

Annual Report 2013





Dedicated to

Dr. Muhammad Waseem Khan (Late)

Former Member - Board of Directors
MOJAZ Foundation



inclusiveness

Demanding us to work to ensure that everyone irrespective of sex, age, race, color, class, religion, creed, physical handicap, ethnic group, social background-has equal opportunity for expressing and utilizing their potential.

integrity

Being open and honest, we honor our commitments to the community and each other

**team
work**

We create an environment in which all employees work together and support the individual talents & contributions of team members.

**honesty and
transparency**

Requiring us to be accountable for the effectiveness of our actions and open in our judgments and communications with others.

accountability

We are responsible to our community and each other for our personal and organizational decisions, action and performance.

respect

We demonstrate respect to our co-workers and members of the community.



VISION

To promote socio economic empowerment through inclusive rights based approach

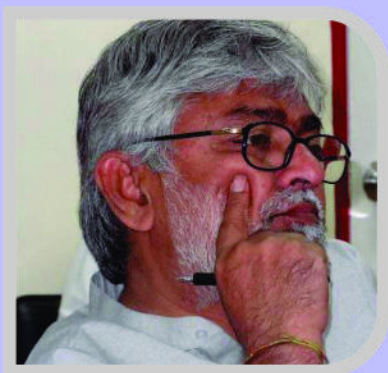
MISSION

To be a self sustained organization by serving vulnerable & marginalized communities through provision of financial & non-financial services on sustainable basis

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Chairperson's Message

In June 2011, when I was elected as the Chairperson of the Board of Directors for MOJAZ Foundation, it put me in an impenetrable situation. I was not sure of how I will be able to steer such a dynamic and rapidly growing organization of young professionals, where most of them were at their early-mid levels of career. However, what encouraged me the most was the dynamic leadership of the CEO, Mr. Ramesh Singh Arora, overwhelmed with ambitions, dedication and solid expertise of sustainable livelihood for rural communities. The zeal of young professionals at MOJAZ, through learning by doing, was fast-tracking in light of mobilizing the local communities and engaging them as a key partner for their local level development. This made the organization extremely proactive, as a result of which the BoD also geared up its oversight and support role to steer this fast growing and ambitious organization.

MOJAZ Foundation shifted its gear to become a multidisciplinary development organization with a strong foundation of micro-credit and livelihood support. It undertook marvelous challenges of thematic and geographical spread; it expanded from one district-Narowal to Muzzafargarh, Multan, Rajanpur in Punjab and Shaheed Benazirabad, Badin, and Kashmore in Sindh, Swat and Bunair in KP. The remarkable job that MOJAZ has done in 2012-2013 was to expand its Microfinance program to 5436 borrowers, humanitarian relief to 27,300 flood affected families. MOJAZ Foundation expanded its program to Humanitarian Assistance through relief and rehabilitation; Agricultural development through productivity and value chain development; and Social sector services through the provision of quality education, improved health facilities and strengthened local governance at village and union council levels.

The hallmark of these achievements is Social Mobilization; the partnership of local communities and extremely motivated team of social organizers. I highly commend the level of trust with partner communities, which was always a source of encouragement for MOJAZ team and source of confidence for the Badin order to maintain its strategic pace. Above all, let me record the stewardship of Pakistan Poverty Alleviation Fund (PPAF) who fosters great institutions like MOJAZ. MOJAZ is a true example of PPAF's philosophy "Ishq, Ilm, Amal" (passion, knowledge and practice).

I owe a big thanks to the MOJAZ Foundation's partner communities, donors and development partners, field team, local Governments and the Board of Directors who have always blessed MOJAZ to find right means to achieve gigantic goals. They shouldered all my burdens. Above all, it were the women of upper program districts who demonstrated what great potential they had, once unleashed they achieved amazing results.

I hope that we will always maintain this level of trust and confidence to keep our momentum going and growing fast. I hope MOJAZ Foundations' supporters; donors, mentors and communities will offer their encouragement as usual.

Dr. Sono Khangharani
Chairperson

Chief Executive's Message



MOJAZ Foundation was established in March 2008 with a goal to serve vulnerable and marginalized communities across Pakistan through an inclusive rights based approach. Today, it gives me an immense satisfaction that over the period of 5 years MOJAZ has successfully provided financial and non-financial services to the marginalized communities to reduce their sense of deprivation through promoting livelihood opportunities, improving social sector services, building linkages and by providing emergency relief and early recovery support.

In the beginning of our journey, MOJAZ was fortunate enough to get the opportunity to reach out to the poorest areas of Narowal with the support of Pakistan Poverty Alleviation Fund (PPAF) under the partnership of International Fund for Agricultural Development (IFAD). The partnership with PPAF helped MOJAZ to develop strong policies systems and an in-depth knowledge of the causes of poverty. Our Microfinance program supported by the PPAF has been instrumental in bringing out positive changes in the lives of those who otherwise were alienated from the mainstream economic activities.

Based on its experience strengths and a great demand from the communities, MOJAZ extended its operation, by forging new partnerships with donors, to other areas of Pakistan—Sindh, Punjab and KPK—in order to reduce the miseries of under-privileged communities. We consider communities as our partner in development rather than a passive aid recipient, and we engage them in designing, implementing, and monitoring of projects and programmes.

Our focus on livelihoods, social sector, humanitarian response, disaster risk reduction and disability will continue to be a major priority as we go forward, with primary focus on marginalized communities. We strive to introduce innovative solutions for sustainable community development with the financial and technical support of our national and international partners, guidance of our board of directors, advisors, and above all relentless support of community. We are thankful for their unconditional support, as it gives us enormous confidence to do more.

We will continue our efforts to ensure effectiveness, transparency and accountability in our operations. Together with communities, donors and public sector we aspire to leave a mark on socio-economic horizon.

Today, when I have resigned from the post of CEO due to my new engagement with the Punjab government as MPA, I am leaving a team of professionals behind who will further the aim of MOJAZ Foundation. I wish them best of luck!

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Kaur', on a light-colored rectangular background.

Gulshan Kaur
CEO MOJAZ Foundation

MOJAZ Introduction/Background

MOJAZ Foundation was established in March 2008 as a not-for profit organization to serve vulnerable and underserved segment of Pakistan. Since then it has been endeavoring to improve socio-economic condition of poor and vulnerable communities through harnessing their potential to help themselves and by providing support in the form of financial and nonfinancial services. The financial services include Micro Credit, Micro Insurance and Micro Leasing and non financial services includes: Business Development Services, Agriculture, Livelihood, Social Sector Services, Women Empowerment, Human and Institutional Building and Strengthening and Humanitarian Response—Emergency Relief and Early Recovery. Gender and Disability mainstreaming is ensured in every initiative.

All initiatives of MOJAZ focus on ensuring equal opportunities for poor, vulnerable and marginalized households through improved access and control over human development opportunities. As a strategy, MOJAZ concentrates on promoting a network of community organizations at grassroots level, building their capacity so that they are better able to understand their situation and take actions accordingly, ensuring support in terms of financial and non-financial services and enhancing linkages to development infrastructure such as market and line departments etc. Building strong relationship with the government by critically engaging with them is an integral part of the strategy. This gives an opportunity to engage government in every initiative, and develop ownership of the development initiatives amongst government line agencies for sustainability.

MOJAZ Foundation's credibility and capacity is evident from its long-term partnership with mainstream donors, its high level of technical knowledge and experiences to implement complex projects; its ability to network with other stakeholders; its vibrant board of directors and management; and dynamic human resource.

Since its establishment, the organization has been a key partner for rural development and humanitarian response initiatives on many major initiatives. It has played a significant role in the development process of Pakistan by implementing some 64 (33) social sector, 31 Microfinance related projects with a total value of some PKR 144,6716,813 that have provided support to capacity development, humanitarian assistance, rural development as well as policy formulation. MOJAZ Foundation's proven ability to work with donors and local collaborating partners, make it the key national partner for development and humanitarian response projects/programs in Pakistan. MOJAZ Foundation has emerged as a major partner in designing, implementing and evaluating financial and non-financial programs/projects for UNDP, UNHCR, WFP, FAO, UNOPS, Foundation Open Society Institute, CIDA, Concern RAPID FUND, USAID, PPAF, IRD, IOM and ASF. MOJAZ Foundation supported over 27000 households in 3 districts of 2 provinces as part of a key implementing partner for 2011 floods emergency and early recovery response. In response to 2012 floods, the organization has successfully implemented 4 projects in Sindh. The Organization is an active member of food security WASH & Shelter cluster at district and provincial levels.

Certification of MOJAZ Foundation by Pakistan Centre for Philanthropy (PCP): A great Achievement

The PCP assessment mission after thoroughly reviewing the organizational processes, documents, policy manuals and interacting with key staff has certified MOJAZ. Now MOJAZ Foundation is a PCP certified organization, and this is a great honor.



Table 1: Geographical Presence



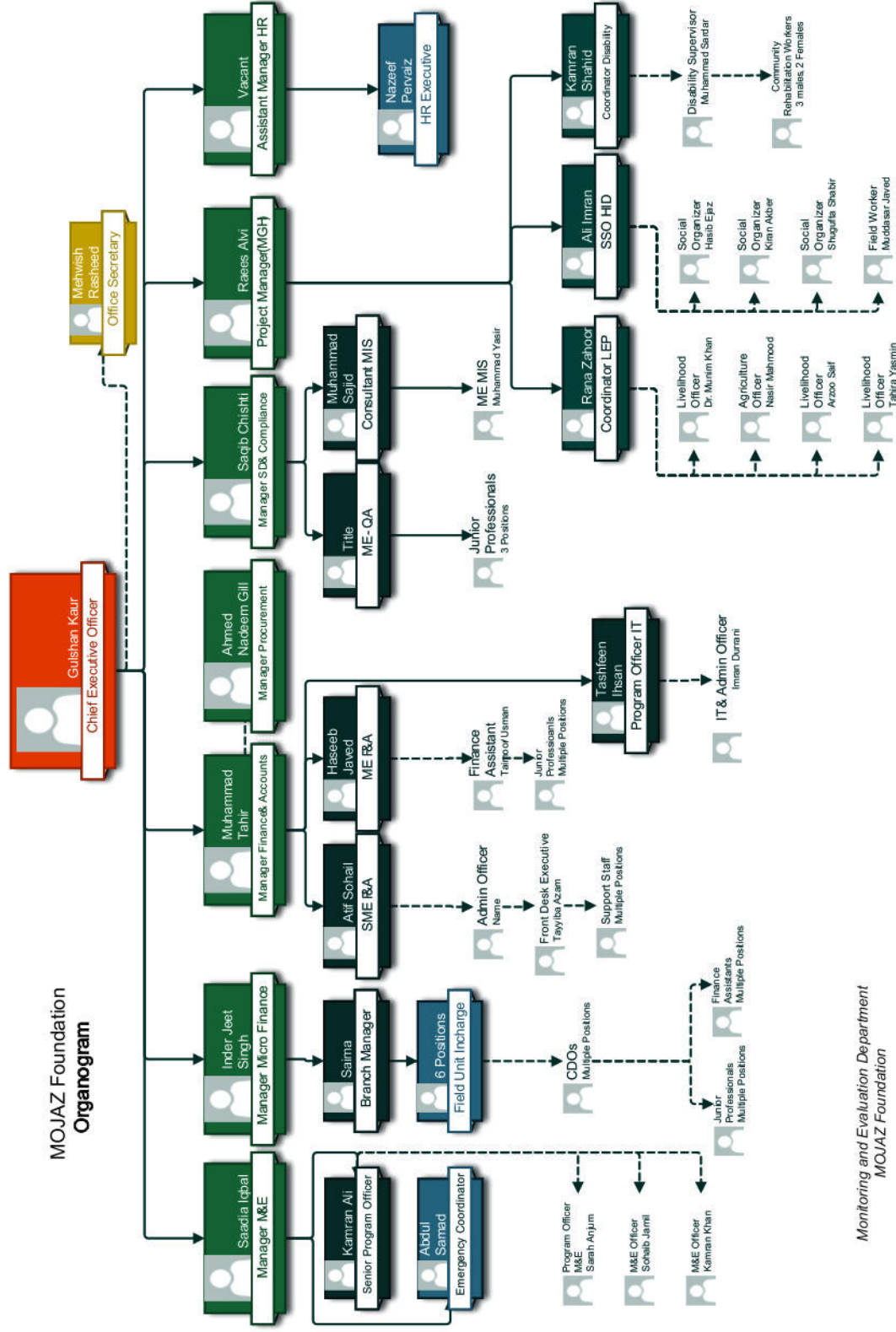


Table 2: Organizational Organogram

Thematic Focus and Project Interventions:

4.1 LIVELIHOOD ENHANCEMENT AND PROTECTION

MOJAZ Foundation focuses on enhancement of community's ability to become self-sustainable so that they can generate adequate resources for meeting the requirements of the self and household on a sustainable basis with dignity. Although agriculture provides livelihood to more than 80% (21% of total GDP and 48% labor force engage in Pakistan as per Agri Department Punjab Pakistan) of Pakistan's population, it is becoming unsustainable due to a host of reasons because of which marginal and subsistence farmers are becoming more and more vulnerable. Keeping in view this fact, MOJAZ Foundation implemented various short term and long term projects, in poverty stricken areas of Punjab and Sindh, aimed at improving life of ultra-poor and marginalized communities by providing diverse opportunities that could ensure basic sources of livelihoods.

"Livelihood development programmes at MOJAZ are designed to help improve the quality of life for marginalized people by providing them with access to livelihood opportunity and protection; by giving them hope to constructively contribute to their communities".

4.1.1 THE LIVELIHOOD ENHANCEMENT AND PROTECTION PROJECT (LEED):

The Southern Punjab, has a high rate of poverty, most of the districts particularly along the Western border are extremely poor and underserved by the public sector. The deadliest floods of 2010 further aggravated the situation in these districts. According to the statistics published by National Disaster Management Authority (NDMA), 323 villages, 2,500,000 animals and 400,260 acres of crops have been affected by flooding in Muzaffargarh.

The low-income and disadvantaged communities, residing in the rural areas of district Muzaffargarh, are exposed to increasing economic risks, besides facing the hard consequences of natural disasters and climate change. In this backdrop, MOJAZ designed this project in which livelihoods improvement is combined with a mechanism that sustains and increases livelihood opportunities for the communities living in two Union Councils of District Muzaffargarh. The project is funded by PPAF.

The project seeks to enhance productivity of ultra poor through focused interventions aimed at developing skill sets and assets for greater income generating opportunities and better livelihoods.

The LEED project is committed to achieving the key objectives through:

- Identification of Poor and Ultra poor identified by Poverty Score Cards (PSC) Survey
- Development of Livelihood Investment Plans (LIP) for Ultra & Vulnerable poor
- Build capacity of selected 3,720 poor by providing them enterprise & technical business/vocational skills
- Transfer of Asset to Ultra & Vulnerable poor identified through PSC
- Creating and developing Common Interest Groups (CIG) at hamlet, village and UC level around various livelihood sources
- Working towards formation and strengthening linkages of CIGs with organizations, line agencies and local community markets for promoting local business through collective bargaining in procurement of raw material and in sale of final goods.



MOJAZ creating opportunities for young entrepreneurs in the community through Rickshaw distribution among the ultra poor

PROGRESS AGAINST OBJECTIVES

- PSC survey has been completed in 2 UCs and the data has been entered into MIS.
- Successful development of Livelihood Investment Plans (LIP) for Ultra poor; having the total no of 720 beneficiaries
- Total number of 32 Common interest groups (CIGS) have been successfully developed under the themes of:
 - Agriculture: 01 no of CIGS
 - Livestock: 13 no of CIGS
 - Business enterprises: 18 no if CIGS
- 3 Linkages have been successfully developed of 40 CIGs at hamlet level with:
 - Multan chamber of commerce
 - Livestock department
 - Agriculture department
- Assets of (50,000 PKR per beneficiary) have been successfully transferred to 259 beneficiaries out of which 68 are women
- Furthermore, 55 trainings were conducted in total having 1540 participants



A beneficiary family in Muzaffargarh was provided with a buffalo under the 'Livelihood enhancement program'

Output Level Achievements			
	No of males	No of females	Total
Asset Transfer	191	68	259
Trainings	755	785	1540
CIGs	161	133	294

Table 3: Output level achievements of Livelihood Project in Muzaffargarh.

TRAININGS			
	No of males	No of females	Total
Tunnel Farming	20	0	20
Livestock	116	230	346
Dairy Value Chain	115	229	344
Enterprise Trainings	452	283	735
Formation & Development of CIG	35	70	95

Table 4: Trainings conducted under livelihood project Muzaffargarh

I not only lost my house and Livestock (the only source of my income) in the floods of 2010 but also the only source of income I had to support myself and my family. It was under the LEP program in Muzaffargarh that I received a buffalo that helped me revive my income. Through financial and non-financial services I am on the verge on income sustainability and hope.

**"Shahida Mehmood
(41 year old widow)"**

Being the only male in the house, I have always felt pressured as my income was never enough to fulfill the basic needs of my family. After the floods, my financial circumstances became more critical as my crop was damaged along with my house. My hope rose again when MF approached me through its LEP program and I was provided with a livestock animal as a support to generate my income, fulfilling the basic needs for my family.

"Anwar Ali a resident of Sharif Chajra-"

MOJAZ Foundation under its 'Livelihood enhancement program' is trying to bring economic stability in the community which was distorted because of the natural disasters in the 2 UCS of Muzaffargarh





4.2 MICROFINANCE

The Microfinance program in MF has come a long way since its inception in 2008. It has shown an incredible growth over the last 5 years despite of the prevailing economic conditions and their effects in the country. The Micro finance department at MF has worked hard in reaching out to the poor and marginalized for provision of financial services. The unit is taking steps to impart financial education to the communities besides providing loans. Exposure visits have been organized to tunnel farms to educate the people in modern and innovative techniques of agriculture. Nevertheless, the unit has yet to reach out many of the underserved people who require a wide variety of financial and non-financial services.

Since Inception, as of Jun 2013, MOJAZ has disbursed more than Rs. 279 million with the support of Pakistan Poverty Alleviation Fund (PPAF) along with ORIX Leasing and Orangi Charitable Trust (OCT). Besides, the PPAF has agreed to provide funds of worth Rs. 500 million for Micro Credit and Small and Medium Enterprise (SME) till the end of 2015.

During the year, MOJAZ has established an SME branch in Narowal to cater clients with bigger size of loan requests ranging from PKR 50,000 to 300,000. Besides donors support, MOJAZ has used its own equity for the disbursement of Microfinance loans during the year with an amount of PKR 39.35 million. MOJAZ has further expanded its operations in southern Punjab (District Muzaffargarh) by inaugurating a separate branch for Micro Finance operations.

MOJAZ Foundation's Microcredit program helps young entrepreneurs in backward communities to think out of the box and enhance their income through trainings and financial support. This allows these entrepreneurs to create more opportunities for their community members in the long run.

Since inception, MF has disbursed Rs. 279 million (from Oct 2008 to Jun 2013) with the help of PPAF, OCT and ORIX Leasing in the areas of agriculture, livestock and enterprise (54 % of our beneficiaries have been women). Our recovery rate has been 100%. A brief depiction of disbursement is mentioned in Table 1 covering the achievements for the year 2012-13.

I always had a dream to do something extraordinary in my community but due to my financial restrictions I was unable to fulfill my dreams. Being young and having no direction MF helped me through technical trainings and financial assistance through Micro-loan facility because of which I was able to establish my own business of stitching for females. It has been 6 months since I have started my own business and I have successfully employed 4 more females.

Rashida Anwar- 24 year old girl



Rehmat , started his small business of sugarcane stall in his village. through proper guidance and financial assistance.

4.2.1 ACHIEVEMENT OF MICROFINANCE PROGRAM DISBURSEMENTS AND CLIENTELE

Description (Clients)	Annual Achievement
Loans Disbursed	5,436
Male	2,411
Female	3,025

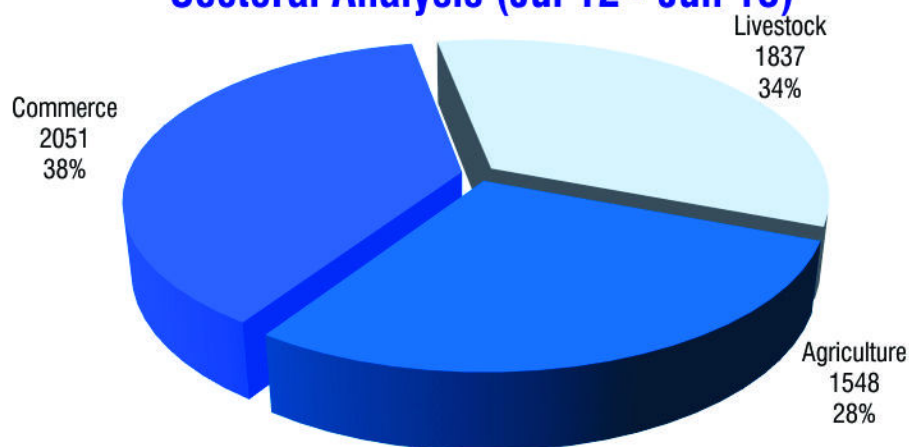
Table 5: Gender wise clients

Description (Clients)	Achievement
Agriculture	1,548
Commerce	2,051
Livestock	1,837
Total	5,436

Table 6: Sector wise clients

Commerce, Livestock & Agriculture are major sector of disbursement in which MF is currently providing financial services. The average loan size is Rs. 21,059/- and to date the cumulative disbursement is Rs. 279 million. Detail of sectoral analysis is mentioned in Table 4.

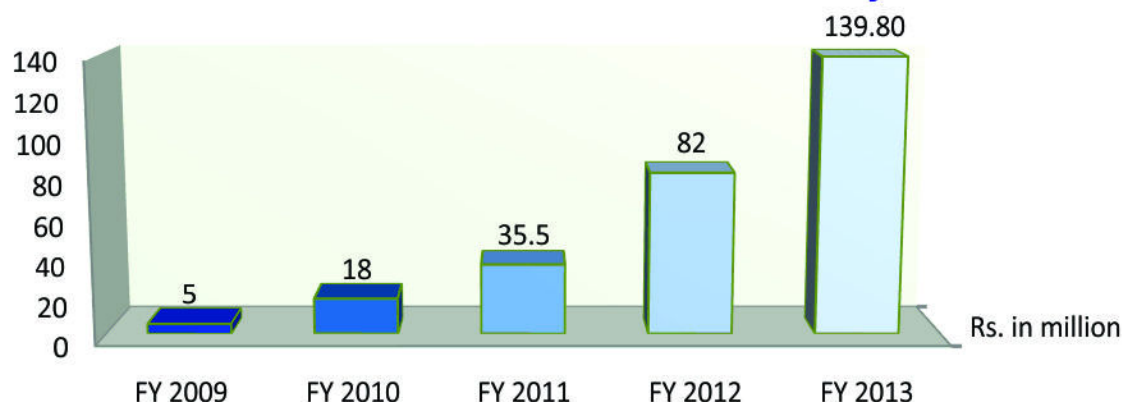
Sectoral Analysis (Jul 12 - Jun 13)



4.2.2 LOAN DISBURSEMENT GROWTH ANALYSIS

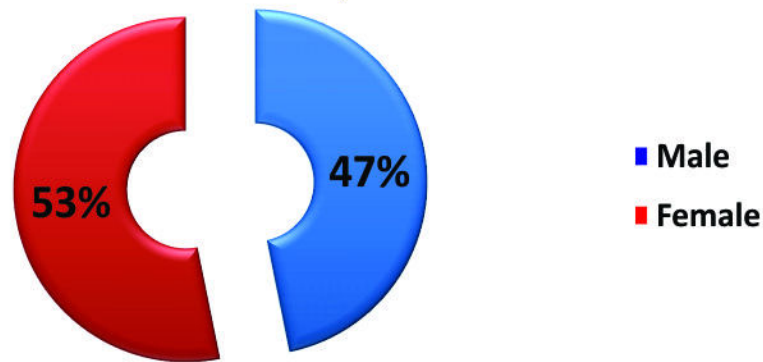
The growth of MF has been positive since its establishment. The Microfinance portfolio has been growing annually at an average rate of 113% since inception. As the portfolio is expanding at rapid pace and financial backing is also ensured from funding agencies, it is highly expected that the growth trend will increase at further sharp rate in coming years. The FY 2013 has shown strong increase as shown in the following figure.

Loan Disbursement Growth Analysis



4.2.3 GENDER RATIOS:

Disbursement of Loan by Gender



4.2.4 INSTITUTIONAL ASSESSMENT AND AWARDS DURING THE YEAR:

Shore Bank

Shore Bank (SBI) is a community development bank founded and headquartered in Chicago. Since 1988, SBI has delivered services and solutions that extend access to capital to underserved individuals, households and entrepreneurs globally. In preparation for the next phase of MOJAZ's Microfinance (MF) program's development, SBI was engaged through PPAF to Performa broad assessment of the MOJAZ credit operations. SBI team performed a quick institutional assessment of MOJAZ's microfinance operations using a combination of interviews, documents review, field and client visits. The feedback from Shore Bank was overall positive about the organization after the assessment and in some areas they suggested improvements which were taken up into action with the further partnership of PPAF.

M-CRIL visit:

PPAF planned to pilot a Beta Test of Seal of Excellence (SOE) indicators in Pakistan through a strategic partnership with the Microcredit Summit Campaign. The Seal of Excellence for Poverty Outreach and Transformation in Microfinance is a global initiative that will recognize those microfinance institutions that are doing the most to help the poor households lift themselves out of poverty. The Seal is a certification that recognizes microfinance institutions who meet a set of indicators that demonstrate significant outreach to the poor and a strategic approach and success in helping a portion of them move away from poverty. The seal looks into all aspects of client protection, social performance and additional indicators. As Mojaz Foundation is a progressive organization in the microfinance sector, PPAF selected it for collaboration on the pilot. Partnering in the pilot not only helped MOJAZ to build awareness regarding the Seal in Pakistan but was also instrumental in sensitizing the organization towards outcome measurement. Furthermore, through the assessment experience MOJAZ learnt that if SOE indicators are followed in their true sense, not only the clients of Microfinance would be better off the institution itself will be by strengthened in terms of its programs and outreach.





Citi PPAF Awards:

As an innovative Micro entrepreneur, playing an important role in the local economy of Narowal, Rana Shahid from MOJAZ Microfinance Program received the Prestigious Citi Award. The Citi Micro entrepreneurship Program is sponsored by the Citi Foundation to raise awareness of the important role that micro entrepreneurs play in their local economies and the significance of Microfinance as a poverty alleviation tool. The ceremony was held in Serena Hotel, Islamabad and was attended by Microfinance Institutions, Professionals, Micro

entrepreneurs from all over Pakistan. Mr. Ahsan Iqbal, Federal Minister for Planning and Development was the Chief Guest of the ceremony. Mr. Naveed Ahmad, the loan officer from MOJAZ also received an award for his hard work and wonderful performance in the field of Microfinance.

4.2.5 HEMMING THE GAPS-A SUCCESS STORY

Ruksana, living a tough life with 7 dependents. Unfortunately, her husband deceased 3 years after their marriage and she remarried her husband's brother. It was becoming difficult for Ruksana to take care of her 7 daughters in every way so she wanted to do something to support her husband to meet her family expenses. She knew the art of stitching and sewing

but lacked the finances along with management skills. She thought to train girls from her area in the field of stitching and asked a few friends to get together in her house along with their sewing machines. That was the turning point in her life. Soon people around her house got to know about her fine stitching skills and she started receiving orders. With that she also heard about MOJAZ Microfinance finance and applied for first loan. With that money she bought raw material for her pilot business in bulk. A high demand in orders was also giving her



exposure to new designs and trends. Now the issue was to shift her sewing machine to motor machine. But for that she needed to have constant supply of electricity which was not possible. Therefore, she applied for a second loan to buy generator. Today she is earning rupees 15000 after repayment which to her is a great achievement. She believes that the skill and vision to succeed was there but the financial support from MOJAZ played a key role in becoming a successful micro entrepreneur. Today, Rukhsana's business is established and she is thinking to expand her work with diversification within her line of business.

4.2.6 STORY OF MUJAHID

Mujahid Javed, married, father of 5, belonging to a village named Sankhtara, had a dream to do something extraordinary in his community that would open more opportunities for other people. It all started when he thought of starting a cable net business in his community on the basis of partnership as his financial situation did not allow him to do it on his own. He had to distribute profits with his partners which left him in financial crises. Mujahid own investment included a cable dish and PEMRA license. As his partner held a bigger share, he would take profits accordingly. Despite so many efforts Mujahid was still unable to cover up his expenses with ease due to lack of his



income and savings. Since MOJAZ Foundation had already been working in Sankhatra, soon, Mujahid came to know about the micro credit program. He approached MOJAZ for financial assistance, which gave him hope to ignite his dream once again. On the basis of his experience and confidence that he gained by repaying the first loan successfully, he soon received his second loan. Mujahid's future plan is to extend the services of cable network around his community and surrounding areas so that he not only increases his income but also creates more employment opportunities for others in his community. The loans changed his life and had a very positive impact. He gained confidence and it helped him strengthened himself psychologically and financially. His children are now attending school and he was also able to construct a new washroom in his house. Mujahid's business has created employment opportunities for 3 more persons. He is slowly expanding his business and plans to employee more people.

4.3 AGRICULTURE

4.3.1 TUNNEL FARMING:

In District Narowal most of the farmers are reliant on traditional subsistence farming mainly cultivation of wheat and some rice as a cash crop. They are reluctant to adopt modern practices. PPAF supported MOJAZ Foundation to help low income farmers to adopt the new technology through “SHADAB” project. The project aimed at introducing high value horticulture crops in the district through the provision of subsidized farm inputs, technical assistance and grants. The main focus has been on vegetable e.g. green chillies, sweet pepper, cucumber and other off season vegetables through Tunnel Farm Technology.

Along with enhanced access to Microcredit, MOJAZ Foundation focuses on capacity building of communities through innovation, training and business support services particularly in the livelihood sector.

MOJAZ Foundation launched this program in 11 Union Councils simultaneously. PPAF awarded the amount of PKR 3.9 million to support the establishment of demonstration plots for research and development as well as access to financing. The farmers from adjacent areas come and visit the demonstration plot to learn about tunnel farming and then establish their own. MOJAZ extends its extension services to small farmers in order to improve the productivity of their produce as a regular activity. Besides, MOJAZ has helped small farmers establish their own agri farms through a mix of loan and grants program. Ten such tunnel farms have been established in Narowal. Recently MOJAZ has commissioned a value chain study of its Tunnel Farming initiative and also to further improve upon efforts by helping the small farmers for better produce, marketing and linkages.



Being a small farmer in my local community, I lacked not only improved equipment and financial resources but also technical training and experience. Through MF SHADAB scheme I was able to maximize my resources and triple my output by learning advance techniques and modern ways to cultivation of crops.

“Khurram Abbass (A 32 year old local farmer)”





4.3.2 FROM TRADITIONAL CROPPING TO AGRI-BUSSINESS - RANA SHAHID

Rana Shahid is a local farmer of Qila Ahmedabad in District Narowal. He has a household size of 11 with 5 daughters, 3 sons and 2 wives. Rana Shahid has 4 acres of land and used to cultivate wheat and rice and would earn only rupees 10,000 per acre per season which was not sufficient for his big family. It's entrepreneur's dream to scale up the agricultural cultivation. Rana Shahid wanted to excel in agriculture industry but the agri inputs would come through the middle man who used to exploit him by offering low rates for his agriculture produce and charging high rates for agri-inputs. He knew that if anything can work to change his life, it would be through bringing innovation in agriculture. The turning point was his participation in one of the meeting organized by MOJAZ in his area for program introduction. He had never thought that he could get loan from any source other than Arti (the middle man). He approached MOJAZ for financial support and was also able to benefit from the technical training on how to set up tunnel farm offered by MOJAZ. He started tunnel farming with the loan of rupees 160,000 to grow off season vegetables in 2011. During the peak season he was able to make a profit of rupees 470,000. The business went so well and he applied for another loan of bigger size of rupees 120,000.

As recorded he was successful in cultivating 2 acres of land for offseason vegetables and his future plan at the moment is to double it. He also wants to start the training sessions for other people in his community on tunnel farming who have small land holdings in order to introduce skills that helped him made profits. He says that people need to know that it is important for them to focus on the economic activities practiced by their forefathers but with innovations. All they need to do is to adapt to new practices that are more profitable. This will not only open up opportunities for him but also for the people of his community, ensuring food security at household level.

As per the records, Shahid was able to make himself financially strong and sustainable as compared to what he was in the past. His economic condition improved and so was his confidence to reinvest his earnings for future expansion of cultivated land. Not only was that, with his savings, Shahid was able to send one of his sons abroad for further studies. This is something that gives him contentment and pride. The community folks consult him for their problems and have trust in his advice.

4.4 SOCIAL SECTOR SERVICES:

Pakistan faces a crisis of social sector service delivery, which is being exacerbated by rapid population growth, rural-urban migration, a high unemployment rate and poor local governance and civil society development. Even with sustained, moderate economic growth over a period of decades, social indicators in Pakistan have not shown signs of improvement. Social Sector at MOJAZ supports poor and marginalized communities in addressing their needs in the areas of education, health, water and sanitation, through community participation and with the support of service providers. Special efforts are being made to ensure transparency and accountability in the provision of these services through mobilizing and building capacities of the communities. The description of various services under Social Sector of MOJAZ is given as under.

4.4.1 EDUCATION:

Pakistan is facing frightening challenges in the field of education. Millions of children are out of schools, access and equity in education are the major issues. Schools are without boundary walls, washrooms, drinking water and furniture. The gender gap in basic educations is a persistent problem in the country and also creates a governance and management problem. The worsening situation of the education sector is evident from the fact that the Government of Pakistan allocates less than 2.1% of the GDP to the education sector which includes both developmental and non-developmental budget. On the other hand, Government of Pakistan has declared education as a basic and fundamental right and has delegated the responsibility to the states to deliver quality education free of cost without any discrimination. Unfortunately the ground reality is entirely different. People are not aware of the fact that Education is their basic and fundamental right under the constitution of Pakistan. Besides, there are several commercialized education systems running simultaneously mostly by the private schools not regulated by the government leaving a large population into confusion.

In order to ensure that every child in Pakistan has access to quality education; effective community participation; improved governance and for an effective monitoring system, MOJAZ focuses on strengthening the existing public sector schools by introducing and implementing innovative models.

4.4.2 QUALITY OF EDUCATION IMPROVEMENT PROJECT-NAROWAL

The Quality of Education Improvement project, Narowal started in October 2011 and ended in Sep 2013. The objective of the project was to ensure provision of quality education and increase in access by implementing school education improvement plans that focused on an inclusive participatory, highly motivated SMC (consisting of teachers, parents and community members), introducing innovative monitoring of school management through client-tailored MIS, establishing financial sustainability, nurturing public-private partnerships and accountability (particularly with the local government), and extending official recognition to community for their role in making quality education accessible in the local setting.



Some Highlights:

- Remarkable progress has been made in increasing rates of enrollments in project schools. Overall there has been 12% increase in the enrolment in all ten schools
- MOJAZ has been successful in mobilizing communities for establishing School Management Committees. Ten SMCs have been formed. These committees included membership from communities and respective schools (60% are parents and 40% are teachers and other renowned members from respective areas.
- Linkages between SMC and government line agencies have been established and the government was successfully engaged.
- There has been active involvement of the SMCs and alumni in school infrastructure improvement and in securing donations in kind for respective schools.
- Co-curricular activities have been organized for all ten schools in which teachers, SMCs and students have taken active part. Drawing competition, sports days, tree plantation and health and hygiene sessions are a few examples
- Teacher training has been successfully conducted to improve the skills of teachers
- A comprehensive client-tailored Management Information System has been developed successfully. The system secures important qualitative and quantitative data pertaining to teacher performance, student performance, available resources, school infrastructure and community involvement
- Revolving funds were transferred to the bank account of each SMC for establishing tunnel farms. Each School management Committee has been linked with an economic activity (tunnel farm) to generate funds and which serves as learning hamlets for students.

Some Important Highlights of the project:

Prize Distribution Ceremony- 5th October, 2012

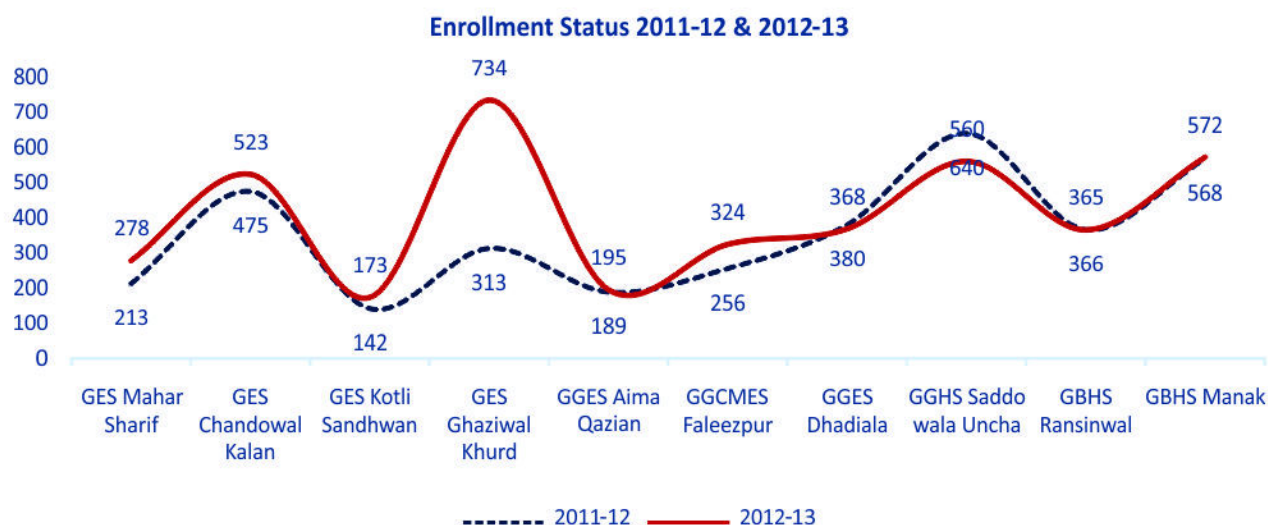
MOJAZ foundation organized the Prize distribution ceremony in Narowal to officially acknowledge the contributions made by various stakeholders during the first year. Professor Ahsan Iqbal, Federal Minister for Planning, Development and Reforms, graced the occasion as Chief Guest.

“I invite the donor to come forward and adopt more schools to replicate the model. I strongly urge MOJAZ to continue its efforts and take this project further” DCO, Narowal.

Enrolment Campaign:

The SMCs successfully run an enrollment campaign to encourage all out of school children to attend schools. As a result, there has been an encouraging increase in enrollment rate during the two years.

Table 7: Increase in enrollment “education project- Narowal”





School Management Information Systems (SMIS)

The school Management Information System (MIS) has been introduced in all 10 schools of the project. The system is specially customized Management Information System (MIS) for respective schools. The system has been handed over to each school along with a computer, printer and a UPS. The MIS contains data on various quantitative and qualitative indicators such as record of student's enrollment, personal details, academic record, complete record of school staff and SMCs, enrollment, results, attendance, data on results, exams, facilities available in the schools, number of teachers, new admissions etc. The MIS reports are being generated as per requirement of each school management and being used to improve the services.

The MIS has been successfully handed over to the district government of Narowal as they are responsible for the proper maintenance and record keeping in the long term. They have also assured us that the quality management of the MIS will be taken care of as a priority under their department for improving the long term goal of the quality of education in Narowal.

Due to financial constraints I hesitated to send my children to school. On top of which my friends have also always told me that education is not an important factor and that I should save money by not sending my children to school. People lack awareness in my community but I understood that education is a vital part of one's development after attending one of the campaigns on importance of education in Narowal. Now, I send all of my 3 girls to school in Narowal where they are happily involved in many extracurricular activities. I see a better future in their book than on roads.

**(Abdul Kareem Khan
34 year old man)**

The MIS modules are helpful in terms of saving paper record keeping and making all the record in a digital form. This has allowed the schools to have an advanced management system which not only saves time but also provides with a systemized backup of all the records.

Students Visit to Mohar Sharif, Kotli Sandowan, Manak, Tunnel Farm
The SMC organized exposure visits of students to the tunnel farms. The purpose was to provide an opportunity to students where they could learn about agriculture which is an important source of livelihoods in Narowal at an early stage.

During these visits the students learnt how to prepare the land for tunnel farm, details of establishing a tunnel farm and nursery Plantation etc.



Workshop on Management Information System for Teachers

MIS software installation training was conducted for teachers of the project schools where they were given the opportunity to practically enter the data for their schools so that they could better understand the data entry process.

Establishing the Economic Model

All ten schools have established tunnel farms to generate funds for school improvement. The farms were established in October 2012 and the first crop got ready for market in the month of March. All SMCs have shown great interest in establishing and running the tunnel farms.



Sports Day Celebrations:

Recognizing the importance sports, special days were organized by the SMC in project schools to promote sports. The activities included 400 Meter Race, 200 Meter Race, 100 Meter Race, 1 Leg Race, sack Race, Frog Race and maneuvering decay. The winners and runner ups were provided with prizes and shields to maintain a high level of their motivation which also help them stay encouraged for more activities to come.

Snapshots



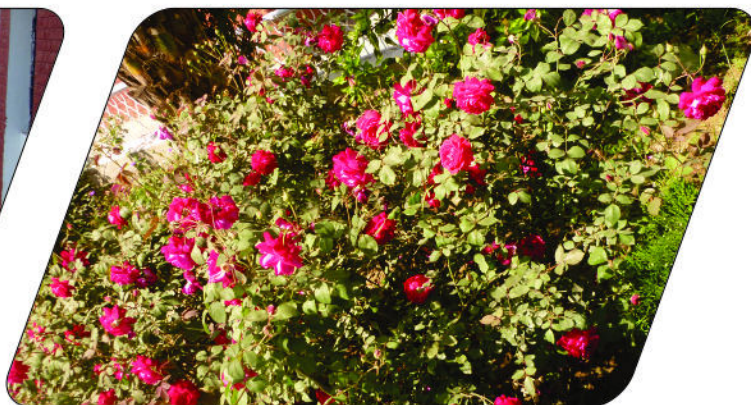
Improvements in the Physical Infrastructure of the project schools

After two years of project implementation, the project schools are presenting an entirely improved and enhanced physical environment owing to efforts of the MF project team and SMCs along with volunteers.

Some arranged ground leveling in the School Kotli Sandowan and Mohar Sharif; made washroom functional for teachers and students in the school Chandowal Elementary School; water cooler in the school Dudhiyal etc.



School Ground before and after improvement



Tree Plantation in Schools



School Ground before and after improvement

FOSI-FOUNDATION OPEN SOCIETY INSTITUTE team visited MOJAZ foundation in April 2013 resulting into series of assessments that took place inclusive of field visits, meetings, reviewing the economic model etc. The overall objective of this visit was to highlight any loop holes and look for the practical progress of the project where necessary. As a result, the FOSI was satisfied with the progress and quality of work provided by MOJAZ Foundation.

4.5 HUMANITARIAN RESPONSE

Pakistan being a disaster-prone country is vulnerable to both natural and human induced disasters. The most frequent hazards include floods and droughts throughout the country, earthquakes and, global food and farm input prices. The most affected sector by these hazards is agriculture, in particular the smallholders farming communities, as was demonstrated by the most recent disasters to affect Pakistan including 2010, 2011 and 2012 floods.

Since its registration MOJAZ has been a key partner for humanitarian response initiatives in partnership with various donors in Punjab and Sindh Provinces. Through these projects, MOJAZ Foundation has supported some 27020 households in 3 districts of 2 provinces as part of key implementing partner for 2011 floods emergency and early recovery response. In response to 2012 floods, the organization has successfully implemented 3 projects in Sindh helping 23755 flood affected families by providing GFDs, NFIs, ORS, and DRR services.

4.5.1 PROVISION OF HUMANITARIAN ASSISTANCE TO THE FLOOD AFFECTED FAMILIES IN PUNJAB & SINDH ONE ROOM SHELTER IOM (Badin)

The ORS program was launched by MOJAZ Foundation in collaboration with IOM in response of floods 2011 in early recovery phase. South Sindh faced great natural catastrophe in form of flash floods 2011. A large no. of families was living in temporary or makeshift camps. Whereas some were living in the same old

damaged houses with minor repair they managed on their own. Badin was one of the most badly affected areas of Southern Sindh where IOM & MOJAZ joined hands in order to mend the devastated infrastructure. The selected villages were 70 to 80 percent affected. The beneficiaries for the project included families with Income less than 6000 whose shelter had been damaged; disable persons; widow and those having children less than 15 years old; elderly (above 60 years of age); large family size (one earning hand & large number dependents; female headed household.

Humanitarian Hotline Established: Ensuring transparency and accountability in humanitarian response. IOM established central hotline number to assist beneficiaries during project implementation. This helped MOJAZ in ensuring transparency & accountability to all stakeholders. MOJAZ Foundation received hotline posters from IOM to display in all selected villages for ORS program. In order to inform all selected beneficiaries their right entitlement as per ORS program, mobilization team shared the hotline number and also displayed hotline posters at central places of all villages.





Project Outcomes & Achievements

Under this project MOJAZ provided Shelter to 519 families in 3 UCs of Badin. Some of these families were living in areas which were extremely difficult to access; leaving many families vulnerable to security threats. However, MOJAZ based on its past experience and utilizing the effective "Social Mobilization Approach", made it possible to reach out to all these families for ORS. The project not only provided ORS but also built the capacities of the local community in purchasing and building the shelters. MOJAZ constituted its procurement supervisory committee to oversee the procurement in order to ensure quality and quantity of the material. Special attention has been paid to empower the communities by involving them at every stage of the project implementation. Women and children, in particular, benefited from this project.

My children became an unbearable responsibility when my husband died in 2009. The financial situation was tough and it became worst when the floods hit in my village. The remaining assets were lost and we came on the road. It was through MOJAZ Foundation that my prayers were answered and I received a one room home in their ORS scheme. We now have a place to live. (Bibi Rehana- 39 years old widow)

World Food Program "General Food Distribution (GFD)" (Kashmore)

WFP being a lead food aid organization of the UN responds to emergency needs of the Flood affectees through its network of national organization. MOJAZ Foundation has also worked with WFP during 2010 emergency in Sindh. During 2012, MOJAZ implemented GFD project in Sindh-District Kashmore for a caseload of 20,000 families for a period of 3 months. Under this project MOJAZ distributed 1990 metric ton of food in 3 UCs, where each basket contained 7 items. The food basket was designed keeping in view needs of the displaced & flood affected people in order to cater their nutritional needs.

Social mobilization approach was adopted to identify project beneficiaries. This distribution followed by a 3 months plan.

1st Round: Identification of Beneficiaries of who were Food insecure

2nd Round: Further identification of Beneficiaries from first batch who were extremely Food insecure

3rd Round: Identification of Beneficiaries of Extremely Food insecure from amongst the second batch, further prioritizing the extremely food insecure

Final selection of beneficiary was completed using WFP vulnerability index. The food was distributed to selected beneficiaries at places agreed by the community itself





The Food Basket

The following items were prepared & distributed in Kashmore to the flood affected beneficiaries after the identification of their daily nutritional requirements.

	Wheat or Rice	Pulses	Veg. Oil	Salt	HEB	Total in KG
Monthly Ration (kg/family)	80	8	4.5	1	4.5	98

Table 8: Details of GFD under WFP Project implemented in Kashmore

Project Outcomes & Achievements

The implementation of this project has achieved the following results within the time period of 3 months:

- Food Security to 20,000 families for 3 months by providing 1,960 metric ton of food
- Improved micronutrient intake and macronutrient intake leading to enhanced nutrition and health status
- Improved food intake in both children & Women
- Malnutrition in target area is decreased in 20% children of the target areas (i.e. selection union councils from district Kashmore)

Support to most vulnerable with winterize kits (Kashmore)

MOJAZ Foundation joined hands with Concern worldwide for the provision of immediate relief support of winter items to the flood affected in Kashmore to save lives in winter and reduction in diseases related to winter season.

Ensuring Transparency & Accountability

In order to ensure accountability and transparency, MOJAZ conducted VC meetings to share project activities, SOPs & documentation requirement using banners & wall chalking in local language i.e. Sindhi. Complaint redressal mechanism was also put in place by installing complaint boxes on VC meetings sites, wall chalking in target union councils. This helped the project team in addressing communities' concerns besides receiving feedback.

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S.No	Activity	Target	Achieved (Actual)
2	Baseline (10% of caseload)	250 Questionnaires	250 Questionnaires
5	VC formation	25 VC	25 VC
6	Beneficiary Selection	2500 Beneficiaries	2500 Beneficiaries
7	Distribution of Winterize Kits	2500 Winterize Kits	2500 Winterize Kits
8	Post Distribution Impact Assessment (5% of caseload)	125 Questionnaires	125 Questionnaires

Table 9: Details of winterized kit project outputs

Enhancing Flood Affected Community's Resilience by Providing Transitional Shelter (Kashmore)

In order to provide support to the flood affectees, MOJAZ Foundation initiated One Room Shelter construction on April 08, 2013 with the financial and technical support of Concern RAPID Fund. The project target was 735 ORS units in UC Gehalpur. Prior to beneficiary selection, village committee (VC) formation was completed using social mobilization approach. The VC facilitated MF for maximum outreach to vulnerable families through joint identification and verification of beneficiaries. They also supported in construction work and material delivery to the beneficiaries.

Project Achievements:

- Mobilized Community into Village Committees
- Constructed 735 One Room Shelter for the most vulnerable and marginalized in Kashmore
- Built capacity of the local community in constructing Disaster prone shelters

4.6 HUMAN & INSTITUTIONAL DEVELOPMENT

MOJAZ ensures effective and efficient implementation results in high growth, better income distribution, alleviation of poverty and believe that well-functioning institutions lead towards the increase of social capital stock of a community and help in better management of ethnic diversity and conflicts.

The project titled under “Human & Institutional development (H.I.D)” is being implemented by Mojaz Foundation with the technical & financial support of Pakistan poverty alleviation fund (PPAF) in three (3) Union Councils i.e. Sharif Chajra. Gull Wala and Wan pittafi of District Muzaffargarh. This HID project focuses on enabling individuals and organizations to make more effective and efficient development efforts through the provision of value-led Human & Institutional Development services. It brings forward the issues of marginalized & vulnerable communities in these three UCs by empowering them through formation & strengthening of community organizations and their capacity building through different trainings and preparations.

Project Achievements

Activity	Male	Female	Mix	Total
NO of New Cos Formed	50	58	29	137
NO of Members	1000	1160	580	2740
NO of Rev. Cos	48	36	19	103
NO of Members	940	740	380	2060
VO formation	0	0	3	3
Membership	31	22	0	53
CMST	5	4	0	9
Participants	98	71	0	169
CMST Refresher	4	3	0	7
Participants	87	60		147
Staff Strength	3	2	0	5

Shah Abdul had no direction in life. In his community where everything was distorted he was unable to provide his children and wife with the basic necessities of life which included clean drinking water, 3 times meal and a proper place for living. Under the human institutional development training sessions, Shah Abdul decided to make full usage of his abilities through linkages development. Shah Abdul now works as a tailor and is making a sustainable income. His household conditions are now better and his family is slowly climbing the stairs of success.

(Shah Abdul 31 year old married man)

Under the Human and institutional development Training program , MOJAZ Foundation with the financial support of PPAF, helps develop linkages and invests in the human development for increased outputs and overall development of the society. This project has been initiated in Muzaffargarh, targeting ultra-poor locals of the society for their empowerment.





MOJAZ
Foundation
LET'S BRING CHANGE

ہاشم بھینس گائے گروپ
(چانڈواں والا)

پنی پی اے ایف
P P A F

ہمارا گروپ ایسے افراد پر مشتمل ہے جن کے معاشی مفادات اور دلچسپیاں ایک جیسی ہیں۔ مثلاً مال موٹنی پالنے ان کی تجارت سے متعلق اور معیار زندگی کو بہتر بنانے کیلئے مل جل کر ایک خاص مضابطہ تعاون کے تحت کام کرتے ہیں۔ ہمارے گروپ کے لوگ اپنے ذریعہ معاش کو بہتر بنانے کے لئے ضروریات اور منصوبہ جات کی نشاندہی خود کرتے ہیں اور اپنی مدد آپ کے تحت اپنے منصوبہ جات کو پایہ تکمیل تک پہنچانے کیلئے مشترکہ جدوجہد کرتے ہیں۔

گروپ لیڈر/صدر کی ذمہ داریاں

- گروپ ممبران کو مل جل کر کام کرنے کی ترغیب دے گا۔
- گروپ کی دیگر اہمیتوں سے رابطہ سازی کرے گا۔
- گروپ کی نگرانی کرے گا۔
- گروپ ممبران کی معاشی ترقی کے لئے کوشاں رہے گا۔

فنانس/جنرل سیکرٹری کی ذمہ داریاں

- اجلاس کی کارروائی لکھے گا۔
- فنانس/پس مندرجہ ذیل امور سے وابستہ امور میں جوش کرے گا۔
- تمام ممبران سے پتہ اکٹھی کرے گا اور ریکارڈ کرے گا۔
- اندرونی قرضہ جات کا حساب رکھے گا اور باہر اجلاس میں پیش کرے گا۔

مشترکہ مفادات کے گروپ (CIG) کی اہم ذمہ داریاں

- اس گروپ کی درج ذیل بنیادی ذمہ داریاں ہوں گی۔
- انہماکی غریب اور لاچار ترین طبقے کے افراد کو گھرانوں کے ذریعہ معاش کو بڑھانا اور اجتماعی تحفظ فراہم کرنا تاکہ ان کے مفادات کو برقرار رکھنا اور ان کے معاشی حالات میں بہتری آ سکے۔
- ممبر گھرانوں کو معلومات تک رسائی، جن میں اضافی امداد کے دیگر سرکاری وغیرہ سرکاری اداروں سے رابطہ کاری کرنا۔
- ممبر گھرانوں خاص طور پر خواتین میں معاشی ترقی اور خود مختاری کے حوالے سے آگاہی و شعور پیدا کرنا۔
- ممبران کو باہر کی حوالے سے اجتماعی خرید و فروخت کے لئے پلیٹ فارم مہیا کرنا۔
- ممبران کے انفرادی/اجتماعی مفادات کے لئے سرانے کی تشکیل پڑے پتہ اور اندرونی قرضہ جات۔

معجز فاؤنڈیشن

Pakistan ratified Convention on Rights of Persons with Disabilities in July 2011. However, in Pakistan, no particular ministry or federal department deals with this issue. Department of social welfare, and special education, is one such local level arrangement that deals with PW Dissues.¹ The Federal Bureau of Statistics does not provide recent data on PWDs and is mainly reprinting the one based on Pakistan Census Organization (PCO) 1998 that reports 2.49 percent PWDs in overall population. This data also reveals that 55.7 percent of disabled people are found in Punjab, followed by 28.4 percent in Sindh, 11.1 percent in NWFP, 4.5 percent in Baluchistan, and 0.3 percent in Islamabad. Considering conflict ridden and flood affected Pakistan, MOJAZ argues that this data is not representative of real numbers of PWDs.

I always felt different from all the other kids in my school. I had only one friend. I was unable to participate in any of my school activities. But, with the awareness session in my school changed people's perspective of looking at me. I have more friends and people treat me with extra care and love (Mohammad Ali 16 year old child)

4.7 DISABILITY

MOJAZ Foundation realizes that the people with disabilities are mostly unseen, unheard and uncouneted part in our culture. Generally they are victim of stigmatization of public as a liability and non-productive members. They face overwhelming barriers in life whether it is education, skill development, job or financial opportunities. In Narowal District the total number of Disable People is 19,599 (according to 1998 census), which constitutes almost 2% of the total population. There are about 12,138 male and over 7,461 female disable persons.

The Government of Pakistan makes commitments towards providing special facilities to PWDs in educational institutions, banks, hospitals, shopping malls, police stations, airports, railway stations, bus stops, and at every public place and institution. However on the basis of MOJAZ's work experience with PWDs, we state that PWDs continue to remain marginalized; tolerating lack of participation and inclusion and have severe problems in accessibility (be it to justice) and suffer discrimination.

Disability Project in Muzaffargarh: UMEED, Reaching Out to people with special needs

Keeping in view such a tangible number of PWD and the problems that they face, MOJAZ implemented Umeed project in Narowal that focused on PWDs with the financial support of PPAF where MOJAZ has been providing vocational training and assistive devices support to PWDs in Narowal. The project aims at mainstreaming people with special needs through provision of assistive devices and enterprise development training for their economic development besides initiating several activities and engagement with the district government to ensure inclusion and accessibility of PWD. The project is being implemented in 3 UCs of Tehsil Muzaffargarh namely: Gulwala, Wan Patafi and CharifChajra.





مجمع فائزہ ڈیشن

پاورٹی ایک

معاونت

Best Practices of Disability Project

MOJAZ Foundation: A Gateway to Assistive Technology for PWDs

In collaboration with Social Welfare Department of District Government Muzaffargarh, MF has established a computer lab equipped with 4 PCs and assistive technology for persons with visual and hearing impairment in the schools of Sharif Chajra, Muzaffargarh.

Advocating for Rights of Persons with Disabilities

To advocate the rights enlisted in National Policy for PWDs 2002 and UNCRPD in National language with in local context, MF adapted unique methodology and developed Bill-Boards having abstracts and illustration printed on it and placed in local community who signed the Convention rights collectively. Moreover, Awareness Raising Material and UNCRPD booklets in Urdu are also reprinted.

Breaking the ICE

During the Carpet Survey in Sharif Chajra, nearly 5000 number of population refused to be surveyed hence leaving nearly 500 PWDs unscreened. To break the Ice Project conducted Medical Camp in the same Revenue Villages and as a result 600 new PWDs were identified and screened.

Removing Barriers to make infrastructure Accessible for PWDs

Recently MF Regional Office Muzaffargarh has been made accessible for persons with physical disabilities. A ramp with standard gradient of 1/12, width of 1300 mm was raised which is portable and doesn't requires alteration in existing building. Initiative was really appreciated by Mr. Saleem, Social Welfare Officer, who expressed intentions to make premises of Social Welfare department accessible similarly.





Celebrating International Disability Day

MOJAZ foundation organized the 'International Disability Day' to promote and sensitized the community towards persons with different type's disabilities. The organization invited successful entrepreneurs who have established their businesses successfully with the help of MOJAZ foundations Micro Credit Programme and other supportive services. They shared their stories with the participants addressing different hurdles that they faced and how they carved their way to a successful life. The project team also emphasized upon the importance of mainstreaming children into regular government schools and the urged to make these schools accessible to children with disabilities so that they could access the building easily. The participants not only included the community stakeholders but also young children from special schools to get motivated and learn from these successful entrepreneurs.

5. OUR DONORS/Partners

MOJAZ would like to pay special thanks to all the donors for their valuable financial and technical support in reaching out to vulnerable and marginalised communities in Pakistan.

List of our Donors/Partners

- **Pakistan Poverty Alleviation Fund (PPAF)**
- **Concern Worldwide**
- **Open Society Foundations (FOSI)**
- **United Nations World Food Program (UN WFP)**
- **United Nations Food & Agriculture Organization (UN FAO)**
- **United Nations High Commission of Refugees (UN HCR)**
- **United Nations Development Program (UNDP)**
- **Agribusiness Support Fund (ASF)**
- **ORIX Leasing Pakistan (OLP)**
- **Orangi Charitable Trust (OCT)**
- **Aik Hunar Aik Nagar (AHAN)**
- **Canadian International Development Agency (CIDA)**
- **International Relief & Development (IRD)**
- **International Organization for Migration (IOM)**
- **District Govt- Narowal**

6. FINANCIAL STATEMENTS

IBRAHIM, SHAIKH & CO. CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE GENERAL BODY

We have audited the annexed balance sheet of the **MOJAZ Foundation** as at June 30, 2013 and the related income and expenditure account, cash flow statement and statement of changes in fund together with the notes forming part thereof (hereinafter referred to as the financial statements) for the year then ended.

It is the responsibility of the management of society to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these statements based on our audit.

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

In our opinion, the financial statements presented fairly in all material respects the financial position of the Foundation as at June 30, 2013 and of the surplus, its cash flows and changes in fund for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

The financial statements of the foundation for the year ended June 30, 2012 were audited by another firm of chartered accountants who had expressed unqualified opinion in its audit report dated October 08, 2012.


CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Amin

Lahore: 31 OCT 2013

**MOJAZ FOUNDATION
BALANCE SHEET
AS ON JUNE 30, 2013**

ASSETS	Note	2013 Rupees	2012 Rupees
Current Assets			
Cash and bank balances	5	83,728,922	20,846,078
Micro credit loan portfolio	6	74,670,680	42,834,179
Short term Investment	7	32,000,000	7,000,000
Advances, prepayments and other receivable	8	18,336,530	5,467,184
		208,736,132	76,147,441
Non Current Assets			
Fixed assets - tangible	9	15,898,540	11,923,778
Intangible assets	10	712,500	-
		16,611,040	11,923,778
Total Assets		225,347,172	88,071,219
LIABILITIES			
Current Liabilities			
Accrued and other liabilities	11	11,104,509	4,115,030
Short term borrowings	12	2,309,450	317,940
Deferred grants	13	4,128,656	153,400
Loan from financiers	14	146,780,560	51,000,000
		164,323,175	55,586,370
Non Current Liabilities			
Deferred revenue - Capital grants	15	6,677,524	5,252,925
Total Liabilities		171,000,699	60,839,295
Total Net Assets		54,346,473	27,231,924
REPRESENTED BY:			
General fund		22,346,473	20,231,924
Endowment fund	16	32,000,000	7,000,000
		54,346,473	27,231,924
Contingencies and Commitments	17		

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



CHIEF EXECUTIVE



CHAIR PERSON

**MOJAZ FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 Rupees	2012 Rupees
Micro credit programme			
Financial revenue	18	25,139,858	14,835,978
Financial cost		5,993,955	3,397,705
Gross financial margin		19,145,903	11,438,273
Provision for loan losses	6.2	2,605,268	665,497
Net financial margin		16,540,635	10,772,776
Operating expenditure			
General and administrative cost	19	15,019,558	9,393,790
Staff training		139,385	168,000
		15,158,943	9,561,790
Net financial surplus		1,381,692	1,210,986
Grants utilized / amortized			
Related to capacity building -PPAF	8.1	1,216,125	4,470,036
Related to capital grants		936,171	641,333
		2,152,296	5,111,369
Net surplus from micro credit programme		3,533,988	6,322,355
Other income	20	2,466,725	3,196,395
Social sector programme			
Grants utilized / amortized			
Related to projects	21	116,414,946	168,369,935
Related to capital grants		665,330	245,839
		117,080,276	168,615,774
Revenue available for social sector programme		123,080,989	178,134,523
Operating expenditure - Social sector programme			
Operational cost	22	47,036,540	43,576,450
Programme activities cost	23	66,548,877	119,718,451
Training cost	24	7,381,023	842,840
		120,966,440	164,137,741
Net surplus for the year		<u>2,114,549</u>	<u>13,996,782</u>

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

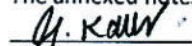

CHIEF EXECUTIVE


CHAIR PERSON

MOJAZ FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		2,114,549	13,996,782
Non cash charges and other items:			
Depreciation		2,101,266	1,268,530
Amortization of intangible assets		187,500	-
Finance cost		5,993,955	3,397,705
Amortisation of capital grants		(1,601,501)	(887,171)
Grants recognised as revenue		(117,631,071)	(172,839,971)
Provision for loan losses		2,605,268	665,497
		(108,344,583)	(168,395,410)
Deficit before working capital changes		(106,230,034)	(154,398,628)
Movement in working capital			
(Increase)/Decrease in current assets			
Advances, prepayments and other receivable		(1,138,255)	(1,520,087)
Micro credit loan portfolio		(34,441,769)	(22,183,236)
Short term investment		(25,000,000)	(7,000,000)
Increase/(Decrease) in current liabilities			
Accrued and other liabilities		6,989,479	(143,520)
		(53,590,545)	(30,846,843)
Cash used in operations		(159,820,579)	(185,245,471)
Finance cost paid		(5,993,955)	(3,397,705)
Net cash used in operations	a	(165,814,534)	(188,643,176)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,976,028)	(9,518,286)
Net cash outflow from investing activities	b	(6,976,028)	(9,518,286)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received/ capitalized during the year			
for capital cost		3,048,960	3,010,020
for projects and operational cost		109,852,376	141,112,198
for endowment fund		25,000,000	7,000,000
Net proceeds of loans from financiers		95,780,560	22,068,712
Net cash inflow from financing activities	c	233,681,896	173,190,930
Net increase in cash and cash equivalents (a+b+c)		60,891,334	(24,970,532)
Cash and cash equivalents at beginning of the year		20,528,138	45,498,670
Cash and cash equivalents at the end of the year		81,419,472	20,528,138
Cash and cash equivalents			
Cash and bank balances		83,728,922	20,846,078
Short term borrowings		(2,309,450)	(317,940)
		81,419,472	20,528,138

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


CHIEF EXECUTIVE


CHAIR PERSON

**MOJAZ FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Endowment fund</u>	<u>General fund</u>	<u>Total</u>
	<u>-----Rupees-----</u>		
Balances as at June 30, 2011		6,235,142	6,235,142
Transfer from grants for endowment fund - PPAF	7,000,000	-	7,000,000
Transfer from income and expenditure account	-	13,996,782	13,996,782
Balances as at June 30, 2012	<u>7,000,000</u>	<u>20,231,924</u>	<u>27,231,924</u>
Transfer from grants for endowment fund - PPAF	25,000,000	-	25,000,000
Transfer from income and expenditure account	-	2,114,549	2,114,549
Balances as at June 30, 2013	<u>32,000,000</u>	<u>22,346,473</u>	<u>54,346,473</u>

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


CHIEF EXECUTIVE


CHAIR PERSON



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