



Human Development at Grassroots:
Going to Scale



A Unique Public-Private Partnership to Help
Achieve Millennium Development Goals in Pakistan



**NATIONAL COMMISSION
FOR HUMAN DEVELOPMENT**

**PAKISTAN HUMAN
DEVELOPMENT FUND**

CONSOLIDATED REPORT 2002 - 05

NCHD Districts

53 districts of Pakistan covered in a short span of three years (2002 - 05)



BALUCHISTAN



N.W.F.P



PUNJAB



SINDH



AJK, FATA, FANA

Operational Districts

Mastung	Mardan	Narowal	* Lahore	Ghotki	Mirpur
Qila Saifullah	Karak	Attock	* Layyah	Thatta	
Jafferabad	Mansehra	Rajanpur	* Sargodha	Naushero Feroz	
Pishin	Bajaur	Gujrat	* Khushab	Badin	
* Bolan	* Abbotabad	* Chakwal	* Kasur	* Hyderabad	
* Qila Abdullah	* Haripur	* D.G. Khan	* Sialkot	* Karachi	
* Ziarat	* Kohat	* Bahawalpur	* Khanewal	* Shikarpur	
* Zhob	* Malakand	* Sheikhpura		* Sukkur	
* Sibi	* Shangla	* Rawalpindi		* Larkana	
	* Swat	* Muzaffargarh		* Khairpur	
	* Swabi	* Mandi Bahuddin		* Mirpurkhas	
	* Batagram	* Rahim Yar Khan		* Tharparkar	

* Literacy Program Districts

National Commission for Human Development (NCHD) Programs will be further expanded to 33 additional districts (including FATA & FANA) in 2005 - 06. The remaining districts of the country will be covered in 2006 - 07.

Achievements at a Glance (2002 - 05)

- 1.5 million previously out-of-school children (5-7 years) are now getting education under the Universal Primary Education (UPE) Program of NCHD.
- 1.4 million women have been trained in ORS preparation.
- 9,121 community-based Feeder Schools have been established.
- 9,000 Adult Literacy Centers established (86% are female learners).
- Over 300,000 women & children have been vaccinated.
- 1,238 NCHD Family Health Workers provide door-to-door preventive health care to a 1.1 million population
- Trained and registered 40,231 volunteers from over 30,000 villages who are actively supporting different human development programs at grass-roots level.
- 19,000 primary school teachers have been trained on Universal Primary Education, data-collection, dropout prevention and quality education.

Taking Human Development Programs to Scale on a National Level in Pakistan



GENERAL PERVEZ MUSHARRAF - President, Islamic Republic of Pakistan

The task force for Human Development was created in June 2001; it was mandated to propose plans for capacity building in social sectors based on the assessment of needs and recommendations of integrated solutions for the delivery of primary education, adult literacy, micro enterprise and primary health care at the grassroots.

The Task Force presented its report in the stipulated time. I found it comprehensive and practicable, and therefore setup the National Commission for Human Development (NCHD), in July 2002.

Dr. Nasim Ashraf, a philanthropist with a credible record of achievements and services for humanitarian causes, especially with reference to Pakistan, was appointed as the Chairman of NCHD.

I am extremely pleased to see the NCHD Activities Overview. I am satisfied that the Commission, under the leadership of Dr. Nasim Ashraf, has stood up to the daunting task of human development and mobilization in the right way and has justified the confidence placed in the organization through its progress.

In addition to the Pakistan Human Development Fund, the Commission has also shown great initiative in mobilizing sizeable funds through UN Agencies, NGOs and individual philanthropists, who are people of great repute and character.

I am confident that NCHD, working in the right direction with consistent zeal will gradually achieve my vision for a progressive and prosperous Pakistan, through a sustainable social & economic revival program. It will infuse the real spirit of awakening that will make the people carve out their destiny with their own hands.

Concluding, I thank all those involved in this great movement - sparked off by NCHD. I wish NCHD best of luck and God's speed in completion of their programmes.

Pakistan Paindabad!



MR. SHAUKAT AZIZ - Prime Minister, Islamic Republic of Pakistan

Pakistan has endorsed the MDGs and we are committed to their achievement. The Government continues to raise awareness, encourage advocacy, build alliances and renew commitment at the country level as well as to strengthen national capacity for monitoring and reporting on the goals and targets. Our Poverty Reduction Strategy Paper reflects the tentative broad path aligning it with the MDGs... Let me congratulate NCHD for this initiative in organizing this first International Conference on Volunteerism and MDGs in Pakistan.

- *At the inaugural ceremony of ICV & MDG's held in Islamabad, 5-7 December, 2004 by NCHD and UNV*



MR. KOFI ANNAN - Secretary General, United Nations

Pakistan's new National Commission for Human Development draws on volunteers at the grassroots level to help meet development objectives...

- *In his report to UN General Assembly (24th September, 2002)*



MR. MARK MALLOCH BROWN - Chef de Cabinet, UN Secretary Generals Office & Administrator UNDP

UNDP is honored to serve as your government's partner for the establishment of the Human Development Fund. We trust that this important initiative will contribute in a significant way towards promoting human development in your country and in reaching the Millennium Development Goals.

- *In his letter to the President of Pakistan*



MR. PRAFUL PATEL - Vice President, South Asia Region, The World Bank

The role that NCHD is playing is very critical. They have mobilized the community to create schools. The teacher comes from the community and is a volunteer. It shows that there is a model where with the involvement of the community, you can build schools in areas of Pakistan where there are no government schools...We are happy to discuss directly with NCHD what kind of support we can provide to them to scale up some of the programs that they are doing.

- *On his visit to a NCHD Feeder School in District Attock*



DR. NASIM ASHRAF - Minister of State and Chairman NCHD

To improve social sector outcomes, General Pervez Musharraf, President Islamic Republic of Pakistan, created the Task Force for Human Development in August 2001. The mandate of the Task Force was to conceive innovative strategies for social transformation with a focus on sustainable human development throughout the country. The Task Force presented its recommendations in July 2002 and as a result, the National Commission for Human Development (NCHD) was set up as a federal statutory body.

I am very thankful to all those philanthropists who have donated a seed capital amounting to \$2.5 million to create the Pakistan Human Development Fund (PHDF), making Pakistan the first country to set up such a fund to meet the Millennium Development Goals (MDG's) with the help of the United Nations Development Program (UNDP).

Pakistan Human Development Fund is a Public Private Partnership (PPP) between the Government of Pakistan, the Pakistani Diaspora, civil society and the international development partners particularly the United Nations Development Program (UNDP). To ensure accountability and transparency with private sector control, the Fund is run and managed by an independent board of directors with representation from the Government of Pakistan as well. All members of the Board of Directors as well as Chairman of NCHD serve in a voluntary capacity.

The National Commission for Human Development is a fast track initiative to improve social sector outcomes at the grassroots. The goal of the Commission is to fill the implementation gaps and improve public sector delivery mechanisms to achieve the MDG's through:

- Universal Primary Education
- Adult Literacy, especially female literacy
- Reducing population growth rate
- Improving infant and maternal mortality
- Capacity Building at Grassroots.

NCHD provides a coordinating platform for all stakeholders at the district level. It also ensures community participation through its Volunteerism program. NCHD has taken the initiative of creating a National Volunteer Corps. This unprecedented national movement has mobilized nearly 40,000 volunteers from all walks of life, to extend support to social sector interventions at the grassroots and will grow to 100,000 volunteers by 2006. NCHD works within the existing system by building capacity of government line departments to improve delivery of services and has introduced private sector best practices in public sector through district-based Human Development Support Units (incubators).

Successful pilot projects have been done in the past, but the challenge is to take them to scale.

This unique partnership between the government, the civil society and private sector holds the potential to achieve education and health for all in the next decade so that every child goes to school and every individual has access to basic healthcare. Let us suspend our disbeliefs and skepticism. It is time to act-time to make a difference. If we act together, we can do it.



NCHD Volunteers going door-to-door for data collection during an enrollment campaign



In school at last - young children sitting apprehensively on their first day at a NCHD Feeder School



An NCHD Lady Health Worker providing basic health care

Education

UNIVERSAL PRIMARY EDUCATION (UPE) PROGRAM

At the UN Millennium Summit in 2000, 190 countries signed the Millennium Declaration which set eight Development Goals, called the Millennium Development Goals (MDG). The second MDG highlighted the following significant step toward human development for all developing countries worldwide;

"To ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling and that girls and boys will have equal access to all levels of education."

As a top national priority, NCHD has launched its UPE program to achieve the above goal. This program is based on full mobilization of communities to support the teachers in enrolling every child in school and preventing dropouts. Census is carried out with the help of NCHD volunteers who support the local District Education Departments in this drive.

These activities include enrolment drives and drop out prevention through teachers, parents, volunteers and influential people of the society. Based on this tripartite partnership, NCHD has been able to add value to the Education Department. Close partnership with the Education Departments ensures ownership and sustainability of the program.

OBJECTIVES

- Achieving 90% net enrollment of children aged 5-7 years.
- Reducing the dropout rate from the current level of 50% to below 20%
- Increasing Minimum Learning Achievement (MLA) from existing 30% to 66% through teachers training.

ACHIEVEMENTS

- Conducted door to door survey of 2.6 million Households in 17 districts of Pakistan.
- Since 2002, NCHD has enrolled 1.5 million previously out of school children (age 5 - 7 years) in primary schools.
- Established 9,121 community-based Feeder schools to cater to the above enrollment.
- NCHD's interventions have reduced the dropout rate from 37% to 8%.
- 19,000 primary school teachers have been trained on Universal Primary Education, data-collection, dropout prevention and improving quality education.
- 43,000 volunteers are involved in the UPE activities like enrollment drives, dropout prevention, social mobilization process etc.



NCHD Volunteers going door-to-door for data collection during an enrollment campaign



Children at a NCHD Feeder School in District Mardan



A child getting a chance to express her potential at a NCHD Feeder School



Teachers' training on UPE in progress

**1.5 million previously out-of-school children
(5-7 years) are now getting education under the
UPE Program of NCHD at a cost of less than
\$5 per child per year**

Education

ADULT LITERACY / GENDER EMPOWERMENT PROGRAM

NCHD's top priority is female literacy. Functional literacy is the desired outcome primarily to empower people. To fight adult illiteracy in the country, NCHD has established literacy centers for adults in the age group of 15 - 39 years in 53 districts.

In the Adult Literacy Program, the community not only provides space for these centers but some of the literate individuals also provide their services as teachers. A major emphasis of NCHD's Adult Literacy Program is to provide learning opportunities to the illiterate female population (15 - 39 years). Its innovative strategy involves social mobilization to identify keen learners and motivated teachers from within the community. NCHD implements this program in partnership with Provincial Education Departments.

OBJECTIVES

The specific objective of the Literacy Program is to achieve 86% literacy rate by 2015, as per Education for All (EFA) Plan of the Government of Pakistan

ACHIEVEMENTS

Adult Literacy Program is a cost-effective and time bound intervention. Over the past two and a half years, the program has exceeded its targets. The program is currently functional in 53 districts of Pakistan.

- Established 9,054 Adult Literacy Centers
- 113,458 learners made literate (86% female)
- 106,295 learners enrolled in currently operational centers

FUTURE PLANS

- 105,700 Adult literacy centers to be established from 2005 - 2010.
- 2,642,500 learners to be made literate.

Literacy target of 85% can be achieved by 2011 through the two pronged strategy of UPE and Adult Literacy Program.

**Over 9,000 Adult Literacy Centers established
(86% female learners)
at a cost of \$5.00 for making a person literate**



An elderly woman learning to read and write through NCHD's Adult Literacy Program



Adult Literacy class in progress



Women learning to read and write in NCHD's Adult Literacy Center in Narowal



An Adult Literacy center in Rajanpur

Health



A NCHD Health Worker in a remote village in Sindh



A NCHD Lady Health Worker educating women on basic health care



NCHD's Health Workers' Training Session in progress



A NCHD's Lady Health Worker providing basic health care

Three out of eight millennium goals relate directly to health. According to the World Health Organization the several Millennium Development Goals (MDG) are mutually reinforcing frameworks to improve overall human development. The MDGs related to health are as follows:

- Reduce by two third the child mortality rate among children under five
- Reduce by three quarters the maternal mortality ratio
- Halt and begin to reverse the spread of HIV/AIDS, malaria and other major diseases

High infant and maternal mortalities pose a serious challenge in Pakistan. NCHD is fully committed to lowering these rates through its community-based interventions. NCHD's health programs are designed to improve communities' behavior toward health and preventable diseases. In developing countries like Pakistan, nearly 80% of all communicable diseases are preventable. These interventions seek to establish local health needs, restructure services of local health facilities and then meet these needs by building and utilizing local resources. The following projects are being implemented by NCHD's health program:

PRIMARY HEALTH CARE EXTENSION PROGRAM (PHC-E)

The project aims to reduce maternal and infant mortality, and population growth rate. Active community involvement is essential for the successful implementation of PHC-E interventions. Health education is the focus of the program in order to change communities' behaviors toward healthcare and disease prevention. The communities are organized into committees which periodically gather to discuss health issues and identify avenues of resources to address and meet these specific issues. PHC-E Program is being implemented in those areas where the Federal Lady Health Worker Program (LHW) has not reached. The program provides door-to-door services to 1.1 million people in 13 districts.

ACHIEVEMENTS

- 76,498 children under the age of two have been immunized
- 230,756 women of reproductive age have been immunized
- 1.4 million women have been trained in home-made ORS preparation
- 174,403 children under five years of age are being monitored for growth
- 260,498 women and 2,772,087 men are being targeted for health education on primary healthcare interventions
- 1231 barbers and 1,016 medical personnel have been trained on Hepatitis prevention
- 5031 shopkeepers have been educated on the importance of iodized salt
- 648 elected representatives and 1594 Pesh Imams (religious clergy) have been educated on health

**Over 300,000 women & children have been vaccinated
at a cost of just \$1.10 per beneficiary**

Health

NATIONAL ORAL REHYDRATION SOLUTION (ORS) CAMPAIGN

Diarrhea has been identified as the major cause of child mortality in Pakistan, accounting for 30% of deaths each year. WHO has identified Oral Rehydration Solution (ORS) as the single most life-saving drug of the 21st century. NCHD's two-pronged strategy of Health Education and Preventive Care is the most effective and appropriate method for controlling and preventing Diarrheal disease in Pakistan.

OBJECTIVES

To train one woman per household in target districts in preparation of home made ORS.

ACHIEVEMENTS

- To date 1,459,918 total women trained in ORS preparation
- ORS utilization during diarrhea has almost doubled from 39.9% to 74.8%

FUTURE PLANS

Over the next three years, 8.3 million women will be trained in a total of 45 districts.

STRENGTHENING OF BASIC HEALTH UNITS (BHUs)

The BHU strengthening program aims to improve delivery of services in the public sector. Major goals are reduction of maternal mortality rate, infant mortality rate and population growth rate through community synergy between community outreach and facility based care. Establishing a proper referral system would also be ensured. Provincial Governments have signed agreements with NCHD to help strengthen and restructure the Primary Health Care system of BHUs and RHCs.

SCHOOL HEALTH PROGRAM

The Primary school teachers in each district will be trained to identify physical impairments among school going children. This intervention will help identify previously overlooked physical disabilities among children such as hearing and visual impairments. It will also educate children on the importance of personal hygiene, ensuring better learning through better health. Furthermore, a School Health Nurse will visit a school once a week.

COMMUNITY MIDWIFERY PROGRAM (CMP)

The Federal Ministry of health and NCHD will jointly train community skilled birth attendants in 10 districts in Phase I over two years. The program will later be expanded to cover all districts of the country. The project aims to provide two skilled birth attendants in each Union Council (average population 10,000). Easy loans will be provided to the skilled birth attendants to set up their midwifery practice at UC level. Continuous monitoring and training support will be provided. The goal of this project is to lower the high Maternal Mortality Rate in Pakistan.



Use of ORS lowers the number of child deaths caused by diarrhea



NCHD Health Worker imparting training on preparation of home-made ORS



A child being administered home-made ORS to prevent dehydration



Mothers being trained on ORS preparation through NCHD's ORS Campaign

Volunteerism

VOLUNTEERISM FOR COMMUNITY DEVELOPMENT (VCD) PROGRAM

National Commission for Human Development (NCHD) viewing volunteerism as an untapped potential in Pakistan, has taken the initiative of encouraging volunteerism in facilitating the process of achieving the MDGs, making it the organization's primary focus.

Volunteerism for Community Development (VCD) Program, is a cross cutting program for other NCHD interventions - Education and Health. NCHD's Volunteerism for Community Development Program provides an opportunity to willing individuals and organizations to volunteer in the fields of education and health. To achieve these objectives, the program focuses on creating awareness about volunteering and directing it towards human development activities at the grassroots level. A network of volunteers at the district level has been established in order to coordinate volunteers' activities for an organized voluntary action.

NCHD believes that trained volunteers are a permanent social capital at the village level to assist the government in improving the delivery of services and achieving better outcomes.

OBJECTIVES

- A National Volunteer Corps of at least 100,000 volunteers will be identified and registered
- At least two volunteers per school will be mobilized
- A close link between the volunteerism and District Community Department will be realized

Volunteerism Program of the NCHD takes a broader view of community development. It shifts the paradigm from project-centred to community or people-centred approach.

ACHIEVEMENTS

- Identified 78,000 Volunteers
- Trained and registered 40,231 volunteers from over 30,000 villages.
- Volunteers supported the local Education Department in enrolling 1.5 million new children in schools.

In October 2004, NCHD carried out a nationwide survey on Volunteerism with the assistance of Federal Bureau of Statistics. The mandate of the study was to capture those activities that directly or indirectly assist in meeting the Millennium Development Goals. Based on the two-year volunteerism experience at NCHD, it has been found that:

- The use of National Volunteers is an effective means to build and strengthen local and national capacity
- The local knowledge and skills of the National Volunteers brings added value to NCHD program activities
- Their presence at the community level enhances the community sense of ownership and facilitates the process of self reliance



Mr. Shaukat Aziz, Prime Minister, Islamic Republic of Pakistan at the inaugural ceremony of the International Conference on Volunteerism and MDGs. Held in Islamabad, 5-7 December, 2004 by NCHD and UNV



NCHD volunteers assisting people affected by the floods in Badin, Sindh



NCHD Volunteers meeting with community members in District Rajanpur

Capacity Development

CAPACITY DEVELOPMENT PROGRAM

The program aims to initiate change management and capacity development of the District Government Departments and officials, elected representatives and Civil Society Organizations (CSOs). The program fosters a nurturing and conducive environment at the district level for the human development initiatives to be internalized.

OBJECTIVES

The Program's core objective is to bridge gaps between strategy and implementation of service delivery. It also aims at:

- Developing capacities and competencies of District Government Officials, Elected representatives and local CSOs through need based trainings.
- Creating awareness among stakeholders on social sector development policies, programs, processes and procedures.
- Enhancing managerial and leadership competencies of all stakeholders operating for social sector service delivery in the districts.

ACHIEVEMENTS

- 553 district government officials have been trained on Planning and Budgeting in 26 districts.
- 26 District Zillah Monitoring Committee workshops have been made operational.
- 520 participants have been trained in 35 Citizen Community Boards.



A training session in progress of the Capacity Development Program

The CTLC Project with Microsoft

This intervention aims at empowering underserved women and local government employees through the Community Technology Learning Centers (CTLCs) project by providing quality computer education. This project was initiated in collaboration between the National Commission for Human Development and Microsoft Corporation in 2004. This project targets one of the Millennium Development Goals enunciated at the United Nations Millennium Summit in September 2000. The goal is "promoting gender equality and empowering women". NCHD is successfully striving to achieve it by empowering underserved women through providing quality computer education and augmenting basic IT skills at minimum cost while creating job opportunities by using ICT applications.

THE OBJECTIVES OF THIS PROJECT ARE FOUR FOLD

- Removing the digital divide between the urban and rural Pakistan.
- Reducing gender imbalance in society.
- To provide state of the art IT education to those who can not afford or avail it in the remote areas.
- To allow the opportunity to acquire jobs and improve their living standards.

ACHIEVEMENTS

- A total of 449 learners have been trained on Microsoft designed computer literacy course
- The Microsoft Unlimited Potential curriculum has been localized to meet the specific needs of Pakistani rural community through translation into Urdu.



Women being trained in basic IT skills through NCHD's CTLC project



NCHD's CTLC lab in district Gujrat



REVIEW OF NCHD PROGRAMS BY UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

A review was carried out by the UNDP in May, 2004 of various programs being implemented by NCHD. The purpose of this review was to draw preliminary lessons about project design, strategy, sustainability, implementation and consistency with MDG's. The following were the main findings of the report:

- The strategy of the Primary Education program launched by NCHD is innovative and groundbreaking and is based upon creating demand for education by mobilizing teachers, parents and building community participation.
- The focus on age specific enrollment of 5-7 year old children in primary school follows accepted international guidelines and provides the correct measure for assessing performance towards UPE (i.e. Net Enrollment Rate).
- A considerable acceleration of enrollment was observed.
- Feeder schools set up by NCHD offer an innovative way to rapidly expand facilities and increase enrollment.
- NCHD has adopted an innovative strategy for reducing drop-outs by mobilizing teachers, volunteers and community leaders.
- New and inventive processes have been devised to accelerate enrollment.
- The Primary Healthcare Extension Program consists of a number of components. These are tried and tested approaches and are being successfully implemented, contributing to significant reduction in infant, child and maternal mortality.
- Volunteerism is a dynamic and important dimension of the strategy of NCHD to support its activities. Through its Volunteer Program, NCHD has been able to tap into the alive but latent spirit of volunteerism in society and put it to productive use for humanitarian development.



Mr. Hu Deping visiting NCHD's Feeder School in District Mardan



Mr. Praufil Patel, Vice President, South Asia Region, World Bank - during his visit to NCHD Feeder School in District Attock

VISIT OF THE CHINESE DELEGATION (28th March - 04th April, 2005)

A 20-member high-level Chinese delegation led by Mr. Hu Deping, Vice President/Secretary General Guangcai, and Vice Minister of Chinese Communist Party Central Committee, visited Pakistan to conduct a study tour of the model of PHDF and NCHD experience to emulate in China. The delegation was given a complete tour of NCHD's projects at the grassroots level and detailed briefings on the PHDF model. Expressing his first hand experience about NCHD's human development program during his visit, Mr. Hu Deping said that the delegation found the concept of volunteerism, women's participation and community involvement in various projects of human development at grassroots very inspiring, which they intend to apply in China as a role model.

VISIT OF WORLD BANK TEAM (29th April, 2005)

A World Bank delegation, headed by Mr. Praufil Patel, Vice President, South Asia Region, visited NCHD's health units and feeder schools in district Attock. The purpose of the visit was meant to study NCHD's operations at the grassroots. The following was one of the comments Mr. Patel made after visiting NCHD's health units:

"I saw that because of NCHD's intervention there is a lot more increased awareness on health issues. I have no doubt that these interventions are going to help in preventing death of small children."

Financial Statements NCHD

AUDITORS' REPORT TO THE MEMBERS OF NATIONAL COMMISSION FOR HUMAN DEVELOPMENT

We have audited the annexed financial statements of National Commission for Human Development (the Commission) comprising balance sheet as at June 30, 2004 and the statement of income and expenditure, cash flow statement together with the notes forming part thereof, for the year then ended with the books and records maintained by the Commission. Statement of income and expenditure includes expenditure of Rs. 82,597,748 incurred by certain implementing partner organizations whose financial statements were audited by other firms of chartered accountants and whose reports have been furnished to us. Our opinion in so far as it relates to such expenditure, is based solely on the reports of such other auditors. It is the responsibility of the management of the Commission to establish and maintain a system of internal control, and prepare and present the above said statements. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with International Standards of Auditing. These require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report as follows:

Our examination of revenue from grants was restricted to revenue recorded in the books of account maintained by the Commission. Except for the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the financial statements audited by us are in agreement with the books of account and present fairly, in all material respects, the financial position of the Commission at June 30, 2004 and of the results of its operations and its cash flows for the year then ended.


Chartered Accountants

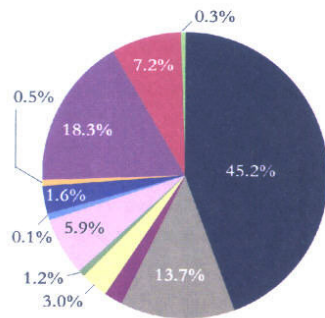

Islamabad 05 NOV 2004

BALANCE SHEET AS AT JUNE 30, 2004 (in Pak Rupees)

FUNDS & LIABILITIES			ASSETS		
	2004	2003		2004	2003
Retained Funds	72,444,616	56,566,042	FIXED CAPITAL EXPENDITURE		
Deferred Grants	46,323,738	27,294,447		Fixed Assets	40,921,130
	<u>118,768,354</u>	<u>83,860,489</u>	Advance for Fixed Assets	34,728,643	17,603,486
LONG TERM LIABILITIES				<u>75,649,773</u>	<u>43,469,987</u>
Provision for Accumulated Leave	2,398,163		CURRENT ASSETS		
Obligation Under Finance Lease	13,685,985		Advances, Deposits, Prepayments & Other Recievables	47,909,543	9,971,965
	<u>16,084,148</u>		Cash & Bank Balances	46,589,519	36,098,433
CURRENT LIABILITIES				<u>94,499,062</u>	<u>46,070,398</u>
Current Maturity of Obligation Under Finance Lease	5,479,879				
Creditors, Accured & Other Liabilities	29,816,454	5,679,896			
	<u>35,296,333</u>	<u>5,679,896</u>			
COMMITMENTS					
	<u>170,148,835</u>	<u>89,540,385</u>		<u>170,148,835</u>	<u>89,540,385</u>



Financial Statements NCHD



- Education
- Health
- Volunteerism
- Capacity Building
- Micro Enterprise
- Global Resource Mobilization
- Community Learning Centers
- Public Education & Advocacy for MDGs
- Staff Development
- Program Support
- H.O. Admin
- Research & Development

INCOME & EXPENDITURE (in Pak Rupees)

	[Audited] ¹ 2002 - 03	[Audited] ¹ 2003 - 04	[Unaudited] ² 2004 - 05	Total
INCOME				
Grants	152,999,413	452,328,528	748,073,077	1,353,401,018
Interest on Bank Balance	528,136	1,150,262	488,345	2,166,743
Exchange Gain		10,443		10,443
TOTAL INCOME	153,527,549	453,489,233	748,561,422	1,355,578,204
EXPENDITURE				
Education	30,218,352	200,599,062	327,449,851	558,267,265
Health	10,121,980	64,489,080	94,500,983	169,112,043
Volunteerism	5,891,243	18,280,666	9,414,964	33,586,873
Capacity Building	2,456,880	10,172,780	24,648,946	37,278,606
Micro Enterprises		10,649,475	3,836,460	14,485,935
Global Resource Mobilization	2,455,005	24,728,608	45,991,727	73,175,340
Monitoring & Evaluation			630,858	630,858
Community Learning Centers		158,622	4,057,623	4,216,245
Public Education & Advocacy for MDGs	1,806,078	2,711,369	15,858,856	20,376,303
Staff Development			6,302,270	6,302,270
Programme Support	12,740,604	52,114,021	161,031,026	225,885,651
H.O. Admin	22,363,137	36,765,953	29,272,048	88,401,138
Research & Development			4,259,528	4,259,528
TOTAL EXPENDITURE	88,053,279	420,669,636	727,255,140	1,235,978,055

¹ Accounts of NCHD are audited by A.F. Fergusons & Co. Chartered Accountants (Member firm of Price Waterhouse Coopers)

² Audited figures for FY 2004 - 05 will be available by September 30, 2005

Financial Statements PHDF

AUDITORS' REPORT TO THE DIRECTORS OF PAKISTAN HUMAN DEVELOPMENT FUND

We have audited the annexed balance sheet of Pakistan Human Development Fund (the Fund) as at June 30, 2004 and the related income and expenditure account and cash flow statement together with the notes forming part thereof, for the year ended June 30, 2004. We state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

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

1. In our opinion, proper books of account have been kept by the fund as required by the Companies Ordinance, 1984;
2. In our opinion,
 - (i) The balance sheet, income and expenditure account and cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) The expenditure incurred during the year was for the purpose of the Fund's business; and
 - (iii) The business conducted and the expenditure incurred during the year were in accordance with the objects of the Fund;
3. (i) In common with many other similar organizations the Fund derives substantial part of its receipts from grants and voluntary donations which cannot be fully controlled until these are recorded in the accounting records. Grants and donations reflected in the annexed income and expenditure account represent those which have been so recorded in the accounting records of the Fund maintained at Islamabad;
- (ii) Except for the matter referred to in paragraph 3 (i) above, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, the income and expenditure account and cash flow statement together with the notes forming part thereof give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Fund's affairs as at June 30, 2004 and of the deficit and the cash flows for the year then ended.
4. In our opinion no Zakat was deductible at source under the Zakat and usher Ordinance, 1980 (XVIII of 1980).


Chartered Accountants


Islamabad 22 AUG 2004

BALANCE SHEET AS AT JUNE 30, 2004 (in Pak Rupees)

FUNDS AND LIABILITIES			ASSETS		
	2004	2003		2004	2003
Retained Funds	389,799,373	473,986,382	Receivable from UNDP	10,110,823	56,566,042
Endowment Fund	750,000,000		Other Receivables	1,642,079	4,981,991
Payable to National Commission for Human Development	500,504	42,800	Short Term Investment	96,957,571	
Accrued Liabilities	497,045	317,725	Cash at Banks	1,032,086,449	
	<u>1,140,796,922</u>	<u>474,346,907</u>		<u>1,140,796,922</u>	<u>474,346,907</u>

Global Resource Mobilization

To achieve MDG # 8 of building partnerships, NCHD aims to mobilize the financial and intellectual resources of the Pakistani Diaspora. Besides the Founding Directors' initial contribution of \$ 2.5 million, a total of \$ 16.4 million has been raised from 2002 - 05.

Corporate donors have also been brought on board, as well as the international development partners in building this partnership. This international campaign has not only succeeded in raising funds but also the awareness of the MDG's.

In light of the annual budget of US \$ 38.6 million for 2005 - 06, the expected shortfall is approximately US \$ 10 million, which NCHD and PHDF hope to raise globally. An endowment fund of US \$ 12.5 million has been set up out of the Government of Pakistan grant of US \$ 33.3 million. This fund will be gradually augmented to reach US \$ 25 million over the next 5 years.

INDIVIDUAL DONATIONS:

- PHDF Founding Directors
- USA - Anarkali Gala (Fundraiser)
- UK - Anarkali Gala (Fundraiser)
- Telethon
- Philanthropists
- Sojourn Pakistan (Fundraiser)

INTERNATIONAL DEVELOPMENT PARTNERS:

- UNDP
- Bill and Melinda Gates Foundation
- USAID
- UNESCO
- WHO
- World Bank

CORPORATE SECTOR DONORS:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Microsoft Corporation • National Bank of Pakistan • Habib Bank of Pakistan • Unilever Pakistan Ltd • Coca Cola • P & G • Nestle • Colgate • Reckitt Benckiser Pakistan Ltd. • Glaxo Smith Kline Pakistan • Plan Pakistan • Eden Developers (Pvt) Ltd. • ABAMCO Ltd. • Saudi Pak Commercial Bank | <ul style="list-style-type: none"> • Tapal Tea (Pvt.) Ltd. • Kings Food • English Biscuits • Dewan Mushtaq Motors • Packages • CBL • Dalda Foods • Midas • Younas Fans • Cos Lab Pakistan • Forvil Cosmetics • Treet Corporation • Wali Oil Mills |
|--|--|



International Telethon 2004



Glimpses from Sojourn Pakistan 2003



Microsoft

BILL & MELINDA GATES Foundation



GlaxoSmithKline



RECKITT BENCKISER



Unilever



Financial Statements PHDF

Pakistan Human Development Fund receives the funds as custodian. The annual budget and work plan of NCHD are approved by PHDF. The funds are disbursed to NCHD on quarterly basis based on annual budget after approval of expenditure of previous quarter.

Cumulative funds generated by Pakistan Human Development Fund and National Commission for Human Development from July 19, 2002 to June 15, 2005:

	RUPEES	EQUIVALENT US \$
Government of Pakistan		
Grant	1,250,000,000	20,833,333
Endowment Fund	750,000,000	12,500,000
	<u>2,000,000,000</u>	<u>33,333,333</u>
Donors / Philanthropists	980,267,160	16,337,786
TOTAL	<u>2,980,267,160</u>	<u>49,671,119</u>

INCOME & EXPENDITURE (in Pak Rupees)

	(Audited) ¹ 2002 - 03	(Audited) ¹ 2003 - 04	(Unaudited) ² 2004 - 05	Total
Retained Funds		473,986,382	389,531,648	
INCOME				
Government Grant	500,000,000	250,000,000	500,000,000	1,250,000,000
Donations:				
Founder Members	94,171,894	31,728,460	29,288,000	155,188,354
Earmarked Donations		12,822,841	34,768,499	47,591,340
Fund Raising Campaigns		45,216,997	31,875,580	77,092,577
Other Donations:	4,276,545	3,404,462	64,558,644	72,239,651
	<u>98,448,439</u>	<u>93,172,760</u>	<u>160,490,723</u>	<u>352,111,922</u>
Interest Income	13,561,916	6,222,011	23,835,435	43,619,362
TOTAL	612,010,355	823,381,153	1,073,857,806	1,645,731,284
EXPENDITURE				
Grant to NCHD	128,455,005	415,238,376	705,072,968	1,248,766,349
Professional Fee	8,597,788	17,294,750		25,892,538
General & Admin Expenses	971,180	1,316,379	1,120,265	3,407,824
TOTAL EXPENDITURE	138,023,973	433,849,505	706,193,233	1,278,066,711
BALANCE AVAILABLE	473,986,382	389,531,648	367,664,573	367,664,573

¹ Accounts of PHDF are audited by A.F. Fergusons & Co. Chartered Accountants (Member firm of Price Waterhouse Coopers)

² Audited figures for FY 2004 - 05 will be available by September 30, 2005

Help Make a Difference

You can help support NCHD's Programs. To Learn more about us, visit:

www.nchd.org.pk

To make a contribution in:

PAKISTAN

Make cheques payable to

"Pakistan Human Development Fund" and mail to:
National Commission for Human Development,
Block D, Level 2, Prime Minister's Secretariat,
Constitution Avenue, Islamabad, Pakistan.

U.S.A

Make cheques payable to:

"U.S. Committee for UNDP" and mail to:
Attention: Elizabeth Latham

U.S. Committee for UNDP,

MDGs in Pakistan Project, P.O. Box: 65345,
Washington D.C. 20035,
U.S.A.

[All funds collected in the US are routed through the
US Committee for UNDP]

U.K.

Make cheques payable to:

"Pakistan Human Development Fund" and mail to:
Pakistan Human Development Fund
22, Old Bond Street,
Mayfair, London W1S 4PY,
U.K.

[All donations in USA, UK and Pakistan
are tax-deductible to the full extent of the law]

All headquarter costs of NCHD are borne by the
UNDP grant (2002 - 05) and income from the
endowment fund will cover the costs in the future.

Government of Pakistan matches every dollar
you donate with two dollars.

NCHD is the only organization that allows your
donation to be spent in the district of your choice in
Pakistan.

For further information please contact us at:

NATIONAL COMMISSION FOR HUMAN DEVELOPMENT

Prime Ministers Secretariat,
Constitution Avenue, Islamabad,

Tel: (+92-51) 921 6200
Fax: (+92-51) 921 6164
Email: info@nchd.org.pk



PATRONS

PAKISTAN HUMAN DEVELOPMENT FUND



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Patron-in-Chief



Princess Servath
El Hassan



Jemima Khan



Abdul Sattar
Edhi



Moeen Gureshi

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