) medical professionals provide the advice. A unique component in its model is the Tele-health consulting service, which supports the local clinic staff with IP based Video Phone consultations with a medical specialist.

areas. The branches consist of 1/3rd of the staff strength in regular branches.

Village Banking

Village banks are primarily semi formal financial institutions that create access to basic financial services on a sustainable basis. By providing the technical assistance, PPAF makes village communities managers of their own financial systems.

Branchless Banking

The recent explosion of mobile telephony and telecommunications across Pakistan has opened up a window of opportunity for increasing the

The project organizes female clients into Women Farmers Enterprise Groups followed by the provision of credit for purchase of better milk yielding animals, capacity building of group members, clustering into apex enterprise groups for milk collection, chilling and collective marketing.

Enhancing Agricultural Productivity

The overall approach of Enhancing Agricultural Productivity programme is to increase crop production while ensuring environmental sustainability, adaptability to climate change and affordability for marginal and small farmers.

and carefully sequenced financial services can help clients graduate from dependence on safety net programs and become full-fledged micro-finance clients.

Widows Strengthening Project

Under the project skill centre for orphans and ultra-poor widows are established to get nine months in livelihood skills to bring them at par with the poor working class.

Project for Rehabilitation of waste collector

Under the project, the garbage collectors are provided with loan to replace their carts with motorbikes and carts enabling them to collect



Education for the Visually Impaired Persons (VIPs)

PPAF has also stepped into supporting activities aimed at mainstreaming of the visually impaired persons into the society. Audio World program (initiated by one of its partners) is a doorstep facility providing recorded text books and pleasure listening books on audio cassettes and CDs free of cost to VIPs across Pakistan through free registered postal service.

Settlement Branches / Kiosk

PPAF has supported establishment of low cost settlement branches/Kiosk to deepen the microcredit outreach by serving underserved

availability of microfinance services through low cost mobile based business models offering real time transactions over secure networks. PPAF is making full use of this facility.

Women's Cooperative Livestock Farming

PPAF supported Women's Livestock Cooperative Farming exploits scientific techniques in goat rearing; the project integrates group lending, cooperative farming, and creates linkages with market and government departments with particular focus on rural poor women.

Rural Development through Livestock and Dairy Management

Tunnel Farming

The program emphasizes on converting traditional agriculture practices to agri-based microenterprise development that ensures household income enhancement, particularly women.

Social Safety Nets - Targeting Ultra Poor

The project is based on the graduation model, which assumes that the poorest communities need grants, food aid and subsidized employment to provide for basic survival needs. Once these needs are met, livelihood training

more garbage.

Micro-credit Disability Project

The project is based on integrated turnkey approach to provide Persons With Disabilities (PWDs) in rural areas with some recourse to income through trainings, provision of capital, home modification and provision of disability assistive devices.

Community Investment Fund

Community Investment Fund is owned, run and managed by the community institutions with a mission to benefit the poorest especially through the poorest women members.



Environment

Any impact on poverty cannot be lasting and sustainable unless environmental safeguards have been embedded in the overall solution. PPAF views environment responsibility as one of its essential values cutting across all of its programmes and activities.

In 2011 we launched PPAF Green strategy as a long-term strategy for achieving environmental sustainability at the heart of our business philosophy. It is our objective to provide opportunity for each of our employees, partners and clients to contribute to the Earth's better future.

PPAF has a dedicated Environment and Social Management Group (ESMG) mandated to provide oversight in the implementation of its environmental and social management framework at all levels including PPAF, its partners and community institutions. Environment and social management is central to the design and implementation of all PPAF interventions and draws upon a coherent policy framework constituting the Environmental Protection Act 1997 and The World Bank's Operational Policies vis-à-vis Environmental and Social Safeguards.

The Group has designed a comprehensive capacity building program to institutionalize environmental and social assessment within PPAF and its partner organizations. In addition to conducting a series of PO specific and province-wise workshops to disseminate ESM and to provide hands-on training to field staff, the Group further plans to incorporate ESM capacity building program into the Community Managerial Skills Training. Also, the Group has formulated a comprehensive strategy to develop linkages with renowned national, regional, and international institutions, as well as, indigenous peoples' organizations for technical and policy support.

Environmental & Social Screening

Environmental assessment procedures are in place that requires PPAF and its POs to assess the environmental consequences of their interventions, with a view to preventing execution of interventions with significant negative environmental and social impacts. It also attempts at minimizing potential negative impacts by incorporating mitigations at the design stage and implementing mitigations at the implementation stage of the PPAF's interventions. These procedures include:

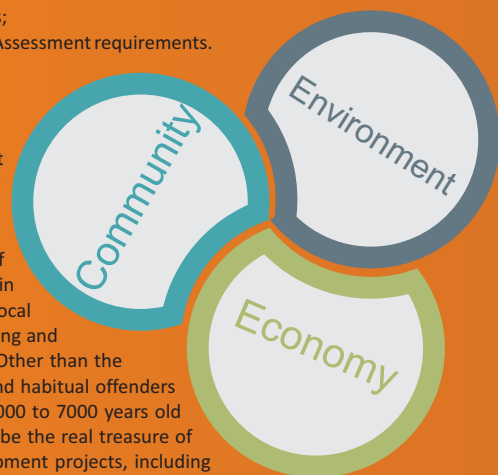
- i) Instructions of the Pakistan Environmental Protection Act 1997 (PEPA) and Pakistan Environmental Assessment Procedures 1997 (PEAP) for the level of assessment required for the intervention i.e. Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA);
- ii) Individual and cumulative environmental impacts of interventions in different geographical areas;
- iii) PPAF negative lists for interventions;
- iv) World Bank Environmental / Social Assessment requirements.

Saving Trees

PPAF has launched an emergency project to save the endangered species of famous Juniper forest in Ziarat district. Known as the second largest Juniper forest in the world which covers an area of about 247,000 acres of land, the forest in Ziarat District is being cut down by the local communities who use its wood for heating and cooking purposes at an alarming level. Other than the local communities, criminal elements and habitual offenders are also on the rampage to chopping 5000 to 7000 years old Junipers trees, which are considered to be the real treasure of Ziarat. Besides other integrated development projects, including alternative energy, to be accomplished through 14 new associate partners in District Ziarat, PPAF has also planned to engage students of local schools to adopt a tree to save the rare species from extinction. As many as 150,000 saplings of Junipers tree would be planted during spring with the help of school children and communities members.

Environmental Management System

Sustainable power generation through clean technologies like microhydel has also allowed PPAF to access additional funding sources by leveraging the so called carbon finance within the framework of the Kyoto Protocol. PPAF has authorized one of its implementing partners, AKRSP, to act as the proponent for "Community Development Carbon Fund-CDCF" solicitation, based on renewable energy projects in Northern Areas and Chitral. Accordingly, a project design document- PDD has been developed, encompassing the construction of 103 micro hydro projects, with an aggregated capacity of 15 MW. These projects are estimated to result in the reduction of 612,342 tons of carbon dioxide equivalent in the first seven year crediting period (2009 to 2015). Based on an elaborate validation process, the World Bank appointed independent validator (DNV) and rated the on-going renewable energy project as



Sustainability in investments is directly proportional to the ownership of the beneficiaries. If the schemes are selected keeping in mind the basic needs and requirements of the locals, not only are they constructed and implemented effectively, but are maintained continuously. Community warrants complete security and operational integrity even if they have to continuously invest from their own resources.

The reason of success in the reviewed schemes was that the POs were absolutely clean about the longevity of their investments. Standards like the Dublin Principles were quoted to inform the PPAF team of the basis of their approach. Communities understood their roles right from the inception stage of the schemes and signed off O&M plans for each.

With such learning's, PPAF can move forward in making such investments in remote and rugged mountain terrains without the fear of losing any social dividends!

Bank and Netherlands Government to sign a "Modalities of Communication (MOC) Form" as the last step before the project is registered with the clean development mechanism (CDM) Executive Board in UNFCCC. It is expected that US\$ 8.33 million in carbon revenue will be generated by the project till 2015, which is the first 7year crediting period.

PPAF is proud to claim that spanning over a period of last five years installations of its micro hydel power plant have resulted in Carbon emissions savings of about 40 tons per annum. Besides reducing greenhouse gases, the alternate energy initiatives have saved forests while preventing respiratory problem because of burning wood.

Ensuring Compulsory Water & Sanitation

The fact that Muzaffarabad is host to three large rivers, Neelum, Jhelum and Poonch, and numerous streams, does not help the surrounding hilltop communities in their basic water requirements. The rugged terrain requires great effort especially on the part of female members of the household to collect water from distant places, where there are springs that contribute to the endless streams of the area.

Water for household needs hence remains a perpetual problem of the area.

PPAF and Sungi have invested in various water

supply schemes, two of which were constructed in village Sarrar, UC Gojra. These are water tanks that are connected via pipes to springs, and also use rain water harvesting techniques. This water however is not used for drinking purposes but for other domestic uses. Women trek 1.5 hours to fetch drinking water daily.

PPAF has also financed a drinking water supply scheme and filtration plant, in Chakothi town, UC Chinari. MGPO is the PPAF partner in the area. This scheme was completed in 2008, and is in excellent working order. Chakothi is an underserved border town, close to the LOC, and has been in the line of cross border fire till the ceasefire of 2004. Although predominantly poor, the beneficiaries have maintained the scheme through a well organized community based Operating and Monitoring (O&M) mechanism. There are 2500 beneficiaries of the scheme, where each household pays Rs. 50/month, into a fund managed by the CO. The CO has hired full time services of two plumbers, who maintain the facility.

Water being a basic need and a limited commodity in the area, the locals manage the schemes as their own property. They have different kinds of operations and maintenance structures in place, and have ensured continuous supply since last 4 years. The villagers value the time saved, certainty of water supply and benefits of being mobilized as one force.

PPAF Offices Water Consumption

In 2010, the water consumption in PPAF's facilities was about 14427 gallon water. Consumption was not related to the main activity of the company and served only for the staff's hygiene needs and cleaning the workplaces. The company does not provide wastewater treatment, because wastewater is directed through the sewerage to urban wastewater treatment plants.

Nevertheless, we monitor our water consumption and have regular information campaigns for our employees' responsible consumption of this significant natural resource. In pursuit of this goal, we organize following events:

Earth Day
Water Day
Environment Day

Paper Use

We maintain a usage of nearly 6.35 tons of copy paper per year, and with effect from 2011 we have increased the use of environmentally certified paper. At the same time, the use of electronic data and scanned documents for internal and external communication has resulted in lower consumption of paper. This reflects our employees' commitment to environmental safeguard and cultural change brought in by the Company.

Ink Cartridges Use and Recycling

Unfortunately, we use a large amount of new toners with a total of 584 for 2010. But in 2011 we used the recycled toners cartridges because recycling the cartridges is necessary for both reducing resource consumption and the danger of inappropriate treatment of the chemicals contained inside them.



GREEN Energy Projects

PPAF has supported the implementation of more than 650 projects of different types and sizes of renewable projects. These include mini/micro hydroelectric projects, solar lighting projects, wind turbines, solar or wind powered pressurized irrigation projects, and solar-wind hybrids. PPAF follows a community led, demand driven approach for the implementation of these technologically innovative projects. Integral to project design is working proactively with poor communities and local, regional and national non-governmental partner organizations.

PPAF Financed Renewable Energy Projects

PPAF has implemented several types and sizes of 637 renewable projects in different districts of the country;

- Mini/Micro Hydropower Plants
- Solar Powered Irrigation Projects
- Solar Lighting Systems
- Wind Mills (Mechanical Power)
- Wind Turbine (Electricity Generation)
- Hybrid Systems (Solar/Wind)
- Biogas Plants

Renewable energy sources have a large potential to contribute to the sustainable development by providing a wide variety of socioeconomic benefits, including diversification of energy supply, enhanced rural development opportunities, creation of a domestic industry and employment opportunities. The contribution of renewable energy to the economic and social dimensions of sustainable development is particularly important in the remote rural areas. As the renewable energy is produced locally, therefore the projects directly benefit the local communities and businesses as well as help in stimulating local economies, and creating job opportunities. They also create opportunities for professionals and entrepreneurs who can evolve ways and means of developing mechanisms of using renewable energy in homes and businesses. The money

that is invested in renewable energy is typically spent on materials and staff that build and maintain equipment instead of importing energy.

Mini / Micro Hydropower

The rural communities in Pakistan mostly depend upon fuel-wood, crop residue and cattle dung for meeting the basic energy need. Micro and mini-hydropower projects (MHPs) can provide a large number of rural households in mountainous areas with electricity for both domestic and productive applications and provide motive power for milling, small enterprises, and other needs. Such renewable energy systems have direct local environmental benefits in terms of:

- Substituting for existing diesel-based power generation, reducing the consumption of diesel in the region. This results in reduced local air pollution from sulphur dioxide and particulate emissions that would otherwise result from burning of diesel. There will also be reduced need to transport fossil fuels to these remote areas.
- Reduced GHG emissions as a result of avoided burning of fossil fuels and reduced use of unsustainably harvested fire wood.
- Reduction in the use of fuel-wood and kerosene for household cooking, heating and lighting, resulting in less indoor smoke pollution especially for women and children and reduced danger of in-house fires.
- Reduction in deforestation and degradation of natural habitats of rare plant and animal species presently threatened by excessive cutting of wood and shrubs for cooking and heating in winters.
- Utilization of locally available Renewable Energy resource (water) for power generation

SUSTAINABILITY factors!

Continuous **WATER** availability
efficient **O&M** system in
place with **COMMUNITY**
Consensus



Think
Green

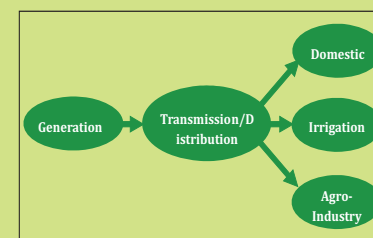
Solar Powered Integrated Water Efficient Irrigation (IWEI) Systems

Under this approach PPAF has installed several Solar Powered IWEI systems in rural areas Pakistan. Solar Panels are used to generate electricity through photovoltaic (PV) process and run water pumps to lift water from shallow/tube wells. In most cases diesel generators are replaced with this innovative approach to reduce cost and safeguard the environment. The socio-economic benefits brought in by the solar powered IWEI systems are shared by farmers, agribusiness and consumers in the form of increased income and have important social consequences for rural communities. Further, the projects directly benefit rural communities through the purchase of goods and services, generation of land use revenue, and employment generation. Secondary or indirect economic effects include improved food security at household levels, increased spending power, economic diversification, changes in property values and the use of indigenous resources. The combination of solar pumps with IWEIs reduces the over exploitation of groundwater along with ensuring more output. By utilizing the solar energy, there are no costs over fuel and the costs over fertilizers and pesticides are reduced. Through the IWEI (particularly drip and sprinkler irrigation) Systems being powered by solar energy, irrigation is applied efficiently to get maximum output from the water available, at marginal running costs. The benefits of solar powered IWEI system are enhanced yield in terms of input as well as output. From input side, there are savings in cost over fuel, water, fertilizers and pesticides. The fuel cost for extracting water is not required at all because the sun light is utilized for pumping of underground water. In this way 100% cost of fuel for pumping is

reduced.

Solar Lighting Systems

Under this approach PPAF has installed around 320 solar home/lighting systems in Pakistan. These interventions are carried out for remote (off-grid) communities with three types of solar applications a), Individual Home Solar Energy Systems b), Cluster Based Solar Energy Systems and c), Community/Village Electrification Solar Energy projects. The Important consideration in assessing the benefits of a renewable energy project of solar lighting is its affordability to the beneficiary community, including the average maintenance cost per household. The Solar Homes Lighting System provides electricity for 5 hours to each household on a daily basis. These projects contribute directly to poverty alleviation in the targeted communities. As the males mainly stay out at work, women of these communities can engage in some extra income generating activities at their homes at night. The provision of electricity also improves the educational outcomes of children in these project villages. Moreover, the use of electricity produced through this clean source has no adverse environmental effects unlike the burning of kerosene oil which affects the indoor air quality.



Í ß Ö	Description	No. of Projects	Installed Capacity	Beneficiary HH	Beneficiary Population
1	Micro-Hydropower Plants	95	10 MW	15,385	107,695
2	Solar Lighting Systems	320	256 kW	6,298	48,583
3	Solar Water Pumping	49	49 kW	2,582	17,968
4	Wind Energy Projects	157	80 kW	1,126	7,882
5	Hybrid (Wind/Solar) systems	77	77 kW	770	5,390
6	Biogas Plants	31	155 m3	198	1,407
	Total	729	10.55 MW	26,359	188,925



L'eau et la sécurité alimentaire
22 Mars 2012

www.unwater.org/worldwaterday 

twitter: #unw_wwd



Coordonnée par l'Organisation des Nations Unies
pour l'alimentation et l'agriculture

Employees

responsible behavior towards our employees is basic to our understanding of sustainable development here in PPAF. This means that we develop our employees' talents and engage them in achieving PPAF's business objectives. We offer opportunities for personal and professional growth, tied to efficient performance and human potentials development. Among our objectives is creating a healthy and incentive-based work environment by welcoming each of our employees regardless of their gender, age, nationality or religion. Individual qualities and abilities are highly valuable to us. They help us build a strong and motivated team of professionals.





Our employees' development allows us to achieve high business performance. Thus, the following core competencies are crucial;

- ▣ Establishment of result-oriented behavior
- ▣ Establishment of stakeholders-satisfaction oriented behavior
- ▣ Teamwork
- ▣ Ability to communicate and persuade
- ▣ Achieve high quality and perfection in the work process

Perfection of these skills is a prerequisite for achieving exceptional results and developing the employees' potential. The commitment of our team shows by the satisfaction of the employees with the job and identifying with the company's affairs.

We have developed and incorporated the Employee Performance and Development Appraisal System and Position Appraisal System, because of our desire to guarantee transparency for career growth of PPAF's employees, fair appraisal of their performance and corresponding payment. Business achievements and competence development are the main criteria for the performance appraisal. In

addition, every manager can provide additional feedback to their colleagues when it is necessary to boost their development.

Job Opportunities

It is PPAF's objective to remain one of the most attractive employers in the Pakistan labor market. Our employees identify themselves with the company and recommend it as a desired and fair workplace. We offer diversity of job positions – from highly specialized professionals. In 2011, we hired 14% new employees, allocated to different departments of the company, reaching a total of 224 employees with 11% employee turnover. We do aim at keeping our staff, but we also do respect our employees' desire for career change and diversity.

Talent Development

PPAF acknowledges the talent of every individual, who has the ability to significantly contribute to the company's current and future success through excellent performance and high level of goal achievement, demonstration of strong motivation and the potential to grow and hold leadership positions. Our philosophy concerning the development of employees is to encourage the business-value talent.



Development begins with involving our employees in creating the company business strategy and building strong relationship with them. Our employees' engagement and contribution to the company's results depend on the continuous incentive of their knowledge and skills.

Training Facts

PPAF starts investing in its newly hired employees from their first day of work. Each new colleague goes through induction training and introduction to the company history, principles, business processes and values.

We also provide an annual training program, oriented towards extending our employees' knowledge, skills and qualification. There are opportunities for specialized training depending on each employee's job specifications, personal and professional profiles, as well as "soft skills" training.

In 2010, 63.1% of all trainings were strictly professional, concerning the "hard skills" and 36.9% concerned the

development of "soft skills" aimed at perfection of employees' personal qualities and competencies, therefore improving work quality and efficiency.

We evaluate the efficiency of the current trainings and the need for future training through trainings appraisal and analysis of the knowledge and skills achieved. Each employee has an equal opportunity to join the trainings, as long as they fulfill the selected criteria.

Achievements 2011

We believe that caring for our employees is vital for their satisfaction, personal and professional development, and thus for our company's progress. In 2011, PPAF training policy:

Trainings (Nos.)

National Trainings	57
Foreign Trainings	13
Exposure Visits	13
Conference/Seminars	12

Career within the Company

Many of our employees began their career from the basic level, and their ambition and desire for growth, combined with the opportunities given by the company have led to the professional growth of each of us.

Part of PPAF's policy is to encourage our employees to alter the focus of their occupation and to continue their development in different divisions. We provide the opportunity for one to grow within the company by announcing all available positions both internal and external. In 2010, our colleagues filled 11% of all job openings, and one of these positions is at a top level.

Taking into consideration the limited number of top management positions, it is a challenge for us to give our employees opportunities to grow all the way up the professional ladder. Therefore, the development within the various position levels is important to us.

We believe that the human resources development is fundamental for building sustainable organization. That is why we consider investments in Pakistan's youth to be a high priority not only for PPAF, but for the market as well.

Ethical Behavior

PPAF encourages maintaining ethical relations through conveyance of the fundamental values and principles of the company prescribed in the Code of Conduct. Our leading principle is: "We are professionals in our job; we are open and honest and take responsibility for our actions". Such policy aims at establishing corporate culture, which is concerned with relationships between employees and with the stakeholders.

Discrimination at the workplace is not a problematic issue for PPAF— our objectives are not to tolerate such behavior and to eliminate any

conditions for occurrence of discrimination. Each newly hired employee is introduced to the Code of Conduct and has the opportunity to express any concern for acts of discrimination at every moment of the work process to their direct manager or to Grievance Redressal Officer. In our team, we have representatives from disabled staff (2 people). We do not have any employees, which are below the legal work age (as defined by the Pakistan Labor Laws) and we commit ourselves not to follow or tolerate any form of child or forced labor. We are proud of our young and educated team.

The average age of our employees is 30 years. 85% of PPAF's employees have University degree. We have kept balance and equality between male and female employees. Female represent 30% of our total workforce.

Diversity and Equality

Diversity is the foundation to our understanding of development. Each employee with his or her personal characteristics becomes a part of building a strong team, creates diversity of perspectives and provides a flexible approach for different situations. When selecting candidates and evaluating employees, their age, gender, race or religion are not considered – performance and individual qualities are what matters.

At the same time, we encourage growth equally to men and women – in 2011 the number of female professionals in managerial positions has increased from one to three. In the future, we intend to keep investing in female growth and recognition of women as key leaders.

Health & Safety at Work

We put an emphasis on the healthcare and safety of our employees. Our objective is to ensure a safe and healthy working environment, not only by observing the legislation but also by lowering the risk of accidents and encouraging the maintenance of a balance between personal and professional life.

Our managers have the responsibility to follow the rules set in our workplace Health and Safety Policy. This responsibility is a priority in order to maintain our employees' physical and mental health. Prevention, as the first precaution to ensure safe work conditions, is an important element in the decision-making process.

As part of maintaining our employees' health, we have provided an additional social benefit package, which includes accident insurance.

Our employees do not participate in any form of collective associations – every one of us has the opportunity to express freely their needs regarding health, safety and working conditions.

Human Resources management has the responsibility to pass on these concerns to a higher level of management. The lack of associations proves our employees trust in the company and its achievements in this field.

Work-life Balance

The day-to-day satisfaction and achievements are fundamental part of PPAF's view on the work-life balance. We treat our employees' personal needs with respect and care, striving to maintain the fragile balance between personal life and work. When people have more time to spend with their family and friends, they are more motivated and show better business performance.

Development of Employees

Our company emphasis is on growing and developing each employee so that they are best able to produce the required results in their particular function in support of the organizations' mission and goals.

Our company believes that learning is the watchword in building the human asset base of the organization. Whilst the PPAF expects its employees to take responsibility for their individual effectiveness, personal and career development, it is the responsibility of the company to ensure that all employees have access to equal opportunities for learning and development.

Social Benefits

The care for and acknowledgment of our team members are the leading elements for the company's growth and success of corporate responsibility. It is important to ensure incentives for our people and to reward them for their contribution to the business. Our objective is to provide excellent working conditions and to motivate them with a social benefit system that we have developed with the employees' participation. That program includes:

Medical care – since its establishment the company provides free medical care, health insurance fund



and accident insurance;

Financial Aid Procedure for employees with severe health problems whose treatment is not fully covered by their health insurance or the health fund; Subsidized food served through in-house cafeteria; Preferential terms when using PPAF services – free telephone, internet, transport for official work.

Team building events etc., annual functions / diner for the company staff;

Annual sport tournament and equal opportunity for participation

Honoring the Earth Day, Water Day and International Women Day and events especially for the female employees.

The care for our employees reaches their families. Members of their families have the opportunity to:

Use the services of the health insurance fund at preferential prices. It is our duty to financially help our employees' relatives in cases of emergency.

People

Ensuring we have a diverse workforce with employees who feel included, inspired and engaged is the underlying strategy that enables every other goal we set for the company. That's why we take great care to invest in our people and create opportunities for them to maximize their overall contribution. Our success would not be possible without this fundamental commitment.

Think OF THE
OPPORTUNITY

Review of the Results

KPIs	Unit	Result 2010	Result 2011
Employees	Number	195	224
Employee Turnover	Number	15	11
Fatalities	Number	0	0
Internal hires (coverage of open positions)	Number	6	14
Female employee directly reporting to CEO	%	1	3
Employees receiving training	%	18	38

Internal Communication Systems

Corporate responsibility in PPAF begins with the responsible attitude towards the company's employees and their responsible behavior that occurs as a result. Both as a function and as a separate structure, the internal communication is inseparable part of everything that happens in PPAF.

The official internal communication channels contribute daily to establishing and maintaining supportive environment and professional corporate culture through transparency, expedience and objectivity of the information that is provided. Internal communication is a strategic partner in all the activities of the company as an employer, as a partner and as an operator providing services to its customers.

Communication is a key factor for the success of the corporate responsibility, for running each internal campaign and for the promotion of different initiatives among employees. Internal communication is actively and consistently working for promoting, inspiring and achieving specific objectives of the corporate responsibility program using different communication channels, campaigns, events, office branding, etc.

An inspiring example for internal communication's contribution to corporate responsibility is the increasing number of PPAF employees that participate in different initiatives and activities related to the responsible use of resources, waste recycling and many others.

Grievance Redressal

A grievance can be defined as any sort of dissatisfaction, which needs to be redressed in

order to bring about the smooth functioning of the individual in the organization. PPAF has a formal grievance mechanism in place for both the internal and external stakeholders.

Our company has an open policy for communication and problem communication and problem consultation concerns are often raised and settled as a matter of course.

Maintaining quality of work environment for its employees is an important concern for PPAF.

E-sharing

Initiative of launching e-sharing – disseminated electronically on a fortnightly basis – has become a wonderful source of information about the events and happenings taking place not only on the premises of the office but also within various operations and support units as well. Despite being under one roof, most of the Team PPAF members remained unaware of the activities taking place in other units. So over a small period of time the e-sharing has come a long way not only in keeping the staffers well abreast of the important developments taking place within the organization but also has succeeded in breaking the silos. E-sharing has provided an exceptional platform to the Team PPAF to share and celebrate their successes and achievements with their peers and colleagues in a noble manner as well as unleashing the potential of the employees to produce something worth sharing.

Commitments 2011

- Expanding the Talent Management Program
- Maintaining high levels of employee commitment and satisfaction
- Encouraging female professional growth to leadership positions



Society

A scenic landscape photograph of a golf course. In the foreground, a calm body of water reflects the sky and the surrounding greenery. A large, mature tree with a thick trunk and dense foliage stands on the left side of the frame. The middle ground shows a well-maintained green golf course with a small building visible in the distance. The background is filled with more trees and a clear blue sky with scattered white clouds.

PPAF aims to promote a holistic approach of poverty alleviation, which is aligned closely with Pakistan's commitment to the Millennium Development Goals (MDGs). We place emphasis on multi-sector programs that generate broad and deep impacts at the community level. A key aspect of our work is supporting community institutions (institutions of the poor) and partner organizations (institutions for the poor) that work directly with communities and their institutions. To achieve the ultimate objective transparency, accountability, inclusion and participation are the set values.

Special Initiatives

PPAF has designed a series of special instruments to address specific constraints of the most vulnerable and marginalized communities and households. These households constantly struggle with exogenous shocks such as drought, flood and earthquakes. To overcome extreme water scarcity for both drinking and irrigation purposes, PPAF has developed a drought mitigation and preparedness program for communities (especially in Balochistan and Sindh) which are prone to frequent droughts. Under this program, PPAF through its POs, undertook a series of activities involving better water management and conservation policies. PPAF has also initiated a special program for the vulnerable coastal communities of Sindh province. This program focuses on rehabilitating rural livelihoods through upgrading and development of infrastructure, provision of health and education services, capacity building and social mobilization. With international collaboration, PPAF has initiated a pilot project of social safety nets for 1,000 poorest households in 110 villages in Sindh Coastal Areas. Health and food allowances were provided to selected ultra-poor for a period of twelve months. During the same time, trainings on enterprise development, skill enhancement and book keeping were imparted to the target groups. The process of assets transfer has been initiated. As the grants program phases out, it is expected that most participants will be prepared to pursue independent economic activities and be eligible for induction in PPAF's regular micro-credit program.

PPAF interventions are encouraging the communities to invest in innovative schemes for corporate management such as the establishment of collective livestock farming, village banking and marketing enterprises. These ventures afford opportunities to rural poor for moving out of the vicious circle of poverty.

PPAF has introduced a new product for the micro-

finance sector, which permits grant of "Equity Fund" to the most dynamic partners and micro-finance institutions enabling them to access commercial financing to realize their growth potential and expansion into rural areas. PPAF would provide equity to only those micro-finance institutions which meet international criteria on financial sustainability, successful micro-finance models and capacity to access counterpart funding. The objective is to make them more attractive prospects for commercial sector lending thereby enabling them to expand outreach of micro-finance sector in Pakistan.

PPAF has launched a nationwide Enterprise Development Training program for persons with disabilities to impart skills training so that they could have a regular and an independent source of earning for themselves and their dependents. This is the first of its kind initiative launched by PPAF for the benefit of the disabled persons in Pakistan. The purpose of this nationwide program is to impart useful skills training to more than 600 persons with disabilities annually, so that they could become independent bread winners for their families.

Results Framework

PPAF has a comprehensive Results Framework which tracks outcome and impact in a two dimensional framework: (i) Overall Objectives (and associated indicators) align PPAF operational activities, to the extent relevant, with MDGs and core focus on institutions of the poor (ii) Intermediate Outcomes (and associated indicators) break out overall indicators in terms of operational components. Both dimensions represent long term objectives and vision of the institution. Time bound project specific indicators have been subsumed in the overall PPAF strategic objectives and framework. All the envisioned outcomes and impact are limited to PPAF interventions, components, communities, households, districts, Union Councils and locations.





Disaster Preparedness and Management

In the recent years communities all over the world are experiencing an increase in the frequency and intensity of disasters – both geological and meteorological. The losses of lives and property are proportional to the level of preparedness of a nation for disasters and its economic resilience. Pakistan is beset with a multitude of hazards including: cyclones, tornados, tsunamis, floods, droughts, earthquakes, landslides, GLOFs and avalanches and numerous human made and complex disasters.

Response to Emergencies

2011 Floods

In 2011, heavy monsoon rains triggered floods sinking lower parts of two provinces of Pakistan (Sindh and northern parts of Punjab) for a second year running causing massive damage and affecting the lives of over nine million people. In response, a relief operation worth Rs. 258 million was launched in 14 union councils of Badin district from PPAFs own savings. PPAF engaged three of its Partner Organizations for the relief activities and provided: hygiene kits to 59,680; 1

million liter of fresh potable water to 23,390 families; healthcare to 8,766 patients; and shelters to 625 families.

Capitalizing on PPAF's credible track record of managing disasters and emergency situations on a large scale, PPAF proactively responded to widespread destruction caused by July 2010 floods. The Company adopted a comprehensive strategy focused on immediate relief through provision of food, milk, water, medicines, shelter and related items for the affectees. The relief operations were carried out through 20 partner organizations in 22 districts (132 union councils) of flood affected areas of Kyber Pakhtunkhwa, Punjab and Sindh. PPAF distributed over 5 million kg of food items; supplied 135,000 liters milk; set up 105 medical camps where over 57,000 patients were treated; distributed 50,000 hygiene kits; sunk 140 hand pumps; and provided 1,700 tents. In addition, fodder was provided for 70,000 animals, 1,200 animals were vaccinated while drenched bottles were provided for 2000 animals. PPAF is following up relief efforts with early recovery, rehabilitation and reconstruction activities to allow people in affected areas to rebuild their lives and livelihoods.



2005 Earthquake:

PPAF was actively involved in rehabilitation and reconstruction operations, on a major scale, in the areas affected by 2005 earthquake. Besides carrying out effective relief operations, PPAF was involved in reconstruction of 122,000 housing units, rehabilitation of over 660 water supply and infrastructure schemes and reconstruction of 19 state-of-the-art health & educational facilities.

Awareness & Campaigns

Theatre Series

PPAF also organizes interactive theatres for its communities. Theater reaches audiences in a very personal and compelling way, touching both the heart and the mind. It addresses risks in a community, has the flexibility and power to motivate behavior change and reaches the literate and the illiterate alike. It provides a safe way for vulnerable people to speak and for communities to talk about issues confronting them. Theater is used in communities around the world as a participatory development tool. The activity entails interactive role-playing and interpretation in a local community, with drama centered on key issues and realistic scenarios. Not only are these interactive theatre performances an informative form of

entertainment, they also explicitly aim to change behavior in target communities and galvanize them into remedial action. They also provide an excellent opportunity to develop linkages with the government line departments and civil society organizations to share and learn from their experiences.

Radio Program

Print and electronic media, which constitutes the most effective means for educating and sensitizing public opinion, forms an important component of C&M Unit's multi-faceted strategy to accessing public domain.

Besides successfully availing of other modes of communication for the cause PPAF, the C&M Unit has successfully engaged public opinion through its popular radio program – "RoshanRaahein" – that has grown in stature over the time and successfully attracted a large listenership from all over Pakistan.

The program has generated a lot of interest and awareness among target communities and stakeholders – a fact substantiated by the receipt of a large number of letters from across the country.

This program regularly broadcasts PPAF's experience in participatory development through transmitting stories on the organization's multi-sectoral interventions from across Pakistan.

Additionally, the program has routinely relayed useful information on ways in which the general public and aspiring organizations can access PPAF and its network of partner organizations.

It has also played an important role in educating people on how to organize themselves for the common good of their communities and begin to participate in the process of development.

RoshanRaahein - the popular radio program plays an important role in educating the people about the betterment of their community. It includes real life stories about PPAF beneficiaries in the form of case studies, and communicates information to the general public and endeavoring organizations on how to contact PPAF. In addition, the program addresses community concerns on projects in their areas. It serves as a unique source of feedback from opinions of those directly impacted. Other than this, RoshanRaahein also helps PPAF position its image as a key player in the development sector and highlights contribution made by its partner organizations in bringing about a positive change in the lives of the poor and marginalized communities in the far off and inaccessible areas of the country.

Video Documentaries

"The Radiant Trails"

The video documents PPAF's efforts in ameliorating the lives of the poorest of the poor under its Social Safety Net-Targeting Ultra Poor (SSN-TUP) pilot project in coastal areas of Sindh.

"When Hope Rekindles"

The documentary narrates the story of PPAF's

efforts to revitalize the lives of Internally Displaced Persons (IDPs) in seven camps across Mardan, Swabi and Peshawar following large scale migrations from the upper mountains and valleys of KpK. PPAF's timely interventions in basic infrastructure, water, sanitation, health and education, counseling and skill development played an important role in lessening impact of the crisis.

"Vitality for Life"

This video documentary is about PPAF's pilot school milk project under which over 6,000 school children were provided milk on daily basis in 50 schools for six months in District Rahim Yar Khan. The project has contributed to improving child nutrition as well as enrolments and attendance in project schools.

"From Hope to Reality"

A story of Courage and Resilience: PPAF has successfully completed the largest private sector relief, reconstruction and rehabilitation operation in earthquake affected areas spanning 34 union councils in 5 districts and involving reconstruction of 122,000 housing units, 660 water supply and infrastructure schemes and 19 state-of-the-art health and education facilities. The documentary relives PPAF's struggle to deliver under testing conditions in some of the county's most remote areas.





...We cannot change our past... we cannot change the fact that people will act in a certain way. We cannot change the inevitable. The only thing we can do is play on the one string we have, and that is our attitude.

Creating bonds of fraternity among marginalized communities

PPAF has allocated funds for mainstreaming isolated, poor and marginalized communities from diverse background through experience sharing and replicated best practices in their respective environs. This effort on the part of PPAF will help in nation building, breaking social barriers and creating bonds of fraternity among marginalized communities residing across the country. It would also provide a platform to these poor communities to share their respective experiences and reap the fruits of the development effectively. So far, PPAF has arranged exposure visits of 34 groups of youths comprising 1,289 males and females to various parts of the country in order to develop inter-provincial understanding and learn from best practices. In collaboration with the Ministry of Youth Affairs and Ministry of Culture, PPAF arranged an exposure visit of 70 young community members including males and females from the operational areas of seven POs of PPAF from Balochistan and Khyber- Pakhtunkhwa to share and learn from experiences of each other in Islamabad.

These young community members from the far flung areas of the country were taken to three PPAF projects sites (KotliSattian, Serah and PindMistarian) on the outskirts of Islamabad to witness the impact of integrated schemes of health, infrastructure, water supply etc. projects on the lives of local communities.

Education for the youth of Balochistan

PPAF has launched a comprehensive quality education program for streamlining youth of Balochistan. The PPAF-funded program has been initiated in Kharan, Khuzdar, Musa Khel, JhalMagsi, Kohlu, Awaran and Panjgoor districts of Balochistan.

Under Chamalang Education Program in Kohlu alone, PPAF is providing financial support for fee, books, uniform, stationery, etc. to over 3,000 students. So far, PPAF has set up 31 community schools while it has adopted 145 public sector schools, provided financial support for provisioning of water, furniture, repair & renovation, teachers' training, activation of school committees, etc. in the abovementioned districts of Balochistan.

This initiative is focused on a radical improvement in literacy level and over 12,000 children have been enrolled in PPAF funded schools and out of these, 7,700 are boys and 4,400 are girls.

As a part of its initiative, PPAF arranged an exposure visit of students of schools being run by its partners in the abovementioned districts, and 80 students of grade five to twelve were brought on educational cum-recreational visit to various parts of the country. These students visited Fort Manro, Ghazi Ghat Bridge in Multan, landmarks in Lahore and witnessed flag lowering ceremony at Wagah. They were also taken to PPAF sponsored educational facilities in Mangla, Military College Jehlum and Mangla Power House & Water Sports club.

Commitment

The PPAF disaster preparedness and management program builds the response capacity of the local communities and institutions as part of preparedness for disaster management and includes;

- ❧ Building disaster preparedness of the POs and communities to manage risks and to respond to disasters
- ❧ Promoting a culture of preparedness and make communities safer by reducing risk of hazards in a coherent and systematic manner
- ❧ Integrating Disaster Risk Reduction (DRR) in development processes across all programs of PPAF directly, and through example, advocacy and sharing DRR tools in all development initiatives in the program area for the development to be risk conscious and sustainable
- ❧ Setting the example of good practice for adopting for replication by partners and other organizations inside the country and abroad
- ❧ PPAF is in the process of embarking on a comprehensive community program for disaster preparedness and risk management. The salient features of the program include:
 - ❧ Establishing disaster management institutions at the union council level
 - ❧ Knowledge & skill transfer on Disaster Management
 - ❧ Establishing DPM Centers, with stockpiles of emergency tools, equipment & shelter
 - ❧ Selective Mitigation Projects on equity basis
 - ❧ Establishing a standing disaster response fund



Indicators

MARKET PLACE

Indicators	Units	2011	2010	2009	2008	2007	2006	2005
PPAF								
Net Profits	Rs. in million	1,415,940	1,329,105	1,030,277	802,006	913,729	500,894	196,210
Revenue	Rs. in million	2,485,286	2,070,032	1,668,682	1,314,202	1,254,390	761,508	303,444
Fund & Reserves	Rs. in million	3,736,073	3,189,978	3,785,356	2,755,078	1953072	987,842	486,947
Debt	Rs. in million	14,043,718	12,355,889	11,140,482	10,879,511	10,888,109	10,813,558	6,482,473
Total Capital employed	Rs. in million	21,291,324	18,360,733	15,816,241	14,524,972	13,729,839	12,301,400	6,969,420
No. Partner Organizations	Nos.	99	87	77	74	70	68	56
Infrastructure projects completed	Nos.	1,144	2,373	4,143	2,074	3,283	1,903	1,322
No. of Micro-credit Loans	Nos.	563,836	846,191	791,324	700,797	788,671	565,448	184,946
No. of Partner Organization Staff Trained	Nos.	468	992	1,623	1,308	3,497	2,262	802
No. of Community Trainees Trained	Nos.	33,134	10,793	112,424	40,741	67,592	62,416	19,553
No. of PPAF supported Schools	Nos.	1026	830	608	18	10	-	-
No. of PPAF supported Health Centers	Nos.	432	352	263	39	21	11	-
Market Share of PPAF in MF sector	%	45	45	42	45	43	-	-
No. of Districts which we are present	Nos.	129	127	73	73	80	108	96

EMPLOYEES

Indicators	Units	2011	2010
Total PPAF Workforce	Nos.	224	197
Senior Management	Nos.	18	12
Middle Management	Nos.	34	25
Lower Management	Nos.	132	118
Total PPAF Workforce by age			
24-30	Nos.	70	50
31-40	Nos.	113	111
41-50	Nos.	28	25
51-60	Nos.	13	11
Number of PPAF workforce belong to Provinces			
Punjab	Nos.	149	-
Sindh	Nos.	13	-
KPK	Nos.	49	-
Baluchistan	Nos.	10	-
Gilgit & Baltistan	Nos.	3	-
Women in the workforce	Nos.	55	37
Women in middle management	Nos.	7	5
Women in Senior management	Nos.	1	-
Women in lower management	Nos.	47	32
Internal Hiring/Promotions	Nos.	14	6
No. of Disable employees	Nos.	2	2
Total PPAF workforce turnover	Nos.	11	15
Turnover in senior management	Nos.	2	2
Turnover in middle management	Nos.	4	2
Turnover in lower management	Nos.	5	11
Turnover of Women	Nos.	1	8
Total Trainings delivered	Nos.	86	36
No. of reported accidents	Nos.	2	3
No. of Approved Policy Manual Drafted	Nos.	14	4

2009	2008	2007	2006	2005
165	165	128	101	70
11	9	9	10	8
17	17	9	8	6
92	97	82	59	37
38	35	22	18	9
90	98	73	61	48
27	24	26	18	8
10	8	7	4	5
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30	30	28	24	17
3	3	3	3	-
-	-	-	1	1
27	27	25	20	16
-	-	-	-	-
2	1	-	-	-
15	42	44	12	10
1	1	1	1	-
1	4	-	-	-
13	37	43	11	10
10	8	13	8	8
24	54	-	-	-
4	3	6	-	-
4	4	3	3	3

ENVIRONMENT

Indicators	Units	2011	2010	2009	2008	2007	2006	2005
PPAF Offices	Tones	160.40	129.90	130.68	119.00	110.42	120.05	52.02
Total Carbon emissions								
Total electricity consumption	KWH	302650.77	245090.58	246563.42	224532.59	208344.22	226500.49	98142.75
Total Natural Gas consumption	Kg	7344.24	-	-	-	-	-	-
Total water consumption	Gallon	14427.36	16674.17	17495.50	14831.62	10053.92	6,035.04	4076.91
Total paper consumption	Tones	4.93	5.02	5.10	4.94	4.98	5.00	1.83
Total paper delivered for recycling	Tones	12.8	1.5	-	-	-	-	-
Annual spending on photocopy paper	Tones	3.20	3.26	3.32	3.21	3.24	3.25	1.19
Total Toner used	Nos.	385	584	564	345	-	-	-
Toners recycled (remanufactured)	Nos.	121	86	-	-	-	-	-
Fuel Consumption	Gallon	29319.66	15168.34	14812.28	20010.08	7116.76	9247.58	5463.64
Paper saved from automation	Tones	0.09	0.08	-0.165	0.045	0.015	-	-
PPAF Financed Projects								
Energy Consumption from Renewable energy (No. of Project Initiated, Capital Cost & Generation Capacity)								
No. of Micro Hydros Projects	Nos.	5	15	14	33	18	3	
Micro Hydros Capital Cost	Rs. in million	63,040	177,341	123,625	113,785	40,279	5,488	
Micro Hydros Energy Generation Capacity	KW	858	2858	2263	1695	658	175	
No. of Solar Energy System Projects	Nos.	123	87	30	15	4		1
Solar Energy Systems Capital Cost	Rs. in million	88,714	55,206	15,811	6,100	2,983		.43
Solar Energy Generation Capacity (Average 800 Watts per system)	KW	98.4	69.6	24	12	3.2		8
No. of Solar Water Pumping Projects	Nos.	33	7		9			
Solar Water Pumping Capital Cost	Rs. in million	26,884	8,086		7,190			
Solar Water Pumping Generation Capacity (Average 1.00 kw per pump)	KW	33	7		9			
No. of Wind Energy Projects	Nos.	3	9	5	44	22	29	21
Wind Energy Capital Cost	Rs. in million	1,295	5,712	3,065	13,946	5,949	6,343	5,235
Wind Energy (Average 0.05 kw per Project)	KW	0.15	0.45	0.25	2.20	1.1	1.45	1.05
No. of Wind/solar Hybrid Projects	Nos.	11	65					
Wind/solar Hybrid Cost	Rs. in million	8,549	49,557					
Wind/solar Hybrid (Average 1.00 kw per Project)	KW	11	65					

SOCIETY

PPAF Investments	Rs. in million	15,738	13,846	13,066	16,697	15,806	12,647	9,516
Micro-credit loan, Grants for Water Supply Schemes, Small Scale Infrastructure Schemes, Health, Education & Disaster								
No. of Internship Programmes conducted by PPAF	Nos.	3	4	3	-	-	-	-
No. of Interns	Nos.	75	46	89	38	-	-	-
Cash Awards by PPAF	Rs. in million	9.4	0.43	3.63	2.92	3.37	-	-
Conferences & Awareness Programmes organized and facilitated by PPAF	Nos.	24	21	18	22	7	8	5



**Restoring Hope,
Securing the Future,
Ending Poverty**

