

# 2023 ANNUAL REPORT SAFCO SUPPORT FOUNDATION



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**SEEDING THE CHANGE AND  
PIONEERING THE GROWTH**

## ACRONYMS

**SAFWCO:** Sindh Agriculture and Forestry Workers Coordinating Organization

**SSF:** SAFCO Support Foundation

**SMCL:** SAFCO Microfinance Company Pvt Limited

**SPHF:** Sindh People's Housing for Flood Affectees

**MFI:** Microfinance institution

**IFL:** Interest Free Loan

**DRR:** Disaster Risk Reduction

**WASH:** Water Sanitation and Hygiene

**NGO:** Non-Governmental organization

**CED:** Credit and Enterprise Development

**NPO:** Not-for-Profit organization

**NBFC:** Non-Banking Finance Company

**HR:** Human Resource

**ED:** Enterprises Development

**CSR:** Corporate Social Responsibility

**PMIC:** Pakistan Microfinance Investment Company

**GOS:** Government of Sindh

**MOU:** Memorandum of Understanding

**VRC:** Village Reconstruction Committee

**GSI:** Gender Social Inclusion

**PPAF:** Pakistan Poverty Alleviation Fund

**BISP:** Benazir Income Support Program

**UC:** Union council

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## Message from

FOUNDER AND PRESIDENT

The year 2023 proved to be a breakthrough year for SAFCO Support Foundation (SSF), as the organization made notable headway on its strategic journey. The company separated its financial services by establishing separate Microfinance company as a subsidiary of SSF. The change was envisioned and is guided by our core principles of compassion, empowerment, and sustainability.

I am thrilled to share another significant milestone achieved during the fiscal year 2023. SSF signed the agreement with Government of Sindh, for the implementation of the Sindh People's Housing for flood affectees (SPHF), a project funded by world bank. Under the project, 257,268 houses are to be constructed in two flood affected districts of our program area flood affected districts.

In addition to these accomplishments, we are also mindful of the challenges ahead. The road to sustainable development is long and arduous, but I am confident that with the continued support and dedication, we can overcome any obstacle and realize our vision of a world where every individual has the opportunity to thrive.

In closing, I extend my deepest gratitude to Government of Sindh, our partner Pakistan Poverty Alleviation Fund (PPAF), donors, our supporters and the SSF Board of Directors for their unwavering commitment and passion. Your generosity and kindness have been the driving force behind our success, and I am truly grateful for the opportunity to work alongside such extraordinary individuals. Together, let us continue to journey forward with courage, compassion, and determination, knowing that our collective efforts have the power to change lives and shape a better future for generations to come".

**SULEMAN G. ABRO**



## Message from

CHIEF EXECUTIVE OFFICER

I am pleased to present the 2023 Annual Report from SAFCO Support Foundation, "Seeding the Change and Pioneering the Growth". Ouvheme for the year balances two key objectives: firstly, to provide financial capital for businesses and enterprises through commercially viable financial services, and secondly, to ensure sustainable access to financial capital for marginalized communities, empowering them to break the cycle of poverty and improve their livelihoods."

Throughout 2023, SAFCO Support Foundation remained committed to its mission of empowering vulnerable communities. We strove to create a lasting impact by providing financial capital and services that foster entrepreneurship and sustainable development. SSF's initiatives across various sectors, included post flood activities, resilience rehabilitation and reconstruction provide access to the financial capital, basic infrastructure and essential social services of houses, including education, healthcare, and environmental sustainability.

In the wake of the devastating floods, the affected populations in areas where SAFCO has a long-standing presence, looked to us for support. We reached out to philanthropists, individuals, and the corporate sector through their Corporate Social Responsibility initiatives, and received positive response. Our collaborative efforts with government agencies and linedepartments yielded significant success, and we extend our gratitude to all wholent their support. Together, we provided emergency relief and critically, support for business revival and rehabilitation, helping flood-affected communities get back on their feet.

Our commitment to women's empowerment remained unwavering, as we continued to invest in programs that fostered entrepreneurship, leadership, and economic independence among women. By providing training, reso urces, and support, we empowered women to become agents of change within their communities, driving sust ainable development and social progress.

As we look to the future, we aspire to serve even more communities by bridging the gaps and unlocking their potential, creating lasting impacts that transform their lives into better ones.

**BASHIR AHMED**





## ***SAFCO SUPPORT FOUNDATION***

### **MAIN HIGHLIGHTS OF THE YEAR**

Expanded our reach with the launch of SAFCO Microfinance Company, a subsidiary of SSF, to enhance financial inclusion and empowerment.

Responded to the flood crisis with emergency rescue operations and support.

Had landmark Agreement with the Government of Sindh to construct 257,268 houses for the flood affected population of Benazirabad and Noshehroferoz Districts.



## ABOUT SSF

SAFCO Support Foundation (SSF) is a non-profit company registered under section 42 of the Companies Ordinance 1984. Established in May 2009, SSF originated from the Sindh Agricultural and Forestry Workers Coordinating Organization (SAFWCO), a non-government and non-profit organization formed in 1986 and registered in 1993 under the Societies Act XXI of 1860.

With 25 years of experience in delivering social development services, enterprise development, and financial access to rural communities in Sindh, SAFWCO transformed its microcredit unit into a specialized microfinance institution (MFI), now known as SSF. Today, SAFCO focuses on women empowerment, microfinance, and construction projects for flood affectees, aiming to empower resilient communities in rural areas.

In recent years, SSF has restructured itself to achieve financial sustainability through a blend of service delivery and advocacy. In August 2022, it established a corporate subsidiary, SAFCO Microfinance Company (SMCL), to spin off its microfinance and financial services. Currently, SSF operates six IFL Loan Scheme branches in two districts of Sindh and serves as an implementation partner for the Sindh Peoples Housing for Flood Affectees in two other districts.

As a prominent institution, SAFCO supports the growth and stability of women entrepreneurs at the grassroots level. Our efforts include:

- Establishing linkages between women entrepreneurs and SMCL, as well as other financial institutions, to enhance their access to finance.
- Providing skills training services to help them scale up their businesses and leverage by product technologies.
- Facilitating the formation of Rural Women Chambers of Agriculture and Commerce.

(SSF) also execute grant projects aimed at benefiting socially disadvantaged groups. SAFCO has a strong track record in the housing sector, particularly in post-flood situations in the 1990s, 2010, and 2011. Through collaboration with government and non-government organizations, SAFCO has been actively involved in project design and execution, focusing on housing reconstruction procedures and strategies.

## OUR COMMUNITY BASED APPROACH

The SSF's approach is deeply rooted in the belief that true development can only be achieved by putting communities at the forefront. We adopt a community-centric and participatory approach, where local voices are amplified, and their needs are addressed. This approach ensures that our interventions are context-specific, culturally sensitive, and responsive to the unique challenges faced by each community. By empowering local communities, we create a sense of ownership and accountability, which is critical for sustainable development.

Our commitment to sustainability, inclusivity, and gender equality is unwavering. We recognize that these values are interconnected and essential for creating lasting impact. We strive to ensure that our programs are environmentally sustainable, socially just, and gender-responsive. We collaborate with local stakeholders, governments, and partners to leverage resources, expertise, and influence. By working together, we can achieve far more than we could alone. Our focus on capacity building and empowerment of local communities enables them to drive their own development and creates a legacy that extends beyond our presence.

We embrace technology and innovation as powerful tools for development. We leverage digital solutions and other innovative approaches to enhance our programs' efficiency, effectiveness, and reach. Our focus on long-term impact and scalability ensures that our interventions are designed to endure beyond our involvement. We prioritize knowledge sharing, learning, and adaptation, allowing us to refine our approach and improve our impact over time.





# **SAFCO SUPPORT FOUNDATION**



## **Vision**

**Leading platform that empowers entrepreneurs by facilitating skill development and fostering the growth of their enterprises.**

## **Mission**

**To target entrepreneurs, especially women entrepreneurs with focus on rural women for entrepreneurship skills and creating platforms to empower communities for the socio-economic betterment.**

## **Purpose**

**To empower entrepreneurs with the skills they need to grow.**

## **Values**

**Our organization is driven by a set of core values: fairness, integrity, innovation, efficiency, competency, and excellence. We prioritize equitable and transparent practices, uphold unwavering ethical standards, embrace creativity and progress, optimize processes for efficiency, cultivate competency within our team, and continually strive for excellence in all aspects of our work.**

# THEMATIC AREAS

The revised SSF strategic plan and objectives, focusing on six broader thematic areas are as under:



Women Empowerment (Empowerment, Advocacy, Governance, Community Development)

Entrepreneurship (Agriculture, linkage development, Food Security)



Livelihood (Livelihoods and Social Protection)

Human Development (Education, Health, Nutrition, Primary Healthcare)



WASH (Water, Sanitation, Hygiene, and Public Health)

Emergency response (Recovery and rehabilitation, Humanitarian Assistance, DRR and Mitigation)





## **WOMEN EMPOWERMENT (EMPOWERMENT, ADVOCACY, GOVERNANCE, COMMUNITY DEVELOPMENT)**

Women Empowerment has been the cornerstone of its work since its inception. The Women Empowerment theme at SSF is a comprehensive approach aimed at promoting gender equality and empowering women to reach their full potential. Empowerment is a crucial aspect, focusing on economic, social, and political empowerment through skills development, education, and leadership opportunities. This enables women to gain confidence, independence, and a stronger voice in their communities.

Advocacy is another vital component, where SSF promotes women's rights and interests, challenges gender stereotypes and discriminatory practices, and influences policies and laws to support gender equality. This includes addressing gender-based violence, equal pay, and reproductive rights. Governance is also a key area, where SSF works to increase women's participation in decision-making processes, strengthens women's leadership, and promotes gender-sensitive governance and policy-making.

Community Development is the final pillar, where SSF builds gender-sensitive communities that value women's contributions, promotes women's participation in community development initiatives, and supports women's leadership in community-based organizations. This includes community-based initiatives to promote gender equality, challenge harmful gender stereotypes, and provide safe spaces for women to share their experiences and support one another.

Through this holistic approach, SSF aims to create a society where women have equal opportunities, rights, and respect. By empowering women, SSF believes that entire communities will benefit, leading to a more just and equitable society.



## **ENTREPRENEURSHIP (AGRICULTURE, LINKAGE DEVELOPMENT, FOOD SECURITY)**

SSF's objective is to catalyze economic transformation in rural areas, leading to a more equitable and sustainable future. By providing a holistic support system, SSF empowers entrepreneurs to drive economic growth and development in their communities. Under its Entrepreneurship theme, SSF adopts a comprehensive approach that prioritizes supporting agriculture entrepreneurs while also extending support to other rural entrepreneurs, including small-scale industries, service providers, and traders. This inclusive approach recognizes agriculture's potential for growth, employment, and food security, while also acknowledging the importance of diverse economic development. SSF's support encompasses capacity building, market linkages, and financial services, enhanced by Safco Microfinance Company Limited (SMCL), its subsidiary. This partnership provides tailored financial solutions, business development services, and access to capital, enabling entrepreneurs to overcome barriers and achieve sustainable growth. By promoting entrepreneurship, creating jobs, SSF contributes to food security, income generation, and employment opportunities in rural areas and improving livelihoods.



## **LIVELIHOOD (LIVELIHOODS AND SOCIAL PROTECTION)**

The Livelihood theme at SSF focuses on empowering marginalized communities to achieve resilient and livelihoods. This approach recognizes that livelihoods are a critical aspect of human well-being, and that social protection is essential for vulnerable populations. SSF's strategy encompasses various interventions, including livelihoods enhancement and social protection.





Livelihoods enhancement initiatives focus on improving income generation capabilities, promoting innovative models for sustainable livelihoods. SSF supports skills development, capacity building, and resource provision in form of grants or interest free loaning to individuals or groups to establish or promote rural businesses. This includes grants for agriculture, livestock, and microenterprises in the rural areas.

Social protection initiatives aim to safeguard vulnerable and extremely poorer communities from shocks and stresses. SSF works to establish safety nets, provide emergency assistance, and advocate for policy support. This also includes support for education, healthcare, and as well as protection services for vulnerable individuals, such as women and children.

Through this theme, SSF aims to reduce poverty, inequality, and vulnerability, while promoting sustainable livelihoods and social protection for marginalized communities. By adopting a comprehensive approach, SSF seeks to create lasting impact and improve the well-being of individuals, households, and communities.

### **HUMAN DEVELOPMENT (EDUCATION, HEALTH, NUTRITION, PRIMARY HEALTHCARE)**

The Human Development theme at SSF focuses on empowering individuals and communities to reach their full potential. Education, health, nutrition, and primary healthcare are essential for human well-being and development. SSF supports initiatives that improve access to quality education, literacy programs, and vocational training. By empowering individuals with knowledge and skills, SSF aims to enhance their employability, income generation capabilities, and overall well-being.

SSF also prioritizes health and nutrition, supporting healthcare initiatives that improve access to medical services, promote healthy practices, and address nutrition deficiencies. By improving health and nutrition outcomes, SSF aims to reduce morbidity, mortality, and disability, and enhance overall quality of life. Primary healthcare is a fundamental right, and SSF works to strengthen healthcare systems, improve access to essential medicines, and promote health education.



SSF's human development initiatives are designed to be inclusive, equitable, and sustainable. By addressing the interconnected needs of education, health, nutrition, and primary healthcare, SSF seeks to create a comprehensive and integrated approach to human development. By investing in human development, SSF aims to reduce poverty, inequality, and vulnerability, and promote sustainable development for marginalized communities. Through its human development theme, SSF is committed to creating a brighter future for all.

### **WASH (WATER, SANITATION, HYGIENE, AND PUBLIC HEALTH)**

Access to safe water, sanitation, and hygiene facilities is a fundamental right, and the WASH theme at SSF works to ensure that marginalized communities have access to these essential services. SSF recognizes that WASH is essential for human well-being, dignity, and development.

SSF's WASH initiatives prioritize the construction and rehabilitation of water supply systems, sanitation facilities, and hygiene promotion programs. By improving access to safe water and sanitation, SSF aims to reduce the incidence of water-borne diseases, improve public health, and enhance the quality of life for marginalized communities.

SSF also works to promote good hygiene practices, including handwashing with soap, proper disposal of waste, and menstrual hygiene management. By changing behaviors and promoting public health practices, SSF seeks to reduce the spread of diseases, improve health outcomes, and enhance the well-being of individuals and communities.

By investing in WASH, SSF aims to reduce poverty, inequality, and vulnerability, while promoting sustainable development and improving the lives of millions. Through its WASH theme, SSF is committed to creating a healthier, more equitable, and sustainable future for all.





### EMERGENCY RESPONSE (RECOVERY AND REHABILITATION, HUMANITARIAN ASSISTANCE, DRR AND MITIGATION)

The Emergency Response theme at SSF is crucial in the global perspective and particularly in Sindh, where natural disasters and humanitarian crises are frequent. This theme focuses on providing timely and effective response to emergencies, ensuring recovery and rehabilitation, and reducing the risk of disasters through humanitarian assistance, disaster risk reduction (DRR), and mitigation measures.

SSF's emergency response initiatives prioritize saving lives, alleviating suffering, and maintaining human dignity in the face of crises. The organization provides humanitarian assistance, including food, shelter, healthcare, and psychological support, to affected communities. SSF also supports recovery and rehabilitation efforts, focusing on infrastructure development, livelihood restoration, and social cohesion.

In addition, SSF works towards reducing the risk of disasters by promoting DRR and mitigation measures. This includes conducting risk assessments, developing emergency preparedness plans, and implementing measures to strengthen resilience in vulnerable communities.

SSF also supports communities in constructing resilient houses with aligned facilities, such as flood-resistant homes, earthquake-resistant schools, and climate-resilient healthcare facilities. This includes providing technical assistance, capacity building, and resources to enable communities to build safer and more sustainable infrastructure. By supporting the construction of resilient houses and facilities, SSF aims to reduce the risk of damage and loss from disasters, and promote sustainable development in vulnerable communities.

By investing in emergency response, SSF aims to reduce the vulnerability of marginalized communities, promote disaster resilience, and support the achievement of sustainable development goals in Sindh and beyond. Through its emergency response theme, SSF is committed to saving lives, alleviating suffering, and building a more resilient and sustainable future for all.



### OUR PARTNERS



Through collaborate partnerships with our donors, SSF harnesses collective resources and expertise to drive transformative change and sustainable development. Together, we uphold the values of trust and responsible stewardship, fostering a collaborative culture that empowers marginalized communities and improves the lives of the poor



# THE LEGACY OF TRANSFORMATION



**SAFWCO - NGO**

**1986**

## ESTABLISHMENT (NGO)

ORIGINATING FROM MODEST BEGINNINGS TO THE ORGANIZATION.

DRIVEN BY A MISSION TO ALLEVIATE POVERTY.

THE ORGANIZATION HAS TRANSFORMED ITSELF INTO A CATALYST FOR POSITIVE SOCIAL TRANSFORMATION.

**CED UNIT**

**1992**

## ESTABLISHED CED UNIT

OSAFWCO (NGO)'S INITIATIVE FOR CREDIT AND ENTERPRISE DEVELOPMENT (CED) THROUGH MICROCREDIT

**SAFCO SUPPORT FOUNDATION**

**2009**

## ESTABLISHMENT (NPO)

REGISTRATION OF SAFCO SUPPORT FOUNDATION (SSF) AS A SEPARATE COMPANY.

TRANSFORMATION FROM NGO TO SPECIALIZED MF COMPANY

SPECIALIZED MICROFINANCE



**2016**

## REG. UNDER NBFC

ACQUIRED NBFC LICENSE UNDER RULE 5 OF THE NBFC RULES & REGULATIONS.

UNDER SECP

**2022**

## SSF THEMATIC AREA

WOMEN EMPOWERMENT  
ENTREPRENEURSHIP  
LIVELIHOOD  
HUMAN DEVELOPMENT  
WASH  
EMERGENCY RESPONSE



A SUBSIDIARY MICROFINANCE COMPANY OF SSF

## SSF'S JOURNEY TO NEW HEIGHTS

SAFWCO's inception was a response to the dire need for an organization that would address the multifaceted challenges faced by rural women in Sindh, Pakistan. In the 1980s, these women were denied basic rights and opportunities, perpetuating a cycle of poverty and disempowerment. The organization's founders, a group of dedicated social activists, recognized the urgency of the situation and came together to form SAFWCO in 1986 as an NGO registered in Societies Act

The inception of SAFWCO was based on the principles of empowerment, equity, and social justice. The founders envisioned an organization that would cater to the needs of the most vulnerable segments of society, particularly women, and provide them with the resources and support necessary to improve their lives. With a strong commitment to gender equality and women's empowerment, SAFWCO set out to address the systemic barriers that prevented women from realizing their full potential.

The organization has established a network of village development organizations, which serve as a platform for women to come together, share their experiences, and support one another. Through these village organizations, SAFWCO delivers a range of development interventions, including education and literacy programs, healthcare services, economic empowerment initiatives, and legal support. By providing women with access to these essential services, SAFWCO has enabled them to break free from the shackles of poverty and marginalization, and become active participants in their own development.



### STEPPING INTO MICROCREDIT SERVICES

While SAFWCO and other NGOs in Sindh had been addressing the social issues faced by rural women through various development programs, a significant gap remained in terms of economic empowerment. To bridge this gap and enable rural women to scale up their small businesses and improve their livelihoods, SAFWCO introduced a game-changing initiative - the establishment of the Credit and Enterprise Unit (CEU) in 2001, marking a significant step towards economic empowerment through microcredit and financial assistance. This strategic move aimed to provide rural women with the necessary financial support to upscale their entrepreneurial ventures, thereby improving their economic stability and overall well-being.

## SAFCO SUPPORT FOUNDATION

In rural areas, women continue to face a formidable challenge in accessing adequate and inclusive financial services. This glaring gender disparity in financial inclusion underlines the persistent need for the establishment and expansion of microfinance services tailored specifically to the financial needs of rural women. These women, due to geographical isolation and limited infrastructure, often find themselves excluded from traditional banking institutions. This lack of access to banks and financial services hinders their ability to save, invest, and protect themselves and their families against financial shocks. Also the absence of appropriate financial support hinders their capacity to start or expand their businesses, limiting economic growth in rural communities.

As a result, In the year 2009, Safco Support Foundation (SSF) was established as a separate entity under the section 42 of the company's ordinance 1984. SSF inherited from SAFWCO the 23 years of experience integrated development approach in delivering social development services, enterprises development and financial access to the poor of rural Sindh.

The company's mandate remained focused on four of its strategic objectives.

### FINANCIAL INCLUSION

Bridge the gender gap in financial inclusion for rural women, providing access to adequate and inclusive financial services, and expanding microfinance services tailored to their specific financial needs.

### ECONOMIC EMPOWERMENT

Enable rural women to save, invest, and protect themselves and their families against financial shocks, and support rural women entrepreneurs by providing access to capital and financial services to start or expand their businesses.

### RURAL DEVELOPMENT

Promote economic growth and development in rural communities, addressing the geographical and infrastructure challenges that exclude rural women from traditional banking institutions, and fostering economic stability and prosperity in these communities.

### DISASTER RESILIENT INFRASTRUCTURE

Support the construction of disaster resilient housing and infrastructure for flood affected, promoting safe and sustainable shelter solutions, and empowering rural women to play a leadership role in rebuilding and recovering their communities.



## ***THE NEW ERA OF SUSTAINABLE AND INCLUSIVE GROWTH***

SSF has been at the forefront of innovation and progress in the industry since its inception in 2009, showcasing its capacity to transform and grow. The year 2022 proved to be a breakthrough year for SAFCO. The organization took a significant leap forward through strategic transformation. SSF spun off its financial services into a dedicated Microfinance subsidiary.

The decision to establish a separate microfinance private limited company as a subsidiary of SSF was motivated by a desire to amplify the organization's impact in the financial inclusion space. As SSF continued to grow and evolve, it became clear that the microfinance arm of the organization required a more specialized approach to truly fulfill its potential. By spinning out the microfinance company as a separate entity, SSF sought to develop a more adaptive and innovative approach by broadening its perspective and scope of work.

SSF now, refocused on its core mission of addressing poverty for sustainable development. To achieve this, SSF adopted an integrated approach with innovations in social mobilization. This strategic move was guided by SSF's core principles of compassion, empowerment, and sustainability, which have always been at the heart of the organization's mission.



## BOARD OF DIRECTORS

SSF is a company limited by guarantee and has (07) Board of Directors (BoD) who govern the operations of the company under the Not-For-Profit (NPO) status. The SSF Board of Directors comprises of highly qualified and experienced individuals from diverse fields of Banking, Microfinance, Agriculture, Business, Social Sciences, and Research



**MR. RANA ABDUL SALAM**  
CHAIRPERSON

Abdul Salam, with an extensive background in the banking industry spanning 35 years, formerly worked for one of Pakistan's leading banks - Habib Bank Limited. After which, he took on the position of Bursar (Head of Accounts and Finance) at Cadet College Sanghar. His wealth of experience in banking and finance played a critical role in the success of SSF's diverse projects.



**MRS. ZAIB UL NISA MALLAH**  
VICE CHAIRPERSON

Mrs. Zaib Ul Nisa, an esteemed social activist, has dedicated the last 11 years to the betterment of society. Her primary focus is on empowering women and advocating for their human rights. With her extensive knowledge, she can easily understand the changing behaviors of clients and employees, and use that information to develop strategic goals for rural women.



**MR. IQBAL HUSSAIN**  
DIRECTOR

Mr. Iqbal Memon's vast experience in business management and banking relationships, he provides invaluable insights to SSF. His extensive knowledge of credit behavior and client interactions has helped SSF navigate the complexities of the banking industry. His technical and professional expertise has not only helped SSF understand the intricacies of business dynamics, but also strengthened their relationships with banking institutions.



**PROF. MRS. MUMTAZ  
BANO SHAIK**  
DIRECTOR

Shaikh has over 25 years of experience in research and impact assessment. She has a Master's degree in Pakistan Studies, as well as Bachelor's degrees in Economics and Sociology. Her contributions in the field of research on community development, social development, and socio-economic impacts have been significant. Her expertise has been instrumental in helping SSF develop institutional strategies for rural communities and economies.



**MRS. UROOJ TALPUR**  
DIRECTOR

Ms. Talpur holds a PhD in the Role of Rural Women in Livestock Management in Sindh Province, Pakistan, and has a wealth of experience in economic growth spanning 18 years. Her areas of expertise include development economics, macroeconomics, agriculture economics, public finance, monetary economics, and development policy. Through her participation in Mrs. Urooj Talpur DIRECTOR various platforms, she has demonstrated her exceptional skills and knowledge in these fields. Her contributions are invaluable in shaping Safco's sector policies and procedures, as well as providing financial forecasting and planning for the institution.



**PROF. DR. GHULAM  
ALI JARIKO**  
DIRECTOR

Mr. Jariko's expertise is invaluable in the field of economics and applied research. With over 26 years of experience and a PhD in Research and Development Management from the University of Sindh, as well as an MSC in Agriculture Economics from Wye College University of London, he brings a wealth of knowledge to the table. His financial and economic background enables him to provide valuable input and contributions to SAFCO in areas such as effective risk management, financial analysis, budgeting, and forecasting the macroeconomic impacts on the sector. Additionally, he plays a key role in the development of long-term sustainable measures that will ensure the success of SAFCO in the future.



**PROF. DR. SHOUKAT  
ALI ABRO**  
DIRECTOR

Mr. Abro, a seasoned expert with over 17 years of experience in climate change and soil health. With his extensive knowledge in soil fertility, quality, and crop production, he has become a valuable asset to the agricultural industry. Additionally, as a bi-products practitioner, he has conducted various research studies which have proven beneficial to local farmers and growers. At Safco, Mr. Abro utilizes his versatile experience in product development and understanding climate effects in both rural and urban economies.



## BOARD STANDING COMMITTEES



### AUDIT COMMITTEE

The Audit committee is responsible for independent oversight on the institution business operations and financial activities with systematic and disciplined approach to evaluate internal controls and governance practices. The committee assist the board of directors in the oversight of institution's compliance with legal & regulatory requirements. The committee also reviews the adequacy of the internal audit function.



### HUMAN RESOURCE MANAGEMENT COMMITTEE

The Human Resource Management committee is responsible to recommend significant retirement benefits to the Board. The HR Committee is also responsible for creating and/or monitoring values-based systems and policies to ensure that the organization is following local, state and federal laws and certain best practices relating to its employees and creating an attractive environment for current and prospective employees.



### ENTERPRISES DEVELOPMENT

Economic growth is key to addressing unemployment, gender equality, health and other poverty related issues of the country. Enterprise development (ED) is an important tool and essential element to economic growth. SSF Enterprise Development Committee ensures that institution's developmental programs and projects are aligned and aimed at alleviating poverty by serving the underserved segment of the society through small businesses and household development, better health and education, and employment opportunities.



### GRANTS & CSR COMMITTEE

Grants & CSR Committee shall monitors the CSR policy of the institution from time to time. The committee has established a transparent controlling mechanism for the implementation of the CSR projects, programs and activities undertaken by SSF.

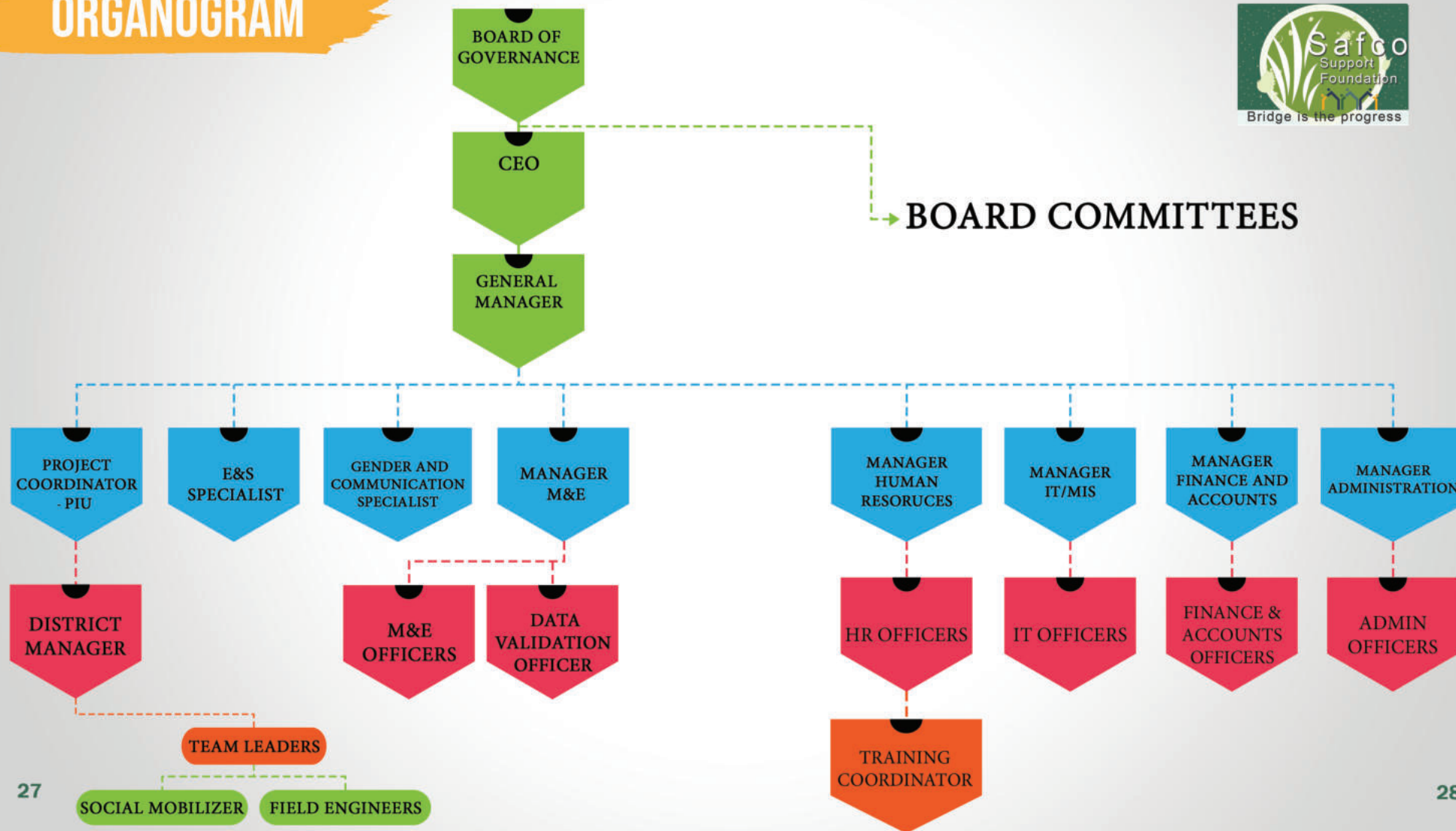
## BOARD MEETINGS GLIMPSE







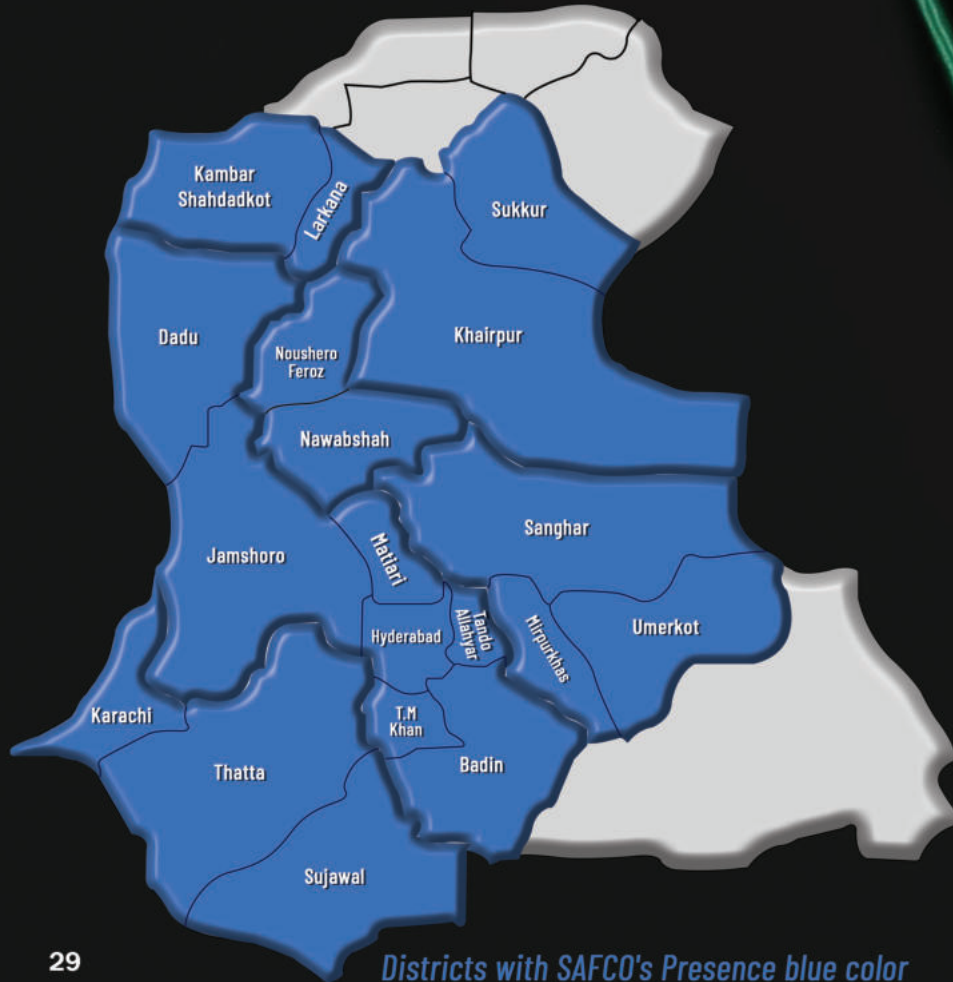
# ORGANOGRAM





## SAFCO's CURRENT OUTREACH DISTRICTS IN SINDH

SSF and its subsidiary (SMCL) is currently Present in 19 districts of sindh



*Districts with SAFCO's Presence blue color*

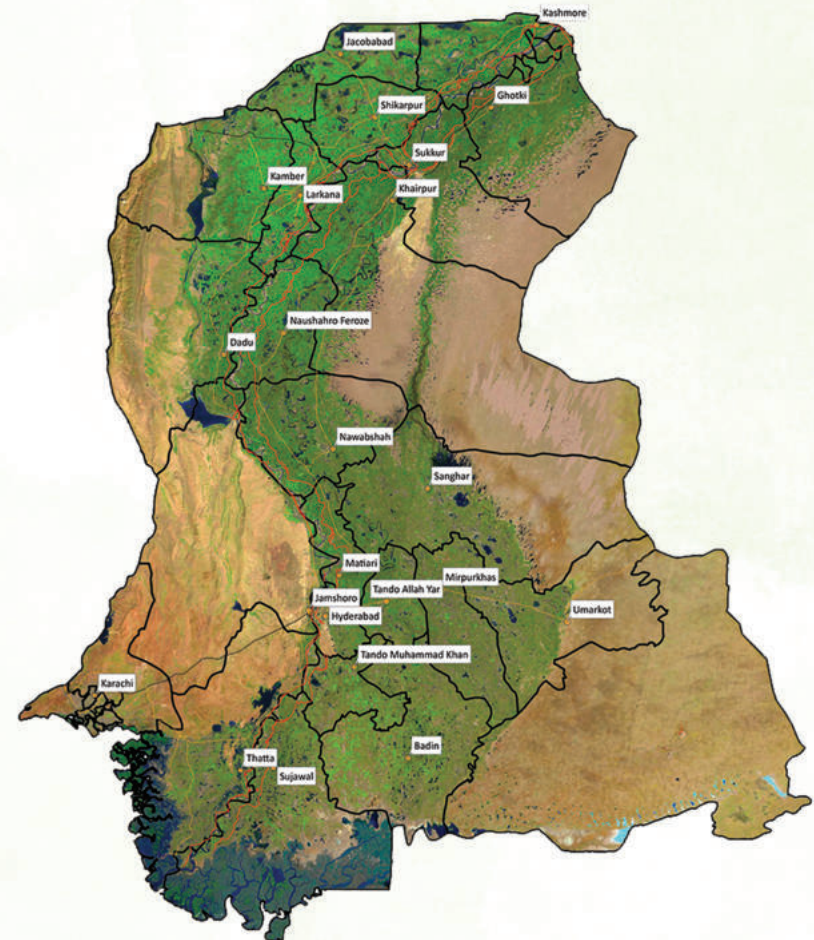
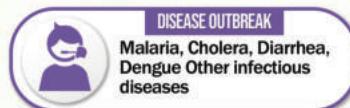
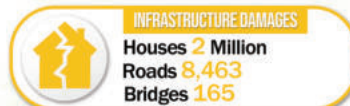


## FLOODS 2022: AFFECT ON SINDH

The 2022 floods in Pakistan had significant impacts, including in the districts of Naushahro Feroze and Shaheed Benazirabad in the Sindh province. These districts experienced devastating consequences due to the heavy rainfall and subsequent flooding.

The impact on the housing sector has been exceptionally severe. According to statistics, approximately 2 million houses in Sindh, accounting for almost 83% of the nationwide total, have either been partially damaged or destroyed. The last housing census conducted in 2017 revealed around 2,756,499 structurally unsound buildings in Sindh. Assuming a linear growth rate between 1998 and 2017, the number of inadequately constructed structures in the region has been increasing by approximately 1.6% annually.

This, combined with the uncertain ownership status due to the informality of the housing sector in rural areas of Sindh, has contributed to the immense challenges faced by the housing sector in the wake of the disaster. Notably, the Sindh People's Housing for Flood Affectees stands as a notable and substantial initiative aimed at rehabilitating affected housing. The floods of 2022 have disproportionately impacted Sindh, with estimates suggesting that the province received rainfall exceeding 400% of the 30-year average. It is conjectured that the rainfall surpassed six times the monthly average. The declaration of 24 out of 30 districts as 'calamity-hit' clearly reflects the immeasurable devastation brought about by these floods.





## SAFCO'S RESPONSE TO FLOODS 2022

SAFCO remained proactively involved in the CSR activities during the floods, 2022 and post flood situation with the aim of providing substantial support and assistance for advancing the social and environmental well-being of the flood affected communities. SAFCO developed and implemented its contingency plan to ensure timely and effective humanitarian aid to those who need it most during the emergency situation. Being a social responsible financial institute, SAFCO engaged itself since first day of heavy rains and floods in its operational areas for the rescue and relief of communities and especially its clients. Following support and assistance extended by SAFCO itself and with collaboration of stakeholder and organizations working for the relief and rehabilitation in flood affected areas.



- Food and other necessary items were provided as emergency response to flood affected individuals and communities. Mosquitoes Net, Drinking Water, Food supplies, Milk and other supporting items to 400 flood affected families. A total of PKR 2 million of such items were distributed in the month of September, 2022.
- Ration bags worth PKR 1.75 million were distributed among flood affected poor families. 350 poor families were provided with food items in the month of October, 2022 so that they can meet their basic and immediate needs during crisis situation.
- Ration bags & kitchen necessary items for flood affected rural families were distributed in rehabilitation support in the month of November, 2022. A total of PKR 3 million worth of these items were distributed to 300 poor and flood affected families to support them in disaster situation.
- Since the start of monsoon and onset of flood 2022, SAFCO has remained in continuous coordination with national and international organizations to provide financial assistance,
- support business revival and rehabilitation of the people who were badly affected during the 2022 flood. These include financial aid, loans and donations from national and international organizations, local and federal governments and any other reputable sources.

- PMIC extended support to SAFCO of PKR 12.50 million as grant assistance for Business Revival of 500 flood affected clients in District Sanghar to extend grant assistance of PKR 20,000 to PKR 30,000 to each flood affected client whose businesses were completely lost and they were having good repayment and credit history. The project was successfully completed by SAFCO with maximum compliance in the given timeframe.



INFRASTRUCTURE DAMAGE



PSYCHOLOGICAL IMPACTS



LOSS OF LIVELIHOODS



HUMAN DISPLACEMENT



WATERBORNE DISEASES



## Rebuilding Homes, Rebuilding Lives: GOVERNMENT OF SINDH INITIATIVE FOR THE FLOOD AFFECTEES

The Government of Sindh (GoS) has taken the initiative known as the Sindh People's Housing for Flood Affecteds (SPHF) to address the housing needs of those impacted by the 2022 floods. To support this program, a funding envelope of US\$ 1.5 billion has been allocated, with the World Bank contributing a financial assistance of US\$ 500 million. Additionally, the World Bank is providing technical assistance to guide the design and implementation of the overall reconstruction program. The primary objective of the SPHF is to support the reconstruction of houses affected by the floods, both partially damaged and destroyed. Under the SPHF project, a total of 2.1 million houses are planned to be constructed in 23 flood affected districts of Sindh, impacting around 12.3 million individuals.

To implement the project the GoS has developed a comprehensive long-term commitment strategy that involves all relevant stakeholders in the design, development, and execution of resilient housing construction in Sindh. Most rural houses in Sindh do not meet construction and engineering standards, leaving millions of people at risk, especially with the potential future impact of climate-induced disasters. This situation presents a critical opportunity to shift towards constructing multi-hazard resilient housing.

### *Under the SPHF, the following actions are taken:*

- Beneficiary-driven rebuilding with financial assistance through cash grants as housing subsidies, specifically for constructing a core unit.
- Provision of technical assistance and training to ensure rebuilding meets multi-hazard resilient standards.
- Promoting rebuilding to minimize resistance to relocation and provide livelihood opportunities.

Through partnerships with multiple actors, the SPHF facilitates the improvement of social sector infrastructure and the adoption of environmentally conducive strategies. Land rights form a central aspect of the reconstruction efforts. Estimates show that millions of households lack proper documentation for property ownership, and this number has grown significantly due to the current crisis. SPHF ensures that along with rebuilding homes, ownership rights are provided to beneficiaries, with a specific focus on matriarchal and other vulnerable households, including single women, the elderly, and persons with disabilities. Technical assistance and capacity building are available to simplify the process of identifying and restoring ownership rights.



## SSF'S AGREEMENT WITH SPHF ON HOUSING RECONSTRUCTION PROJECT



SSF entered into a project agreement with Sindh People's Housing For Flood Affecteds (SPHF) during the Resilient Sindh Conference held in Karachi on February 08, 2023. In the execution and implementation of the project, SSF is engaged as an implementation partner, with the responsibilities of damage assessment, data validation and collection, classification and information gathering, assistance and guidance to beneficiaries, environmental and social assessments, ensuring consistent project progress, organizing training programs, monitoring and evaluating sectors, mobilizing communities, deploying human resources, and facilitating verification and certification of construction through engineers adhering to the guidelines and framework set forth by the World Bank to implement in two largely populated districts of Sindh.



## SINDH PEOPLES HOUSING FOR FLOOD AFFECTED (SPHF)

SAFCO Support Foundation embarked on a journey to support the rehabilitation of flood-affected communities in March 2023. The organization diligently worked on validating data, submitting forms to SPHF, and coordinating with banks to open accounts for beneficiaries. The efforts led to the disbursement of the first installment to 5,360 beneficiaries, with 1,923 starting constructions by June 30th.

During the period of three months the team achieved a significant milestone with 592 beneficiaries completing the plinth level construction, and 506 plinths certified by engineers. SSF also facilitated the signing of MoUs, training, and formation of VRCs, with a total of 2,532 MoUs signed, 421 VRCs formed, and 271 E&S forms filled.

SAFCO Support Foundation prioritized capacity building, conducting 41 trainings for staff and 40 trainings for VRCs and craftsmen on multi-hazard resilient housing reconstruction. Despite facing technical challenges at the initial stage of the project, the SSF remains committed to resolving issues and achieving project milestones set for the period till June 2023.

By the end of the June 2023, SAFCO Support Foundation had opened 7,076 bank accounts for beneficiaries, with 2,957 in Shaheed Benazir Abad and 4,119 in Naushahro Feroz. The SSF's efforts have paved the way for the reconstruction of homes, with 105 beneficiaries receiving the second installment and 26 starting lintel level construction.

Activity	Achievements by June 30, 2023
Validation	115111
Bank Accounts opened	7076
Reconstruction Started	1923
Plinth Completed	592
Lintel Completed	9
No. of MoUs Signed with Beneficiaries	2532
No. of VRCs Formed	421
No. of E&S Conducted	271

### DAMAGE ASSESSMENT AND VALIDATION PLANNING

The district validated data for 115,111 beneficiaries and submitted 93,643 forms to SPHF, with 18,348 approved. 7,076 bank accounts were opened for previously unbanked beneficiaries and 5,360 received their first installment. 592 beneficiaries completed plinth reconstruction, and 506 certifications were beneficiaries received approved. their 105 second installment, and 26 began reconstruction work. 2,532 MOUs were signed between SSF and beneficiaries. Also, 421 VRCs were formed, and 271 environmental and social forms were completed by Taluka SSF teams.

### RISK ASSESSMENT & MANAGEMENT

SAFCO Support Foundation has implemented a risk management framework to address operational, technological, data validation, external and environmental risks. Measures like client assessment, coordination with banks, and mapping of suppliers have been implemented to mitigate operational risks, while technological risks are addressed through communication and training.





### ENVIRONMENTAL AND SOCIAL SCREENING (E&S)

The screening process involved the use of screening checklists, carried out through the online application of Kobo Toolbox. A total of 259 environmental and social screenings were completed during the previous quarter. Both the project and IPs' environmental and social teams ensure that the proposed mitigation and management measures align with the Bank's guidelines.



### VILLAGE RECONSTRUCTION COMMITTEE (VRC)

The Village Reconstruction Committee (VRC) is a community based organization that plays a crucial role sustainable in ensuring development environmentally rehabilitation during and sound the rehabilitation phase of the Sindh People's Housing for Flood Affectees program. They engage the community, strengthen local and institutions.



### GENDER AND SOCIAL INCLUSION (GSI)

The Gender and Social Inclusion (GSI) section of the project focuses on promoting gender equality and the inclusion of vulnerable groups. A Gender Action Plan (GAP) has been developed to address the specific needs of women, such as safe housing and financial assistance. The project aims to provide technical assistance, raise awareness and reduce women's vulnerability to disasters. Land title reforms and equal opportunities are also priorities. The SAFCO Support Foundation (SSF) aligns with World Bank requirements and has made progress in developing policies.



### TRAINING & DEVELOPMENT

SAFCO Support Foundation initiated the reconstruction phase of fully damaged houses, including the validation process. Beneficiaries were provided with training and orientations on construction guidelines, and their bank accounts were opened. The construction progress was regularly supervised and monitored by Field Engineers (STAT) teams, and beneficiaries were given continuous technical and non-technical support. Local labor, craftsmen, and masons were also provided with training and guidance on multi-hazard standards during the construction phase.





### **MONITORING AND EVALUATION (M&E)**

Project monitoring involves various levels and roles for successful implementation. The Head Office supervises data validation, reviews frameworks, and engages stakeholders. The District Office focuses on community engagement.



### **GRIEVANCE REDRESSAL MECHANISM**

Naushahro Feroze is a district in Sindh Province, Pakistan, located between specific longitudes and latitudes. It shares borders with Khairpur, Dadu, Larkana, Jamshoro, Shaheed and Benazirabad districts, with the Indus River flowing alongside its western dasdnasd asd asdas dasdasd asd asdasdasd .



### PRIME MINISTER INTEREST FREE LOAN SCHEME FOR THE POOR

The Pakistan Poverty Alleviation Fund (PPAF), in collaboration with the Federal Government of Pakistan, has introduced the "Prime Minister Interest-Free Loan Scheme" to support the ultra-poor, identified through the Poverty Score Card data by BISP. As part of this initiative, PPAF has allocated Rs. 80 million to SAFCO Support Foundation (SSF) for implementing of the project. The project has been successfully implemented in Sanghar and Thatta districts. Three branches have been established, with two in Sanghar (Tehsil Khipro) and one in Thatta (Tehsil Thatta), and a fourth branch is set to open in UC Waar. These branches aim to serve 4,000 clients, with a focus on those with a poverty score of 0-40. The scheme is designed to be extendable over two years, with the goal of enhancing income-generating opportunities and employability for the underprivileged. Particular emphasis is placed on empowering women and youth. Additionally, training programs will be conducted to build the capacity of unbanked individuals in areas such as financial management, livestock rearing, and entrepreneurship, as well as providing access to credit, insurance, and skill enhancement services.

During the year



Safco Support Foundation's interest-free loan program has achieved a cumulative disbursement of PKR 1.250 billion, serving a total of 40,976 loans to support the establishment and enhance the existing small enterprises. The average loan size per beneficiary is PKR. 30,513.

During the year-2022-23, the program provided the loans to 3,190 borrowers, with a total disbursement of PKR 131.4 million. Notably, the program's reach has been significant, with 65% (26,353) of the borrowers being female and 35% (14,623) being male.

Beneficiaries	LOANS		DISBURSEMENT	
	Current year	Cumulative loans	Current year	Cumulative
Male	1799	14,623	77,267,000	486646000
Female	1391	26353	54,166,000	763663000
Total	3,190	40,976	131,433,000	1,250,309,000

### THE WOMEN INCUBATION CENTER

The incubation center model empowers rural women entrepreneurs through a holistic approach, providing a supportive environment and resources to foster innovation and success. The model offers:

- Education and training in business management, financial literacy, and technical skills
- Mentorship and networking opportunities with experienced mentors and peers
- Access to finance through microloans and grants
- Infrastructure and resources, including a fully-equipped resource center

By providing these essential components, the incubation center model enables women entrepreneurs to share ideas, collaborate, and explore new agri-business models and technologies, ultimately achieving success in their businesses and contributing to their economic empowerment.





## GALLERY



Contract Signing Ceremony Feb, 2023



Meeting with Team SPHF Feb, 2023



Land Entitlement Session for District Shaheed Benazirabad



Land Entitlement Session for District Naushehro Feroz





*Field Visit by Team World Bank Oct, 2023*



*German Ambassador visit to SAFCO*





## MEER ZAADI

### JOURNEY OF RESILIENCE AND COMMUNITY SUPPORT

Meer Zaadi, a widow and mother of five from rural Sindh, has overcome incredible challenges to build a new life for herself and her family. Through her hard work in the cotton fields and creation of vibrant cultural blankets, Meer Zaadi earned a modest income and singlehandedly raised her children. Despite facing numerous obstacles, her determination and resilience never wavered. With the support of the Village Reconstruction Committee (VRC), Meer Zaadi was able to turn her dream of owning a house into a reality. The VRC provided the technical assistance, guiding her through the complex process of construction and helping her secure materials at discounted rates. Thanks to the collective effort of her community, Meer Zaadi now radiates joy and gratitude in her new home, a testament to the power of community support and collective action. Her story serves as a shining example of how even the most distant dreams can become a reality when communities come together to uplift one another.



## ALLAH WASAYO

### FROM SHEPHERD TO ARCHITECT OF HOPE

Allah Wasayo, a rural shepherd, faced unimaginable challenges when his house was destroyed completely in the flood. With SAFCO Support Foundation (SSF) and Sindh People Housing for Flood Affected (SPHF) support, he embarked on a journey of reconstruction. Through determination

and hard work, Allah Wasayo contributed to the construction project by selling some of his cattle. The result is a house symbolizing the transformative power of collective support.

His new abode stands as a testament to his triumph over adversity, and he radiates gratitude and excitement. Allah Wasayo's story showcases resilience and hope, demonstrating that collective support can help individuals overcome daunting challenges and rebuild their dreams.



The support he received not only provided a safe shelter but also empowered him to reclaim his dignity and sense of purpose. Allah Wasayo's journey inspires us to recognize the transformative power of community-driven support and the human spirit's potential to rise from adversity and create a brighter future. His story serves as a beacon of hope, highlighting the impact of collective efforts in rebuilding lives and restoring hope.





## LAKHMEER

### UNWAVERING DEDICATION: LAKHMEER'S JOURNEY OF CARING FOR HIS DISABLED SON

Lakhmeer's life was turned upside down when he had to relocate and resettle in a tent due to flooding and heavy rain. As a father of five, including a disabled son, he faced numerous challenges in caring for his family. Despite these hardships, Lakhmeer worked as a laborer and purchased land in installments, while his wife contributed to the family income by picking cotton in the fields. The Sindh People's Housing Foundation (SPHF) extended a helping hand, aiding Lakhmeer in acquiring his own house. This assistance brought him relief and happiness, knowing he had a stable and secure home for his family. Lakhmeer expressed delight and satisfaction with the ongoing development of his new house, emphasizing the high-quality standards of the construction. He believed that this new found sense of ownership and pride in his future home would not only benefit him but also his generations to come, providing his children with a comfortable place to live. This brought him happiness and a sense of security.



"My house is being constructed, but the standard of quality in construction has made me more happy" – Lakhmeer

## MUHAMMAD GUL SHER

### A TALE OF RESILIENCE AND NEW BEGINNINGS

In the vast expanse of life, Muhammad Gul Sher emerges as a laborer in a wheat farm, navigating the ebb and flow of existence with a spirit that transcends adversity. His story unfolds as a poignant narrative of loss, hope, and the profound joy of new beginnings.

Muhammad Gul Sher's life took a poignant turn with the loss of a child due to pre-birth issues. Amidst the shadows of grief, the anticipation of a new life dawned upon him as his family awaited the arrival of their soon-to-be-born child. However, the journey toward this joyous event faced an unexpected obstacle floods.

The onset of floods marked a period of profound uncertainty for Muhammad Gul Sher and his family. Their house, a haven of memories and dreams, succumbed to the relentless currents of water, leaving them grappling with the aftermath of loss and displacement. In those dire moments, the family's primary concern was not the material possessions left behind but the preservation of life itself.

During floods and incessant rains, every parcel of land became a precarious island surrounded by water. Fear gripped the hearts of Muhammad Gul Sher and his family as they navigated the turbulent currents, desperately seeking safety. In those moments of peril, hope wavered, and the prospect of rebuilding a home seemed distant.

The transformative chapter in Muhammad Gul Sher's story unfolded with the intervention of organizations like the SAFCO Support Foundation (SSF) and the Sindh People Housing for Flood Affectees (SPHF). Their collaborative efforts provided a lifeline, a bridge from despair to the promise of a new beginning. The construction of a new house became not just a physical shelter but a symbol of resilience and the unwavering human spirit.







As Muhammad Gul Sher and his family step into the sanctuary of their new home, the walls echo with the triumph over adversity. The imminent arrival of a new-born, who will open their eyes to a world within the secure embrace of their home, adds a profound layer of joy to the narrative. The happiness radiates from the anticipation of creating new memories within the walls that stand as a testament to their collective strength.

In the chronicles of Muhammad Gul Sher's life, the tale becomes a narrative of resilience, loss, and the transformative power of hope. The new house stands as a beacon, illuminating the path from the shadows of despair to the radiant possibilities of a new beginning. The impending arrival of a new life symbolizes not just the continuity of the family lineage but also the resurgence of hope in the face of life's tempests.

In this story of rediscovery, we find the echoes of countless individuals who, through shared efforts and the support of compassionate organizations, rise above the challenges that threaten to extinguish hope. Muhammad Gul Sher's narrative becomes a reminder that, even in the darkest moments, the human spirit can find solace in the collective embrace of community support, transcending adversity, and paving the way for a brighter tomorrow.

*"I have satisfaction as my new born will open eyes in our new house" - Gul Sher's Wife*

## NASEEMA

### STRUGGLES OF A WIDOW: A MOTHER'S CONCERN FOR HER DAUGHTER'S MARRIAGE

Naseema's husband, was a father of four and worked as a farmer. Sadly, he lost his life during the floods, leaving his family in a vulnerable position. Facing the devastation caused by the floods, Naseema and her family managed to survive by living in a tent. This must have been an incredibly difficult experience, as they had to endure the uncertainty and hardships associated with being displaced from their home.

Naseema, being a widow, faces multiple challenges in arranging her daughter's marriage. Firstly, without her husband, there is no one to provide for the family, creating financial instability. Secondly, due to the destruction caused by the rains and floods, their house was demolished. This loss adds to Naseema's worries, as she is now concerned about her daughter's dowry, an important aspect in some cultures when it comes to marriage.

Naseema, single-handedly, has been striving to overcome the challenges she faces. Despite the limited resources, she has worked tirelessly in the cotton fields to earn a living for her family. However, given the magnitude of her difficulties, Naseema has recognized the need for external support.

Fortunately, Naseema has received support from SPHF and SSF. These organizations have played a vital role in her life by constructing a new house for her and her family. Naseema is tremendously grateful for this assistance, as it provides her with a stable living environment.



The intervention of SPHF and SSF has brought a glimmer of hope into Naseema's life. With a new house, Naseema received marriage proposals for her daughter from relatives. This development signifies a positive turn in her circumstances. Naseema now looks forward to arranging her daughter's marriage as soon as her new house is complete. This prospect brings a sense of relief and optimism for the future.



## SHAHZADI

### EMPOWERING RESILIENCE: JOURNEY TO REBUILD AFTER A DEVASTATING FLOOD

The inspiring journey of Shahzadi and her family, who confronted the devastating consequences of a flood. Residing in a village with limited access to education, Shahzadi took on the role of a teacher, providing educational activities for children even in the circumstances. Facing challenges by the government and SAFCO, Shahzadi actively joined the Village Rehabilitation Committee (VRC), playing a vital role in advocating for the reconstruction of damaged houses. Shahzadi's determination and resilience as she contributed to the rebuilding efforts and successfully constructed a new home for her family.





During the flood, Shahzadi and her family experienced the loss of their homes and were displaced. Despite these hardships, Shahzadi embraced the role of a teacher, continuing to educate children in her village amidst the crisis.

Recognizing the importance of community collaboration, Shahzadi became an active member of the VRC. She organized meetings to educate others about health and the responsibilities of the VRC. Through her efforts, Shahzadi ensured that no household was overlooked and that everyone received the necessary assistance for reconstruction. With the government's conduct of a comprehensive door-to-door survey and validation, Shahzadi received the much-needed support from SAFCO for the reconstruction process. Guided by this assistance, she received installments to facilitate the construction of her new home.

Shahzadi and participated her as family laborers actively in the construction process, exemplifying their dedication and determination. Their involvement fostered a sense of pride and gratitude as they achieved the milestone of a fully reconstructed house.

Shahzadi's journey showcases her unwavering determination and resilience in the face of adversity. The positive impact of government support and community collaboration is evident throughout the process. This case study emphasizes the valuable lessons learned and highlights the path towards a brighter future for Shahzadi, her family, and the entire community.







## SHAHIDA

### FROM ADVERSITY TO EMPOWERMENT THE JOURNEY OF SHAHIDA WITH SAFCO SUPPORT FOUNDATION

Shahida, a woman from Village Jamal Bhambhro, has overcome incredible challenges to achieve prosperity through microfinance. Born into poverty, Shahida's education was cut short, but she learned embroidery from her mother and later assisted her husband, Anwar, in making ends meet.



When SAFCO Support Foundation offered Interest-Free Loans, Shahida seized the opportunity and persuaded Anwar to apply. With a loan of 32,000 PKR, Shahida invested in a sewing machine and embroidery materials, starting a successful entrepreneurial venture. She repaid the loan easily and expanded her business with subsequent loans, establishing a general store and becoming a provider of essential goods and services.

Today, Shahida is a beacon of empowerment, uplifting marginalized communities and engaging in philanthropy.

Today, Shahida is a beacon of empowerment, uplifting marginalized communities and engaging in philanthropy. Her story showcases the transformative power of microfinance in emancipating individuals from poverty, demonstrating that adversity can be turned into opportunity with determination and prudent management.



## YAR MUHAMMAD

### FROM FARMER TO ENTREPRENEUR YAR MUHAMMAD JOURNEY OF SUCCESS WITH SAFCO SUPPORT FOUNDATION

Yar Muhammad's journey from poverty to prosperity is a testament to the transformative power of microfinance. Despite struggling as a farmer, he remained determined to succeed. When he discovered SAFCO Support Foundation's (SSF) Interest-Free Loan program, funded by the Pakistan Poverty Alleviation Fund (PPAF), he seized the opportunity.



With a loan of 30,000 PKR, Yar Muhammad started a Chicken Poultry Shop, which proved to be a huge success. He continued to seek loans from SSF, diversifying his investments and expanding his business. Today, he is a wholesale supplier of chickens in the city and has helped his brothers launch their own startups.



Yar Muhammad's success is a shining example of the impact of microfinance, made possible by SSF and PPAF's support. He is grateful for the opportunities and has become a pillar of strength for his family and community. His story showcases how microfinance can empower individuals to break free from poverty and achieve their dreams.





## SUHR

### BREAKING THE CYCLE SUHR'S JOURNEY TO FINANCIAL INDEPENDENCE WITH SAFCO SUPPORT FOUNDATION

Sughra Khaskeli, a woman from Village Safar Khaskeli, has overcome incredible challenges to achieve empowerment through microfinance. Born into a humble farmer household, Sughra faced poverty and financial instability, shouldering the responsibility of caring for her family of eight. Despite her best efforts, she struggled to make ends meet, facing social isolation and ostracization from her community.

However, when SAFCO Support Foundation (SSF) introduced her to Interest-Free Loans funded by the Pakistan Poverty Alleviation Fund (PPAF), Sughra

seized the opportunity to break free from poverty. With a loan of 24,000 PKR, she established a small shop, which became a beacon of hope and resilience in her community. Sughra's determination and hard work paid off, as her shop flourished, providing essential goods and services to her neighbors.

Buoyed by her initial success, Sughra sought to further expand her business and secure her financial independence. With the support of SSF, she secured a second loan of 30,000 PKR, enabling her to diversify her offerings and broaden her reach within the community. Today, Sughra stands as a testament to the transformative power of microfinance, inspiring others to dare to dream and aspire for a better future.

Through her journey, Sughra has not only transformed her own life but has also become a catalyst for change within her community. Her success has restored her sense of dignity and self-worth, and she is now a respected member of her community. Sughra's story serves as a shining example of the impact of microfinance in empowering individuals to transcend the limitations imposed by poverty. She is grateful for the lifeline extended to her by SSF and PPAF, and her heart brims with hope and optimism as she looks towards the horizon, fueled by the belief that with determination and support, anything is possible.



## NASREEN

### RESILIENCE REWARDED NASREEN'S JOURNEY TO FINANCIAL INDEPENDENCE WITH SAFCO SUPPORT FOUNDATION

Nasreen, a woman from Garho, has overcome incredible adversity to achieve empowerment through microfinance. Born into poverty, Nasreen pursued education despite financial constraints, but her journey was marked by challenges, including early marriage, homelessness, and unemployment. However, she remained determined and resilient, eventually remarrying and finding stability.

When her husband was injured in an accident, Nasreen turned to the Interest-Free Loan program funded by PPAF and SSF, using the funds to finance

his medical treatment and start her own tailoring business. With hard work and perseverance, her business flourished, providing financial sustainability and enabling her to achieve significant milestones, including purchasing dowries for her daughters and educating her children.

Today, Nasreen stands as a testament to the transformative power of microfinance, inspiring others with her journey from poverty to prosperity. Grateful for the support provided by PPAF and SSF, she looks towards the future with optimism and gratitude, knowing that her journey is a testament to the indomitable human spirit. Through her resilience and determination, Nasreen has secured a better future for herself and her family, becoming a source of inspiration for others facing similar challenges.





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ANALYSIS  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SAFCO SUPPORT FOUNDATION

### Report on the Audit of the Unconsolidated Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of SAFCO SUPPORT FOUNDATION (the Foundation), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure and other comprehensive income, the statement of changes in fund balances, the statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in fund balances and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2023, and of the deficit and other comprehensive surplus, the changes in fund balances and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw your attention to note 1.3 which indicate that the Foundation has executed a substantial corporate restructuring, involving transfer of a significant portion of its assets and liabilities to its wholly owned subsidiary, SAFCO Microfinance Company (Private) limited. Our opinion is not modified in respect of this matter.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon.



Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of directors are responsible for overseeing the Foundation's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### Other Matter

The unconsolidated financial statements of the Foundation for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who have expressed an unmodified opinion thereon vide their report dated October 05, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Arqam Ayubi.

KARACHI

DATED: 19 DEC 2023

UDIN: AR2023107429meMZJz4B

BDO Ebrahim & Co.

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

#### SAFCO SUPPORT FOUNDATION UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

		For the year ended June 30, 2023	For the year ended June 30, 2022
		(Rupees)	
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Deficit) / surplus before taxation		(48,326,340)	63,379,060
Adjustments for non-cash income and expenses:			
Depreciation on property, plant and equipment	4	8,023,755	6,657,382
Depreciation on right of use assets	5	3,330,784	14,450,629
Exchange (gain) / loss	31	158,177,200	178,376,014
Finance charges on lease liability	19.1	124,415	7,278,777
Grant for operations - realized		(66,449,900)	(15,936,512)
Loss on lease termination		94,937	-
Deferred grant for fixed assets - restricted		10,578	(126,934)
Income from term deposit receipts	31	(4,732,760)	(30,075,067)
Gain on sale of property, plant and equipment	31	(43,211)	(3,073,228)
Emergency fund fee realized	31	(2,369,685)	(31,856,724)
Provision against loan losses	30	(100,257)	6,746,754
Financial charges expensed	28	70,216,581	376,407,014
Income on bank deposits	31	(13,211,030)	(54,747,783)
		104,745,067	517,479,382
(Increase) / decrease in current assets			
Micro credit loan portfolio		17,569,408	(1,251,138,636)
Loan to enterprises		1,350,004	(550,000)
Accrued financial income		-	(8,681,074)
Advances and prepayments		131,407	(5,037,231)
Long term loans		4,911,274	(22,609,487)
Other receivables		(258,524,486)	(25,300,559)
		(234,562,393)	(1,313,316,987)
Increase / (decrease) in current liabilities			
Accrued and other liabilities		143,994,828	(30,348,230)
		14,177,502	(826,185,835)
Grant from operations received		58,736,069	23,234,460
Interest on bank deposits received		13,211,030	54,747,783
Financial charges paid		(132,633,340)	(319,218,766)
Net cash used in operating activities		(46,508,739)	(1,067,422,358)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property and equipment		55,733	6,526,300
Net Property, plant and equipment acquired	4	(31,498,137)	(13,662,633)
Payment of security deposits		(440,000)	(120,000)
Purchase of investments		(40,500,000)	(706,460,000)
Income on term deposit receipts received		22,413,662	18,680,281
Investment in subsidiary		(249,427,763)	(50,000,000)
Proceeds from sale of investments	21	-	446,460,000
Net cash used in investing activities		(299,396,505)	(298,576,052)

SAFCO SUPPORT FOUNDATION  
UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

FOR THE YEAR ENDED JUNE 30, 2023		For the year ended June 30, 2023	For the year ended June 30, 2022
	Note	----- (Rupees) -----	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing	21.	(235,073,333)	(1,858,337,786)
Grant received from SPHF		168,128,715	-
Long term financing obtained		-	2,748,081,772
Emergency fund received-net		3,342,235	37,217,465
Repayment of lease liabilities	19.1	(4,551,321)	(21,015,807)
Net cash generated from financing activities		(68,153,704)	905,945,644
Net (decrease) / increase in cash and cash equivalents		(414,058,948)	(460,052,766)
Cash and cash equivalents at beginning of the year		607,423,874	1,067,476,640
Cash and cash equivalents at end of the period / year		193,364,926	607,423,874
<b>Cash and cash equivalents</b>			
Term deposit receipt having maturity within three months	12	-	37,500,000
Cash and bank balances	16	193,364,926	669,923,874
Running finances	22	-	(100,000,000)
		193,364,926	607,423,874

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



## DEAR READERS,

*In the heart of every initiative lies a narrative of hope, resilience, and the unwavering pursuit of positive change. As we delved into SAFCO Support Foundation's 2023 Annual Report, titled "Seeding the change and pioneering the Growth" we have embarked on a journey of inspiration and transformation, guided by the collective efforts of dedicated individuals, organizations, and partners. This report serves as a testament to the foundation's commitment to mobilizing vulnerable communities and empowering them to live happier, healthier, and more prosperous lives.*

*Authored by a team of passionate individuals and curated by the editorial board, this report encapsulates the essence of SAFCO Support Foundation's mission and the impact of its initiatives. Through its pages, we encounter stories of resilience, empowerment, and progress, each narrative reflecting the foundation's tireless dedication to uplifting those most in need.*

*As we navigate through the various sections of the report, we are struck by the breadth and depth of SAFCO Support Foundation's initiatives. From improving access to basic infrastructure and essential services to promoting education, healthcare, and economic empowerment, each intervention represents a step forward on the path to positive change. Moreover, the foundation's emphasis on collaboration and partnership underscores the importance of collective action in driving sustainable development and social progress.*

*As we conclude our exploration of the 2023 Annual Report, we are filled with gratitude and optimism for the future. We extend our heartfelt appreciation to the individuals, organizations, and partners who have contributed to the success of SAFCO Support Foundation's initiatives. Their generosity, dedication, and support have been instrumental in driving the foundation's mission forward and making a lasting impact on the lives of vulnerable communities worldwide.*

*Looking ahead, we are inspired by the possibilities that lie ahead and the opportunity to continue our journey of transformation and empowerment. Together, let us continue to elevate ambitions, inspire change, and create a better world for generations to come.*

*Author & Editorial Board*