GREEN
PAKISTAN
**FACTS SYNOPSIS**

**FINANCIAL**

- **Revenue**
  - FY 19 (PKR): 1.58 Bil
  - FY 18 (PKR): 985 Mil

- **Equity**
  - FY 19 (PKR): 1.51 Billion
  - FY 18 (PKR): 1.15 Billion

- **Total Assets**
  - FY 19 (PKR): 5.71 Billion
  - FY 18 (PKR): 4.17 Billion

- **Profit**
  - FY 19 (PKR): 363.88 Million
  - FY 18 (PKR): 348.18 Million

**OPERATIONAL**

- **Branches**
  - FY 19: 85
  - FY 18: 61

- **Amount Disbursed**
  - FY 19 (PKR): 7.78 Billion
  - FY 18 (PKR): 4.74 Billion

- **Active Clients**
  - FY 19: 139,162
  - FY 18: 107,804

- **OLP**
  - FY 19 (PKR): 5.04 Billion
  - FY 18 (PKR): 3.19 Billion
ACRONYMS

AC  Audit Committee
BB  Branchless Banking
BM  Business Management
BoD  Board of Directors
BEL  Business Enhancement Loan
CBT  Capacity Building Training
CIC  Credit Investment Committee
DPID  Department for International Development
CPC  Clients Protection Code
CoC  Cash over Counter
CRR  Clients Retention Rate
CED  Credit & Enterprises Development
FIS  Financial Information System
FSS  Financial Self-Sufficiency
FE  Financial Education
FS  Financial Services
HBL  Habib Bank Limited
HRC  Human Resource Remuneration Committee
KL  Kisan Loan
LA  Legal Advisor
LF  Livestock Financing
MFIs  Microfinance Institutions
MCB  Muslim Commercial Bank
NIE  Non Interest Expenses
NPR  Net Promoter Ratio
NBFC  Non Bank Finance Company
NB  National Bank
NPL  Non Performing Loan
NII  Non Interest Income
NP  Not for Profit
OSS  Operational Self-Sustainability
PAR  Portfolio at Risk
PMIFL  Prime Minister Interest-Free Loan
RCDP  Rural Community Development Program
RCDS  Rural Community Development Society
RR  Recovery Rate
RMC  Risk Management Committee
SAI  Social Advocacy Interventions
SME  Small & Medium Enterprises
SIMA  Social Investment Managers & Advisors
SPD  Social Performance Dashboard
SECP  Securities and Exchange Commission of Pakistan
TIM  Triodos Investment Company
TJ  Triple Jump
TA  Tax Adviser
UBL  United Bank Limited
OUR ASPIRATIONS

VISION
“Sustainable development through financial and non-financial services”

MISSION
“To provide a wide range of financial and non-financial services to marginalized communities through appropriate delivery channels”

CORE VALUES
- Integrity
- Adaptability
- Diversity
- Team-Work
- Accountability
GOVERNANCE STRUCTURE

BOARD COMMITTEES

01 Audit Committee
Malik Safdar Ali
Muqdas Iqbal
Mubarak Ali Sarwar

02 HR& R Committee
Nabila Mushtaq
Abid Majeed
Mubarak Ali Sarwar

03 Credit & Investment Committee
Malik Safdar Ali
Abid Majeed
Mubarak Ali Sarwar

04 Risk Committee
Naeem Shahid
Mubarak Ali Sarwar

RURAL COMMUNITY DEVELOPMENT PROGRAMMES

www.rcdppk.org
The RCDP was the second NBFC who took the initiative of branchless banking by launching an alternate delivery channel in partnership with the HBL, MCB, and further strengthening our services, the RCDP entered into an alliance with OMNI and Telenor for the collection of loan instalments from its clients. The RCDP has been able to provide financial services to its clients in remote areas through the agent network especially in remote areas.

Moving forward, the RCDP will continue to strengthen its customer base by introducing new and innovative microfinance products through its research and development efforts and will enhance its portfolio by designing products that target individuals and offer financial inclusion to the youth and women, in addition to its group lending model.

In 2020, we will enhance our partnerships with national and international stakeholders to explore new opportunities and expand the RCDP’s reach to a wider clientele in Pakistan. We look forward to working together with our partners to fulfill the RCDP’s commitment to alleviating poverty through supportable social and economic development of underprivileged members of the community in Pakistan.

RCDP’s journey towards empowering the lives of deprived community members especially women has been made possible by the continuous support of all its partners, donors and friends, with special mention of the Pakistan Microfinance Investment Company, National bank, PPAF and commercial banks especially HBL, MCB. The bank of Punjab and international lenders especially SIMA and Triple Jump.

Chairman’s Message

Congratulations to all stakeholders of The RCDP who worked as (NBFC) on the completion of a successful year of operations. Since its establishment in 2000, it has been providing financial services to the unbanked and underbanked population of Punjab to spur economic development at the grassroots level. The RCDP is an important link within the industry economic mandate in Pakistan to address the issue of poverty.

The microfinance sector in Pakistan has operated in a difficult and challenging environment this year due to the unstable economy, social unrest and high increased in commodity prices. Despite these challenges and tough competition in the microfinance sector, the RCDP has been able to expand its operations and outreach while maintaining the highest standards of service in all aspects of its operations.
Since 2013, RCDP’s clients were regularly awarded under the Citi PPAF Microentrepreneurship Awards 2019 for their business acumen and the success of their entrepreneurial ventures. During the year, existing loan products were revamped and new loan and insurance products were developed and launched to meet the financial needs of our clientele and safeguard them against death incidents.

In its efforts to become more client-centric, RCDP strengthened its alternate delivery channels by extending its partnership with Telco’s to provide the services to the customers on their doorstep in recovery collections. With the onset of the year 2019, the Bank will undergo performance, operational and technological transformations to stay abreast of the competition in the microfinance industry and be one of the trendsetter market players. To increase its capacity for future growth, we are upgrading our technological system and launching the high-value technology system to improve the processes and enhance our products and services and increase our efficiency. The year ahead will bring a mix of successes and challenges, but our direction is clear and we know what we must do. Our job is to work cohesively as a team and support each other during the transition to adopting new work processes, while continuing to focus intensely on creating opportunities for the financial inclusion of unbanked people of Pakistan, providing our clients with the best service and most comprehensive financial services solutions in the market, managing our costs, increasing our footprint, continuous training of the staff, rebuilding our brand, and doing our part in alleviating poverty by encouraging people at grassroots level to build their own future by becoming self-reliant.

Keeping client centricity at its core, the institution has continued to improve upon its existing products and services and has also successfully launched an agriculture product. Also targeting women livestock managers to tap into the vast, unmet demand for financial access of rural community. In an effort to keep innovating, learning and evolving, RCDP has successfully digitized its field operations by rolling out tablets across its entire network for client onboarding. Moreover, RCDP has also pilot-tested a credit scoring model that uses historical client-level data to analyze and compute business and credit risk, which will enable RCDP to serve its clients more efficiently.

RCDP’s journey would not have been possible without the support of its investors and friends who have continuously helped RCDP explore new avenues and opportunities for the financially excluded low-income and deprived communities. We also want to thank our highly committed and dynamic Board of Directors whose constant guidance and support have been pivotal to this year’s success.
THE HIERARCHY

Board of Directors

Chief Executive Officer

Audit Committee
HR & R Committee
Risk Management Committee
Credit & Investment Committee

Board of Directors

Chief Executive Officer

Audit Committee
HR & R Committee
Risk Management Committee
Credit & Investment Committee

Customers

Individuals

Accounts

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR

Strategy

Investment

Human Capital

Communications

FINEX

NOMA

Operations

IT

Finance

Compliance

Community Affairs

Risk Management

Investment

Strategy

Legal

HR
RCDP has a network that existed in Punjab province with a footprint of 85 branches. RCDP continues to look for expansion of its products and services through physical branches to serve the community across Pakistan.

**Our Footprint District wise**

<table>
<thead>
<tr>
<th>Description</th>
<th>Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Districts</td>
<td>17</td>
</tr>
<tr>
<td>Regions</td>
<td>03</td>
</tr>
<tr>
<td>No of Tehsils</td>
<td>32</td>
</tr>
<tr>
<td>Area Offices</td>
<td>16</td>
</tr>
<tr>
<td>No of Union Councils</td>
<td>595</td>
</tr>
<tr>
<td>Branch Offices</td>
<td>85</td>
</tr>
<tr>
<td>IFL Centers</td>
<td>14</td>
</tr>
</tbody>
</table>

**Our Presence**

- Nankana Sahib
- Sheikhupura
- Faisalabad
- Kasur
- Jhang
- Toba Taku Singh
- Layyah
- Khanewal
- Gujranwala
- Lahore
- Sialkot
- Chiniot
- Hafizabad
- Sargodha
- Okara
- Pakpattan
- Sahiwal
- Multan

**GEOGRAPHICAL PRESENCE**

- Presence
- Head Office
- Regional Office
RCDP is taking progressive steps to embrace digital finance, often starting with the digitization of existing products, services and operations, partnering with a digital financial service provider or developing a proprietary agency network.
VALUE CREATION

In its new and developing role as a "knowledge bank," the RCDP can offer its clients much more than new products. It can also offer access to recent developments in national level best practices, provide new knowledge sharing opportunities and facilitate the exchange of new ideas in a variety of fields.
CHAIRPERSON
Ayesha Gulzar

Ms. Ayesha Gulzar is a management consultant and Master Trainer with over fourteen years of diverse working experience and consulting for Multilaterals, development organizations and global Fortune 500 companies in the US and Europe. Ms. Gulzar has majored in MIS (with honors) from the University of Connecticut and studied Strategic Leadership at Yale University; she has also been trained in Social Media leveraging and Social Entrepreneurship from Oxford University, UK. Ms. Gulzar’s area of focus is enterprise development, Microfinance, specializing in agricultural-hybrid as well as traditional Value Chain creation.

She is an experienced manager and facilitator, able to lead, motivate and mobilize individuals, teams and organizational change. Her projects have demanded to build effective working relationships and coaching senior executives around business-enabling environments. Her expertise includes organizational, capability development, requirements analysis/audits and process engineering, strategic planning, design and change management, communication collateral development. She is currently advising the OIC/IDB-ICCIA on Agribusiness enterprise development and value creation strategies. She has worked in the US, UK, UAE, Africa, Germany, India, Iran, Spain, Sri Lanka, and Pakistan.

She was invited as a speaker at the 15th Private Sector Meeting and 7th Forum for Businesswomen held in Tehran, I.R. of Iran from 28th to 30th October 2013 by the Islamic Chamber of Commerce, Industry and Agriculture (ICCA). She presented a paper on Food Security in Pakistan.

Mr. Safdar Ali Malik

Mr. Safdar is a charted accountant & MBA Finance & Accounts by profession. He has more than 17 years of diverse experience in the fields of Banking, Finance, and Accounts. He is amongst one of the senior members with over 13 years Banking, Finance and Accounts experience. In addition, he has attended various leadership and strategic training. He started his career as Chief Accountant and served for around nine years in various managerial roles, before joining the RCDP as director. He served as Head of Finance and Account for the sugar industry for nine years and in the RCDP he heading the BODs audit Committee as Chairperson. RCDP will get benefits from his professional expertise particularly in the areas of strategic and financial planning, systems and controls management. He has been on the Board of Directors of RCDP since its formation as an active member and he has got training from Hikmah Consulting on corporate governance.

Mr. Naeem Shahid

Mr. Naeem is a motivated, personable business professional with multiple Professional Degrees, Diplomas, Certificates and a successful 14-year track record of profitable different business executives. Talent for quick grasp of latest technology advancements; Diplomatic and tactful with professionals and nonprofessionals at all levels; Accustomed to handling sensitive and confidential issues; Demonstrating history of producing accurate and timely decisions; Flexible and versatile – able to maintain a sense of humor under pressure, Poised and competent with demonstrated ability to easily transcend cultural differences. Thrived in deadline-driven environments. Mr. Naeem having MBA IT BZU beside this he has attended different courses regarding the business across the globe and represent Pakistan & its products. He has specialization in Managing Across the Cultures (MAC) A joint Venture of Howard, Oxford, Cambridge and Preston Universities, & Organization Behavior at U.A.E. Further, he attended the Halal Lead Auditor International Halal Integrity, (IHI), Malaysia currently he is serving as CEO of Halal Foundation beside this he has also imparted different pieces of training. He joined the RCDP as director. RCDP will get benefits from his professional expertise particularly in the areas of business management and international experience for product development.

Ms. Muqadas Iqbal

Ms. Muqadas is Finance & Accounts expert by profession. She is amongst one of the senior board members of the company with over 08 years of rich experience finance & banking, women empowerment, enterprise development experience. She has completed her postgraduate degree in MBA in banking & finance from the University of Punjab and obtained a certification in various development sector trainings. In addition she has attended various workshops within the country as well as abroad. She started his career as teacher in Beacon House School System and then joined the BARGAD as Finance & Account Head. She served as master trainers on different topics for the development sector and Coordinator of the organization HomeNet Pakistan funded by HomeNet South Asia & Unifem India. She is also part of the Audit Committee.
Mr. Mubarak Ali Sarwar

Mr. Mubarak Ali Sarwar has a master’s degree in Social Work from the University of the Punjab, Lahore. He is a founding member of Association for Gender Awareness & Human Empowerment (AGAHE) and serving as CEO of AGAHE since January 2010 for social awareness and socio-economic uplift of deprived communities. He develops and monitors effective strategies for achieving goals and objectives.

He has got national and international training regarding the development sector particularly Microfinance, wash, HR, & Education sector and gave the consultancy services to development sector organizations. His areas of expertise include sustainable community development initiatives, microfinance, social mobilization, and education management. He has traveled to different countries to attend international seminars, conferences and exposure visits on the themes ranging from Micro Finance, World Social Forum, Sustainable Development, Water & Sanitation and he has rich working experience working with national and international support organizations. He is also part of the PMN board to represent the associate members. With over 15 years of professional experience, he specialized in the Development sector, and in RCDP he is also part of the HR & Compensation Committee.

Mr. Abid Majid

Mr. Abid has a diversified background working as Finance Head, Investment Advisor and Administrator positions in different companies. Currently, he is serving as the position of managing director in a consultancy firm. Further, he was awarded as best student consultancy for the year 2016 by the President of Pakistan. He Priviledged to almost the entire Europe Gulf, Canada, and African countries to attend the different seminars, training regarding the business, development sector particularly in relation to poverty alleviation and rural development. He has extensive work experience in project management at national and international organizations, as a Senior Manager. After graduating, Abid did Masters in Economics from Punjab University, Mr. Abid is part of the Audit Committee and Credit & Investment Committee of Board.

Ms. Nabeela Mushtaq

Ms. Nabeela Mushtaq is MBA IT by profession and holds a Master’s degree in MBA IT from NUML University, and has diversified 5 years of experience in HR, IT, teaching and Customer Relationship. Her strategic guidance played a vital role in the technological upgradation of the organization. She has been elected on the Board of Directors of Rural Community Development Programmes since Oct 2016 and got training from Hikma Consulting “Certified Director” on Corporate Governance. She carried out different kinds of projects. Ms. Nabil has been an active member of the development sector organization and has been in the struggle for many years to put together the NGOs’ PMN at one platform to voice their activities. She has traveled to different countries to attend international seminars, conferences and exposure visits on the themes ranging from Micro Finance, World Social Forum, Sustainable Development, and Exchange visit to learn from the experiences of other organizations that share the same objectives. With over 5 years of professional experience, she specialized in IT, Microfinance & Enterprise development, and in RCDP she is also part of the HR & Compensation Committee.
RCDP is registered as a Non-Banking Micro Finance Company which is regulated by the Securities and Exchange Commission of Pakistan. RCDP was set up in 1995 as the first learner microfinance institution of Pakistan and began operations through an integrated approach as a development practitioner. Mr. Muhammad Murtaza (Founder and CEO) conducted an exposure visit of Grameen and learned about the actual philosophy of microfinance and on return to Pakistan revisited the policies and procedures and implemented his learning and RCDP started its journey towards success. Since then RCDP has successfully carved out a distinct and unique niche for itself in the microfinance sector at home and abroad by offering a suite of innovative and transformative products and services to low-income household's especially rural and semi-urban community focusing women.

RCDP offers appraisal backed group lending and individual lending to its clients along with other nonfinancial services to have a transformative impact at the household level. RCDP believes in creating an enabling environment for customers and especially women micro-entrepreneurs and is committed to creating products and services driven by client needs and demands which leverage lessons from the successful approach in the industry. RCDP’s main spheres of intervention including, Financial Services, Capacity Building Trainings, Social Advocacy Interventions, and Insurance.

RCDP has been operating as a Non-Banking Finance Company (NBFC) incorporated under the Companies Act, 1984 and licensed obtained to carry on the business of a Non-Banking Financial company. The micro-Finance program started in 2001 when RCDP operated as a Society (Rural community development Society – RCDP). Later, it formalized itself into an NBFC (RCDP). RCDP’s lending program is committed to strengthening the socio-economic status of low-income households – particularly women – in rural and urban areas by providing financial services on a continual basis in order to improve livelihoods, establish identity and enhance self-esteem.

RCDP follows both the group-based and the individual micro-credit lending model wherein both the models, the loans are given to individuals based on their household economics. Through its 20 years of history, RCDP had been funded by different Financial Institutions – like PPAF, Commercial banks, Foreign Banks, Financial Institutions.

RCDP has been one of the largest and most seasoned MFIs in Pakistan. RCDP run by a senior and competent Management Team under the guidance of a diverse and capable Board of Directors RCDP ensures transparency, equity, and gender mainstreaming not just through its programmatic interventions but across the institution also.
CORPORATE INFORMATION

Auditors
Grand Thornton
Anjum Rehma

Tax Advisor
Mohsin & Co

Registered Office
House No.04, D Block,
Al-Rehman Garden,
Phase II, Near Faizpur Motorway Interchange,
Sharapur Sharif – Jaranwala Road
Lahore-Pakistan

Legal Advisor
Azam Law Associates

Legal Status
Registration under Companies Ordinance
Act 1984 (Rural Community Development Program (RCDP)
as a Non-Banking Microfinance Finance Company (NBMFCo)

MANAGEMENT TEAM

Ghulam Haider
Head of Business Affairs

Rashid Ahmad
Manager HR/Company Secretary

Shamim Haider
Manager Risk

Muhammad Imran
Manager Accounts

Usman Safdar
Manager Finance

Shahid Mehmood
Manager Operations

Shahzad Manzoor
Manager Training & Admin

Muhammad Imran
Manager Internal Audit

Tahseen Shahzad
Manager IT

Asif Hassan
Manager Compliance
INVESTORS & PARTNERS

BANKING & FINANCE PARTNERS

BRANCHLESS PARTNERS

TECHNOLOGY PARTNERS

RURAL COMMUNITY DEVELOPMENT PROGRAMMES

www.rcdppk.org
GREEN ENERGY

RCDP Offering financial products that enable poor clients to purchase clean, low-cost alternatives renewable energy. In which RCDP can be mobilized to combat climate change and preserve ecological resources.
### Social Performance Dashboard

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Clients trained (Financial Education)</td>
<td>92%</td>
<td>92%</td>
</tr>
<tr>
<td>% Clients trained (Business Management)</td>
<td>98%</td>
<td>98%</td>
</tr>
<tr>
<td>% of Clients below 40 on the Poverty Scorecard</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>% of Environmental &amp; Social Management-ESM Awareness Session</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>% of Loans used for Productive Businesses</td>
<td>96%</td>
<td>96.5%</td>
</tr>
<tr>
<td>% of Women-Led Businesses</td>
<td>72%</td>
<td>73%</td>
</tr>
<tr>
<td>% of rural clients</td>
<td>69%</td>
<td>70%</td>
</tr>
<tr>
<td>% of urban clients</td>
<td>31%</td>
<td>30%</td>
</tr>
</tbody>
</table>

### Customer Satisfaction

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Promoter Ratio</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>Turnaround Time (within 10 days of loan completion)</td>
<td>97%</td>
<td>97.5%</td>
</tr>
<tr>
<td>Client Retention Rate</td>
<td>71%</td>
<td>72%</td>
</tr>
<tr>
<td>% of CPC violations</td>
<td>0.30%</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

### Gender Indices

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Staff</td>
<td>780</td>
<td>1096</td>
</tr>
<tr>
<td>% of women staff at field level</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>% of female board members</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Par Ratios</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio at risk at &gt; 30 days</td>
<td>0.62%</td>
<td>1%</td>
</tr>
</tbody>
</table>

### Environment and Social Performance Management

With the highest degree of attention and adoption towards the ESM and SPM international frameworks, the unit has formulated and crafted an annual plan for both disciplines to ensure its commitment, dedication, and reinforcement of the processes and activities pertaining to the wide spectrum of its stakeholders.

The functional committees, analytical groups, and project teams come together for deliberating and addressing the implementation, monitoring, and effectiveness on a quarterly basis. With the credo and manifestos of accounting the community interventions with the stringent application of the ESM and SPI, we believe that it generates positive and progressive effects on various stratifications of the entire ecosystem and yields a snowballing effect which balances the triple bottom line doctrine. Some of the elements which resulted in higher quantitative results are as following:

- ESM training organized for the focal person to build his capacity
- ESM annual work plan designed and finalized at the organizational level
- Social Performance Goals and Objectives set & their quarterly review
- Social Performance Dashboard
- Social Audits carried out by Internal Audit
- Several orientations, workshops, training conducted by the focal person for all staff as well as for communities, microfinance programs clients
- Introductory session on ESM & SPM also was conducted for BOD and management of RCDP to understand the peculiarities of the initiative
- Session conducted with 126528 clients on Environmental and Social performance management in the reported years 2018-19.
“An overview of issues related to microfinance products and services would not be complete without brief discussion of integrative approaches—integrating financial and non-financial services.”
In the age of rapidly shifting technology and market requirements, we need also to evolve dynamic both in items technology and products. Failing to sense the changes in the structure of demand on the ground and responding to such a change leaves our customers underserved. Realizing this we looked at the growth cycle of individual members as well as groups. The information led us to interesting results.

We realized that our customers use their homes as their basic production centers. For any entrepreneur, keeping their production centers or office space upgraded is a necessary condition for maintaining efficiency and productivity. Therefore our customers who depend on finance from us as the primary access to the fund would also require a source of loans for maintaining their workplace so, RCDP tried to fulfill the requirements of customers.

However, given the other constraints, they would still find it difficult to get business loans from the formal banking channels. Given the fact that we are committed to foster growth and prosperity among our customers by encouraging the spread of their business, we decided to bring out many products specifically crafted to their business’s needs. We feel that the way the economy is moving, we need to focus on bringing out more innovative products to address the needs of our customers to help boost their activities.

Product Suites

MS&E Finance
- Credit and Enterprises Development (CED)
- Business enhancement loan (BEL)
- Enterprises development Facility (EDF)
- Small and medium enterprises (SME)
- Kisan Loan (KL)
- Livestock Facility (LF)
- Renewable Energy (REL)

Interest Free Finance
Value Added Basket
- Branchless Banking
- Transactional Banking
- Micro Insurance
- Capacity Building
The RCDP offers a complete range of microfinance services to its market niche encompassing short to medium term loan product facilities for economic activities like agriculture, livestock, Credit enterprise development, business enhancement loan, enterprises Development facility and Small & medium enterprises. Loans are given under the solidarity group approach as well as on an individual basis against the social collaterals. The RCDP offers a maximum loan size of PKR 500,000.

During 2019, the outstanding portfolio of the RCDP has grown by 25% while active clients increased by 28%. The RCDP piloted its agriculture product (Kisan Loan) during 2019. The RCDP continues to improve its offerings based on client and market needs. Moving forward, the RCDP will continue to provide customized products to meet the financial needs of micro and small enterprises, within the regulatory framework.

The RCDP intends to build a diversified loan portfolio and become a prominent player in strengthening enterprises and promoting entrepreneurship by responding to the needs of Small and medium enterprises (SME).

### Loan Portfolio

The RCDP offers a complete range of microfinance services to its market niche encompassing short to medium term loan product facilities for economic activities like agriculture, livestock, Credit enterprise development, business enhancement loan, enterprises Development facility and Small & medium enterprises. Loans are given under the solidarity group approach as well as on an individual basis against the social collaterals. The RCDP offers a maximum loan size of PKR 500,000. During 2019, the outstanding portfolio of the RCDP has grown by 25% while active clients increased by 28%.

The RCDP piloted its agriculture product (Kisan Loan) during 2019. The RCDP continues to improve its offerings based on client and market needs. Moving forward, the RCDP will continue to provide customized products to meet the financial needs of micro and small enterprises, within the regulatory framework.

The RCDP intends to build a diversified loan portfolio and become a prominent player in strengthening enterprises and promoting entrepreneurship by responding to the needs of Small and medium enterprises (SME).

### Products Segregation

<table>
<thead>
<tr>
<th>Products</th>
<th>Groups</th>
<th>Disbursed Clients</th>
<th>Disbursed amount</th>
<th>Active Clients</th>
<th>Outstanding Loan Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>CED</td>
<td>23,196</td>
<td>78,869</td>
<td>3,554,995,000</td>
<td>79,299</td>
<td>1,970,420,108</td>
</tr>
<tr>
<td>BEL</td>
<td>9,459</td>
<td>20,738</td>
<td>1,644,980,000</td>
<td>25,836</td>
<td>1,136,066,828</td>
</tr>
<tr>
<td>EDF</td>
<td>2,732</td>
<td>5,777</td>
<td>791,900,000</td>
<td>8,632</td>
<td>619,166,235</td>
</tr>
<tr>
<td>LSF</td>
<td>5,512</td>
<td>12,018</td>
<td>1,144,890,000</td>
<td>16,184</td>
<td>890,379,281</td>
</tr>
<tr>
<td>SME</td>
<td>2,321</td>
<td>2,321</td>
<td>354,345,000</td>
<td>2,659</td>
<td>291,416,247</td>
</tr>
<tr>
<td>PMIFL</td>
<td>1,713</td>
<td>6,530</td>
<td>184,429,000</td>
<td>6,507</td>
<td>126,574,148</td>
</tr>
<tr>
<td>REL</td>
<td>127</td>
<td>229</td>
<td>1,468,392</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kisan Loan</td>
<td>46</td>
<td>46</td>
<td>3,860,000</td>
<td>46</td>
<td>3,860,000</td>
</tr>
<tr>
<td>Total</td>
<td>45,106</td>
<td>126,528</td>
<td>7,680,867,392</td>
<td>139,163</td>
<td>5,037,882,847</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Products</th>
<th>Groups</th>
<th>Disbursed Clients</th>
<th>Disbursed amount</th>
<th>Active Clients</th>
<th>Outstanding Loan Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>CED</td>
<td>23,196</td>
<td>78,869</td>
<td>3,554,995,000</td>
<td>79,299</td>
<td>1,970,420,108</td>
</tr>
<tr>
<td>BEL</td>
<td>9,459</td>
<td>20,738</td>
<td>1,644,980,000</td>
<td>25,836</td>
<td>1,136,066,828</td>
</tr>
<tr>
<td>EDF</td>
<td>2,732</td>
<td>5,777</td>
<td>791,900,000</td>
<td>8,632</td>
<td>619,166,235</td>
</tr>
<tr>
<td>LSF</td>
<td>5,512</td>
<td>12,018</td>
<td>1,144,890,000</td>
<td>16,184</td>
<td>890,379,281</td>
</tr>
<tr>
<td>SME</td>
<td>2,321</td>
<td>2,321</td>
<td>354,345,000</td>
<td>2,659</td>
<td>291,416,247</td>
</tr>
<tr>
<td>PMIFL</td>
<td>1,713</td>
<td>6,530</td>
<td>184,429,000</td>
<td>6,507</td>
<td>126,574,148</td>
</tr>
<tr>
<td>REL</td>
<td>127</td>
<td>229</td>
<td>1,468,392</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kisan Loan</td>
<td>46</td>
<td>46</td>
<td>3,860,000</td>
<td>46</td>
<td>3,860,000</td>
</tr>
<tr>
<td>Total</td>
<td>45,106</td>
<td>126,528</td>
<td>7,680,867,392</td>
<td>139,163</td>
<td>5,037,882,847</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2018</th>
<th>2019</th>
<th>Change in Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groups</td>
<td>33,453</td>
<td>45,106</td>
<td>35%</td>
</tr>
<tr>
<td>Disbursed clients</td>
<td>100,916</td>
<td>126,528</td>
<td>25%</td>
</tr>
<tr>
<td>Disbursed amount</td>
<td>4,760,657,000</td>
<td>7,680,867,392</td>
<td>61%</td>
</tr>
<tr>
<td>Active Clients</td>
<td>108,565</td>
<td>139,163</td>
<td>28%</td>
</tr>
<tr>
<td>Outstanding Loan Portfolio (OLP)</td>
<td>3,199,314,576</td>
<td>5,037,882,847</td>
<td>57%</td>
</tr>
</tbody>
</table>
The RCDP offers a diverse range of customized products to enable its clients to engage in productive and profitable income-generating activities. The RCDP has a focus on moving towards individual and higher value loans especially to enterprises.

Agriculture sector which is also mainstream of economy of Pakistan and RCDP also started Kisan loan to contribute in this productive sector

**Loan Size and gender mix**

The RCDP is moving towards higher loan sizes and the share of loans exceeding PKR 50,000 has increased and is more than 35% of the total active loan portfolio, and more than 17% is above PKR 100,000. The overall average disbursement has increased to PKR 36,000 over the reporting period. RCDP has a model that encourages clients for regular monthly repayments and the RCDP has 100% of its portfolio in monthly installment. The female-male ratio of the portfolio is 13.87, while in terms of number of active clients this ratio is 7.93
Rural Community Development Programmes

Prime Minister
EHSAAS Programme

RCDP has been centrally working with integrated development approaches in the thematic areas of microfinance & enterprise development, Institutional Development, health & Education, capacity building, community physical infrastructure, livelihood, advocacy, networking, farmer’s enterprise’s development and access to justice. RCDP has immense experience in the implementation of microenterprises program with the support of national & international organizations. Besides this RCDP have strong community organizations networks at the grassroots level. To reach the maximum poor communities in the priority district of Punjab, RCDP signed an agreement regarding the Prime Minister Interest-Free Loan Program under Youth development Initiative with Pakistan Poverty Alleviation Fund (PPAF) for the pilot phase in district Layyah by establishing five loan centers. After the successful implementation of the first phase, PPAF extended the PMIFL program with RCDP in outreach in two districts Layyah and Nankana Sahib by opening fourteen PMIFL centers.

<table>
<thead>
<tr>
<th>One Year Financial Summary Sheet For IFP - From July-18 to June-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr. No.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

During the last financial year, RCDP disbursed around sixty five hundred clients in different sectors with amount PKR 184 Million under the IFP program successfully.

Business Performance Review

The RCDP’s focus has been an increasing outreach to the poor while offering the target population a wide range of products to meet their needs. The RCDP has grown rapidly in the last few years in terms of its outreach and portfolios to cater to the microfinance market niche from the very poor or vulnerable poor to the upper end of the micro-enterprise segment.

The geographical spread of the RCDP highlights the RCDP’s endeavor to reach the unbanked population regardless of the client’s ethnicity, gender, and religious belief.
The role of microfinance in economic development has been documented from a macroeconomic perspective. The way forward for microfinance is to increase the potential for sustainability. Therefore, RCDP is extended the degree to which tap the financial markets. In order to achieve economies of scale, efficiency and greater impact on a larger target market in Pakistan.
RCDP implemented a number of initiative projects with the partnership of PMIC and successfully completed within a given time period.

Microfinance Plus Initiatives Projects

RCDP facilitated around two thousand subsistence farmers overall through deployment of this CVC project in Nankana Sahib District within six months from November-2018 to April 2019. The intervention included awareness sessions in eight RCDP branches of the district. Sixty-six sessions were conducted mutually by RCDP and FFC officials which covered around 1,982 farmers within the branch portfolio with the Wheat crop productivity enhancement. Remaining 18 farmers were orientated by RCDP on the same interventions. Further, backward and forward linkages with public and private entities regarding the purchase inputs and sale were developed. Furthermore, several

Agriculture Value Chain Project (AVC)

Higher poverty rates among the farmers of Pakistan force them to remain dependent on a middleman (arthi) for purchase of Agri inputs for crop cultivation and then sale the crop produce to the same arthi due to non-affordability of high transport expenses. This dependence on middleman keeps these poor farmers remain engaged in the vicious cycle of poverty. In addition, these poor farmers have small ownership of land, on an average less than 5 acres, which does not provide them enough volume of crop yield to increase their incomes considerably, so, just to enhance the confidence of these little farmers with high poverty rates and lack of adequate capital at farmer’s end.

Focusing on the background of the project, Pakistan Microfinance Investment Company Limited (PMIC), registered as an Investment Finance Company under NBFCs regulations with Securities and Exchange Commission of Pakistan, which is set up jointly by, Pakistan Poverty Alleviation Fund (PPAF), Department for International Development (DFID) through Karandaaz Pakistan and the German Development Bank (KFW) to catalyze and lead the next phase of growth in the microfinance sector of Pakistan had envisaged to Microfinance well as Microfinance Plus services to meet the double bottom line indicators in Pakistan. In pursuance to this agenda, PMIC aimed to deploy the Crop Value Chain (CVC) project with its borrowers including both MFIs and MFBs. In this regard, PMIC in collaboration with RCDP and SWF mutually agreed for six months (November 1st, 2018 to April 30th, 2019) project of covering around 2,000 subsistence farmers through deployment or this project.

The intervention was to deliver awareness sessions for the Agri extension services along with the provisioning of larger loans in Agri to the targeted farmer. In addition, it created backward and forward linkages of the farmers with public and private entities regarding their purchase inputs and selling of resultant agricultural produce in Nankana Sahib District.

Project Outreach at a Glance

<table>
<thead>
<tr>
<th>No. of UCs</th>
<th>No. of Villages</th>
<th>No. of FDGs</th>
<th>No. of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>25</td>
<td>19</td>
<td>2,000</td>
</tr>
</tbody>
</table>

Project’s Performance

Acre Wise Details

<table>
<thead>
<tr>
<th>Total of 08 Branches</th>
<th>No. of Acre</th>
<th>Fertilizer</th>
<th>DAP Bag</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Amount</td>
<td>No.</td>
</tr>
<tr>
<td>04 Branches</td>
<td>4,893</td>
<td>7,339</td>
<td>12,109,350</td>
</tr>
<tr>
<td>04 Branches</td>
<td>3,489</td>
<td>4,900</td>
<td>6,370,000</td>
</tr>
<tr>
<td>Total</td>
<td>8,382</td>
<td>12,239</td>
<td>18,479,350</td>
</tr>
</tbody>
</table>
Project Impact;

In order for Pakistan to meet its food production potential, the agriculture sector requires the application of appropriate agricultural practices, availability of agricultural extension services and capacity building of small scale farmers, across Pakistan. Focusing on the AVC project, most of the farmer were orientated regarding the formation of the linkages with Punjab’s On-Farm Water Management (OFWM) for laser leveling facility, FFC for the fertilizers and the DAP bags, with Punjab Seed Corporation (PSC), Galfam Seed Corporation, Jathore Seed Corporation for best seed varieties. Considering the rice, linkages were developed between farmers and different rice mills in Nankana Sahib District (Amin Rice Mill, Gondal Rice Mill, Asia Rice Mill, and Pakistan Agriculture Storage and Services corporate).

Focusing on the impact due to the AVC project,

- 17% increase in per acre yield at an average
- Over 13% reduction in costs of crop cultivation
- 100% farmers received Credit Life Insurance
- 10% reduction in usage of pesticides
- 15% reduction in skin diseases (rice harvesting)

Solar Home Solution Project (SHS)

Higher poverty rates among the country and considering the energy crisis, on May 29, 2012, Pakistan inaugurated its first solar power on-grid power plant in Islamabad. Introduction of Clean Energy by Solar Electricity Generation System is a special grant aid project by the Japan International Cooperation Agency (JICA) under the Coolio Earth Partnership. This project includes the installation of two 178 kW photovoltaic (PV) systems at the premises of the Planning Commission and Pakistan Engineering Council.

This is the first on-grid solar PV project that employs net-metering, thereby allowing the beneficiaries to sell surplus electricity to the Islamabad Electric Supply Company (IESCO), the electricity distribution company of the Islamabad Division. The project was executed with grant assistance, worth 480 million Yen (approx. 553.63 million Pakistani Rupees) over three years commencing in 2010.

Focusing on the background of the project,

Pakistan Microfinance Investment Company Limited (PMIC), registered as an Investment Finance Company under NBFCs regulations with Securities and Exchange Commission of Pakistan, which is set up jointly by, Pakistan Poverty Alleviation Fund (PPAF), Department for International Development (DFID) through Karandaaz Pakistan, IFC and the German Development Bank (KFW) to catalyze and lead the next phase of growth in the microfinance sector of Pakistan had envisaged to Microfinance well as Microfinance Plus services to meet the double bottom line indicators in Pakistan. In pursuance to this agenda, PMIC aimed to deploy Solar Home Solution (SHS) project with its borrowers including both MFIs and MFIs. In this regard, PMIC in collaboration with RCDP mutually agreed for six months (January 1st, 2018 to June 30th, 2018) project of covering around 1000 subsistence households through the deployment of this project. The intervention was to deliver awareness sessions for the Solar awareness and energy crisis at the national level along with the provisioning of asset-based lending in the shape of solar products to the targeted off-grid areas in southern Punjab.

It is an important source of renewable energy and its technologies are broadly characterized as either passive solar or active solar depending on how they capture and distribute solar energy or convert it into solar power. Active solar techniques include the use of photovoltaic systems, concentrated solar power, and solar water heating to harness the energy. Passive solar techniques include orienting a building to the Sun, selecting materials with favorable thermal mass or light-dispersing properties, and designing spaces that naturally circulate air. In continuation of this, PMIC in collaboration with RCDP initiated the pilot project in the southern Punjab region especially in the off-grid area of the Layyah District region. In collaboration with the two vendors (Green Planet and Harness Energy), RCDP disbursed around 229 IEC certified product loans with PKR 1,468,329 during the project duration.
Project’s Achievements

The energy crisis is considered to be a hard issue from the last decade all across Pakistan, especially in rural areas. Although off-grid areas are facing the heat in terms of high temperature with maximum load shedding due to poor infrastructure of the electricity department. Also, considering this backlog and scenario especially in southern Punjab, a community of around 1000 households was targeted for mobilization in the first phase then disbursement of solar products ranging from 20 to 150 watts at household level in the next phase during the project phase of six months. But considering the constraint regarding the mobilization process and quality solar products provisioning got the vendor level extended the product up to four more months with a total duration of ten months. Considering the importance of the project, there was a dire need for solar awareness among the off-grid areas especially and focusing on the results as this sector has many positive consequences on the macro and microeconomic modalities of the country.

Crop Micro Insurance (CMI)

Deepening, Saturation, Consolidation, and integration paves the way for optimum output and impacts on the economic and social life of the ultra-poor and vulnerable considering the population below the poverty line around 29.5%. Poverty rates remain high in both rural and urban areas and even more pronounced among marginalized segments including women and minorities. The macro-economic condition in Pakistan continues to make current income-streams irrelevant and households face extreme difficulty in providing basic necessities to their households (average family members of 8). In this regard, poverty reduction in rural areas has been addressed through investments in social mobilization, basic infrastructure, health, education and access to microfinance.
Even with all these interventions, not a lot has happened with regards to building capacity of rural communities associated with the agriculture sector, which forms the backbone of Pakistan’s economy, generating not only 19 percent of the GDP (as per 2018 survey) but also assisting large-scale industries such as textiles and agro-based SMEs.

It accounted for 20.9 percent of the country’s exports in 2015-16 and employs 42.3 percent of the country’s labor force. Yet, productivity indicators suggest that yields have stagnated over the past decade in most crops and the productivity gap with high performing countries is widening constantly.

The major chunk of the aforementioned agrarian labor force comprises of small farmers, having less than 5 acres of land on an average. These small farmers are often exploited by the middle man (Arthi) for their financial and nonfinancial needs, especially at the cultivation and harvesting of their crops.

This report explores each and every aspect of the insurance of the minimum yield of the wheat crop with a guarantee of 26 Mon output in Layyah and 33 Mon output in Nankana Sb. Districts from one Acre of land and gives a detailed understanding of how value has been added to each activity performed for the cultivation of crops. The report also talks about the challenges faced during the execution of the intervention and how viable means can be adopted to curb them from impacting the poor farmers.

Considering the premium calculation per district, the following was the detail,

<table>
<thead>
<tr>
<th>District</th>
<th>PMIC</th>
<th>Total Premium</th>
<th>PMIC Subsidy by PMIC @ 70%</th>
<th>Premium to be Collected from Farmer @ 30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Layyah</td>
<td>Rural Community</td>
<td>1,024</td>
<td>717</td>
<td>307</td>
</tr>
<tr>
<td></td>
<td>Development Programmes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nankana Sb</td>
<td>Rural Community</td>
<td>1,271</td>
<td>890</td>
<td>381</td>
</tr>
<tr>
<td></td>
<td>Development Programmes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Beneficiary’s details

As seen in the above table, around 763 farmers from eight branches were entertained and insured their crops. Both United Insurance and Alfalah Insurance insured the clients under their umbrella with even and odd numbers;

<table>
<thead>
<tr>
<th>Option 01</th>
<th>Alfalah Insurance</th>
<th>Total Insured 381 clients with 1,169 Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 02</td>
<td>United Insurance</td>
<td>Total Insured 381 clients with 1,182 Acre</td>
</tr>
</tbody>
</table>

Further, client wise detail is as follows;

<table>
<thead>
<tr>
<th>Farmer Name</th>
<th>Branch</th>
<th>Acre Insured</th>
<th>Total Sum Insured (No. of Acres X Sum Insured Per Acre)</th>
<th>Claim Settled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariq Saeed</td>
<td>More Khunda</td>
<td>3</td>
<td>107,250</td>
<td>18,233</td>
</tr>
<tr>
<td>Muhammad Zeeshan</td>
<td>More Khunda</td>
<td>4</td>
<td>171,600</td>
<td>21,879</td>
</tr>
<tr>
<td>Muhammad Anwar</td>
<td>More Khunda</td>
<td>4</td>
<td>171,600</td>
<td>21,879</td>
</tr>
<tr>
<td>Iftikhar Hussain</td>
<td>More Khunda</td>
<td>4</td>
<td>171,600</td>
<td>25,526</td>
</tr>
<tr>
<td>Naz Ali</td>
<td>More Khunda</td>
<td>2</td>
<td>85,800</td>
<td>10,940</td>
</tr>
<tr>
<td>Mazhar Ali</td>
<td>More Khunda</td>
<td>2</td>
<td>85,800</td>
<td>14,586</td>
</tr>
<tr>
<td>Mehndi Hasan</td>
<td>More Khunda</td>
<td>2</td>
<td>85,800</td>
<td>10,940</td>
</tr>
<tr>
<td>Mehndi Hasan</td>
<td>More Khunda</td>
<td>2</td>
<td>85,800</td>
<td>12,763</td>
</tr>
<tr>
<td>Niamat Ali</td>
<td>More Khunda</td>
<td>2</td>
<td>85,800</td>
<td>13,546</td>
</tr>
<tr>
<td>root Shabana</td>
<td>Nankana Sahib</td>
<td>2</td>
<td>85,800</td>
<td>14,586</td>
</tr>
<tr>
<td>Nafisa</td>
<td>Nankana Sahib</td>
<td>2</td>
<td>85,800</td>
<td>14,586</td>
</tr>
</tbody>
</table>

| Total         | 29         | 179,464      |

<table>
<thead>
<tr>
<th>Farmer Name</th>
<th>Branch</th>
<th>Acre Insured</th>
<th>Total Sum Insured (No. of Acres X Sum Insured Per Acre)</th>
<th>Claim Settled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khan Muhammad</td>
<td>More Khunda</td>
<td>2</td>
<td>85,800</td>
<td>8,840</td>
</tr>
<tr>
<td>Ray Ameer Ali</td>
<td>More Khunda</td>
<td>4</td>
<td>171,600</td>
<td>14,365</td>
</tr>
<tr>
<td>Shaheen Ali</td>
<td>More Khunda</td>
<td>4</td>
<td>171,600</td>
<td>23,868</td>
</tr>
<tr>
<td>Muhammad Imran</td>
<td>More Khunda</td>
<td>2</td>
<td>85,800</td>
<td>6,630</td>
</tr>
<tr>
<td>Musarrat Ashar</td>
<td>Nankana Sahib</td>
<td>2</td>
<td>85,800</td>
<td>11,934</td>
</tr>
<tr>
<td>Nosheen</td>
<td>Nankana Sahib</td>
<td>2</td>
<td>85,800</td>
<td>11,934</td>
</tr>
<tr>
<td>Zaheer Qaser</td>
<td>Nankana Sahib</td>
<td>2</td>
<td>85,800</td>
<td>11,934</td>
</tr>
</tbody>
</table>

| Total         | 18         | 89,505       |

Linkages

In order for Pakistan to meet its food production potential, the agriculture sector requires the application of appropriate agricultural practices, availability of agricultural extension services and capacity building of small scale farmers, across Pakistan. Focusing on the CMI project, most of the farmer from 763 farmers were oriented regarding the formation of the linkages with Punjab’s On Farm Water Management (OFWM) for laser leveling facility, FFC for the fertilizers and the DAP bags, and with Punjab Seed Corporation (PSC) for best seed varieties.
Enterprises Development Project (EDP)

The macro-economic condition in Pakistan continues to make current income-streams irrelevant and households face extreme difficulty in providing basic necessities to their households (average family members of 8). In this regard, poverty reduction in rural and urban areas has been addressed through investments in social mobilization, basic infrastructure, health, education and access to microfinance. Even with all these interventions, not a lot has happened with regards to building capacity of rural and urban communities associated with small enterprise sector, which forms the backbone of Pakistan’s economy, generating Large Scale Manufacturing growth, which has picked up momentum and posted a strong 10.5 percent growth in the month of March 2017 compared to 7.6 percent in March 2016. Understanding the dynamics and the economic condition of the target market, the loan ranges in this model were from PKR 150,000 to PKR 500,000 with addressing 1000 small enterprises.

In order to address the aforementioned bottlenecks associated with the poor community, PMIC, in collaboration with RCDP, implemented a multi-dimensional microfinance plus projects addressing the both financial and nonfinancial services along with the financial inclusion, so as to create a holistic ecosystem enabling small and medium enterprise holders to increase their business and growth along with income streams accordingly. Focusing on the aim, which is to reduce poverty along with the digitalization resulting in increase income of borrowers and building the lives of their households for a better and healthy future.

In the end, RCDP entertained around 1,082 small enterprises in this pilot phase.

<table>
<thead>
<tr>
<th>Loan Range (PKR)</th>
<th>No. of Clients Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal to 150,000</td>
<td>537</td>
</tr>
<tr>
<td>Greater than 150,000 upto 200,000</td>
<td>492</td>
</tr>
<tr>
<td>Greater than 200,000 up to 300000</td>
<td>49</td>
</tr>
<tr>
<td>Greater than 300,000 upto 500,000</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>1,082</td>
</tr>
</tbody>
</table>

Targeting the national issue for the betterment and increase in exports, said enterprise development model with larger loans ranging in between PKR 150,000 to PKR 500,000 was designed addressing the small and medium enterprise business focusing on their strengthened business and growth along with their confidence. In the pilot phase, only 1,000 loans’ disbursement was the target with the time duration of six months initially which was, however, successfully achieved with the number of 1,082 enterprise loans in nine months tenure that includes the three-month expansion.

Focusing on gender balancing, 62% are the female borrower associated with small and medium enterprises.
In the pilot phase, RCDP worked in the entire portfolio covering around 11 districts of Punjab. A special focus was deployed in the enterprise areas of the urban field like in Sheikhpura, Nankana Sb., Faisalabad, Jhang and Gujranwala. RCDP has a total of 8,600 active beneficiaries associated with higher loans in Enterprise Development in these above-mentioned districts whereas, overall active beneficiaries are 9,338 as per the September closing ranging equal or higher than PKR 100,000 loan amount.

Targeting the national issue for the betterment and increase in exports, said enterprise development model with larger loans ranging in between PKR 150,000 to PKR 500,000 was designed addressing the small and medium enterprise business focusing on their strengthened business and growth along with their confidence. In the pilot phase, only 1,000 loans’ disbursement was the target with the time duration of six months initially which was, however, successfully achieved with the number of 1,082 enterprise loans in nine months tenure that includes the three-month expansion.

As seen in the above table, 59% has been the female disbursement. Focusing on the sectoral distribution, the following has been the detail:

- **Trading & Business**: 66% has been the trading and business in enterprise loans
- **Handicraft**: 2%
- **Manufacturing**: 2%
- **Others**: 66%

It is clear in the chart, that 44% borrowers are from Sheikhpura District and 36% are from the Nankana Sb. District covering around 80% of the total disbursement in terms of client number with OLP of almost 82% coverage with PKR 159 Million of the total PKR 192 Million OLP.

The success of the Enterprise Development model is as follows:

- **Client Disbursed # 1,082**
  - 44% Sheikhpura
  - 36% Nankana Sb.
  - 15% Faisalabad
  - 5% Others

- **Loan Tenure**
  - 9 months (January – September)
  - Regular 6 months (January-June)
  - Extension 3 months (July-September)

- **Target Disbursement (No#)**
  - 1,000 & Achieved 1,082

- **Amount Disbursed (PKR)**
  - 194,475,000
  - OLP 192,715,719

- **(41% Male & 59% Female)**
PERFORMANCE MANAGEMENT

Performance management is essential for managing people for progressive and better results to perform their tasks within given timelines.
Risk Management

The RCDP has a proper risk management framework comprising of requisite policies and procedures as it believes that effective risk management is of primary importance to achieve desired return while maintaining an acceptable level of risk exposure. The responsibility of maintaining optimal risk-return profile collectively rests with the senior management of the RCDP. For, special emphasis on financial risks, RCDP has a Board Risk Committee in place. At the management level, there is the Risk Management Committee (RMC), which looks after operational and compliance risk issues and ALCO.

The Risk department has been restructured keeping in view the industry dynamics and the RCDP’s expanding portfolio. Additional efforts were made to strengthen the Risk Unit and bring it in line with national standards. The fraud and forgery records were maintained to address the gaps in processes and take appropriate measures on a pro-active basis to avoid such incidents in the future.

The credit risk structure at the branch level was strengthened by enhancing the credit scope of pre-disbursement field verification conducted by risk officers for timely identification of any weakness in the portfolio. Market Risk monitors on a regular basis and off-balance sheet positions that can be adversely affected by movements in market rates or prices and liquidity positions resulting in a loss to earnings and capital.

RCDP conducts analysis to gauge the adequacy of capital in case of any adverse impact due to loan losses and interest rate movement.

Internal Audit

The Internal Audit Department (IAD) comprises of a dedicated team of 7 professionals with the specialized background. Internal Audit Department functionally reports directly to the Audit Committee of the RCDP which ensures its independence and overall effectiveness. The Department is responsible to evaluate the efficiency and effectiveness of internal controls, reports on special assignments, compliance with the RCDP’s policies and other applicable regulatory procedural requirements. The department is also responsible to undertake some special cases to investigate assignments of the RCDP.

Compliance

The compliance department plays an instrumental and cardinal role in measuring and establishing a specific set of standards and adherence to it within business engagements. The functions confined but not restricted to are a quantitative and qualitative analysis, business and product standards, workflow monitoring, assessments, market intervention screening along the effective implementation of the Quality Management System (QMS). At the outset, the findings, observations, and disclosures from the structured numerical reports, the departments keep the process, system, and functions aligned or adjusted to the rightest direction meeting the clientele and regulatory regime provisions and requirements.

To add a feather to the composition, the recent hallmarks included kaleidoscope product market research, master compliance framework, quality management barometers, customer satisfaction surveys, grievance redresses mechanism, due diligence through empirical methods are some of the many initiatives and value additions were undertaken by the unit in the current fiscal year.
Customer Relationship Management (CRM) is a key component in running any business. It signifies a method that helps manage customer engagement in an organized manner. CRM codifies interactions between RCDP and customers so that we can maximize sales and profit using analytics. CRM enables RCDP to track and measure the effectiveness of marketing campaigns, directs the customer to the right information source, helps in tracking sales team performance, etc. As more customers look for products and services that understand their needs and responsive to their situations, businesses find it necessary to personalize customer interactions to stay competitive.

**CRM System Implementation**

RCDP has tested, deployed, functional and fully implemented the CRM system that enables us to nurture relationships with customers and prospects to drive sales or sustain long-term profitability. It also aggregates streams of customer data to surface insights that help RCDP make better business decisions.

Following are key benefits which have been got after the implementation of CRM:

- Timely response to customer queries and concerns
- Reduction in unwanted cost of the company
- A higher number of satisfied customers results in customer retention and an increase in customer base
- Transparency in the process reduces work overlapping
- Helps in building responsibility matrix, thus ensures the smooth functioning of the organisation
- Near accurate sales, the forecast can be made based on legacy data
- Long term profitability plan can be made and achieved
- Builds brand loyalty

**Strategic Business Plan**

With a commitment to abet the framework of enterprise development, livelihood, creation, income generation and making markets work for the poor, we remain strategically and adaptively attentive to power the process of growth and development for the company. Henceforth, we took to the helm to address the forecasted opportunities and necessitates in short mid and long term projections. In essence, we formulated by blocks-building method a 05 year strategic business map which envisages the methodical and tactical approach achieving goals, targets, mission, objectives and vision of RCDP.
With the establishment of an in-house KYC, AML, CFT policy duly approved by the governing body, we have programmed an enterprise-wide intervention for building an appropriate interpretation of the process, functions and mechanism embedded in the book of rules. To pin accountability and transparency of the activities executed, a compliance committee has been formulated to review the performance and efficiency of the performed engagements.

<table>
<thead>
<tr>
<th>KYC AML &amp; CFT Compliance Activity</th>
<th>Section</th>
<th>Compliance Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>AML/CFT policy to be approved by BOD, made public, and reviewed annually</td>
<td>Governance</td>
<td>Done</td>
</tr>
<tr>
<td>Identification Check of every board member, whether executive or non-executive and their screening against the UNSCRs lists</td>
<td>Governance</td>
<td>Done</td>
</tr>
<tr>
<td>RCDP undertake annual training of employees on AML/CFT issues, challenges and strategy, highlighting the repercussions of acting against national interests or security breaches</td>
<td>Trainings</td>
<td>Done</td>
</tr>
<tr>
<td>Policies, systems and procedures are designed on Know your Customer, Know Your Employee, Know Your Investor, Know Your Partner</td>
<td>Trainings</td>
<td>Done</td>
</tr>
<tr>
<td>Risk based approach Framework</td>
<td>Execution</td>
<td>Done</td>
</tr>
<tr>
<td>Compliance Monitoring Committee formation</td>
<td>Execution</td>
<td>Done</td>
</tr>
<tr>
<td>Record keeping mechanisms</td>
<td>Execution</td>
<td>Done</td>
</tr>
<tr>
<td>STR and CTR Reporting Implementation</td>
<td>Reporting</td>
<td>Done</td>
</tr>
<tr>
<td>All the compliance related to PEP ensured</td>
<td>Reporting</td>
<td>Done</td>
</tr>
<tr>
<td>Sanctions Compliance (Proscribed persons &amp; Entities) ensured &amp; Implemented</td>
<td>Reporting</td>
<td>Done</td>
</tr>
<tr>
<td>Online database of proscribed persons and Entities developed and made part of MRS/FIS</td>
<td>Technology</td>
<td>Done</td>
</tr>
</tbody>
</table>
Sustainability defined through the triple bottom line of environmental, social and economic system considerations. Resilience viewed as the ability of a system to prepare for threats, absorb impacts, recover and adapt following persistent stress or a disruptive event.
Research and development (R&D) refers to the activities companies undertake to innovate and introduce new products and services. It is often the first stage in the development process. The goal is typically to take new products and services to market and add to the RCDP’s bottom line. RCDP across all sectors and industries undergo R&D activities. Corporations experience growth through these improvements and the development of innovative and need base products which purely addressed the customer’s needs. RCDP intended to spend the most on Research and Development. During the reporting period research and development department conducted baseline studies to increase the branches geographically. Total 26 new branches added in the reporting year and RCDP’s operations spread in southern Punjab.

- R&D represents the activities companies undertake to innovate and introduce new products and services or to improve their existing offerings.
- R&D consents a company to stay ahead of its competition.
- R&D consents a company to develop growth plan which viable geographically and risk free zone
Capacity Building

Considering the linkage, which has been the most important element for especially enterprises, RCDP has focused on its regular capacity building program for borrowers for improving their skill enhancement and, conducted the Community Management Skill Trainings (CMST) both at field level and branch level on monthly basis resulting strong linkage in between the borrowers and community. Also, RCDP has a regular program of bi-monthly and monthly community meetings in the form of clusters covering fifteen to twenty borrowers within the community at the village and mohalla level. These activities have resulted in strong linkages and experiences that have been shared within the meetings.

In addition, RCDP has been winning CITI Award from the last three consecutive years and all the borrowers who had won the awards belong to Sheikhupura. All the borrowers are SME borrowers.

Graduation Model

The project was launched in collaboration of RCDP with PMIC considering the experience and role of microfinance institutions (MFIs) in serving interest free loan borrowers to conventional loans, and focusing on an assumption, that access to finance is a key constraint to small business expansion, with the target providing the larger loans for reducing this constraint of 1000 vulnerable borrower within duration of the project.

In the end, RCDP graduated around 890 borrowers under this project in this pilot phase.

Targeting the national issue for betterment and increase in exports, said enterprise development model with small loans ranging in between PKR 10,000 to PKR 100,000 was designed addressing the small and medium enterprise business focusing on their strengthened business and growth along with their confidence. In the pilot phase, only 1,000 loans’ disbursement was the target with the time duration of six months initially which was, however, successfully achieved with the number of 890 graduate loans in twelve months tenure that includes the six-month extension.

Focusing on gender balancing, 78% are the female borrower associated with small business.

Active Clients

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Karor</td>
<td>162</td>
<td></td>
</tr>
<tr>
<td>Chowk Azam</td>
<td>288</td>
<td></td>
</tr>
<tr>
<td>Kot Sultan</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Layyah</td>
<td>247</td>
<td></td>
</tr>
<tr>
<td>More Khunda</td>
<td>121</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>78%</td>
</tr>
</tbody>
</table>
Area Profile

In the pilot phase, RCDP worked in the entire interest-free loan portfolio covering around 2 districts of Punjab. A special focus was deployed in the entire portfolio of the interest-free loans’ areas of the urban field like in Nankana Sb. and Layyah. RCDP has a total of 8,453 active beneficiaries associated with interest-free loans with OLP PKR 158 Million in these above-mentioned districts whereas including the BISP clients since inception who had availed interest-free loans are 2610.

Client Disbursed # 890

It is clear in the chart, that 14% borrower graduated in the Nankana Sb. District and 86% borrower got graduated in Layyah District in terms of client number.
Media & Communication

Social Media

Joining the marathon of Buzz feed, information indication and universality of social media RCDP have embarked and traded upon the dominating phenomenon by establishing a wide range of presence via social media channels. RCDP is using different channels of Social Media like Facebook, Twitter, What’s App Groups and Web sites to make the complete promotion of its products and to stay active in the global world around. RCDP is using social media for Live events, Live Interviews, and Live News.

Print Media

Printed materials create engagement between the customer and the entity. Print media of RCDP include those media of communication which are controlled by time. The major print media used by RCDP are:

- Stake Holder Reports
  - Investors reports
  - Customers Reports
  - Financial Report
  - Audit Report

- Literacy Mix
  - Calenders
  - Diaries
  - Presentations
  - Flyers
  - Flexes
  - Banners
  - Magazines
  - Case Studies
  - Newsletters etc.

Loan Officer’s Training Program

Considering the linkage, which has been the most important element for especially enterprises, RCDP has focused on its regular capacity building program for borrowers for improving their skill enhancement and, conducted the Community Management Skill Trainings (CMST) both at field level and branch level on monthly basis resulting strong linkage in between the borrowers and community. Also, RCDP has a regular program of bi-monthly and monthly community meetings in the

Fin-tech Enhancements

RCDP irrefutably centers and positions its success on substituting, enhancing and integrating contemporary technological solutions into its ecosystem to leverage and capitalize its internal and external competitiveness. Some of the latest embarkations’ include but not limited to are; building of advance business, data and financial intelligence module into its software’s. The avant-garde project of portable credit management system is a hallmark in construction utilizing OCR, AL, GSM, GPRS multi tenancy, API, Remote sensing and language processing abilities. To enable and facilitate seamless and convenience based experience to our customers and business process. The on boarding of HBL Koneect for alternative payment solution window and Aequitas information systems limited has broadened the contemplation of pre and post value added features for the combination of multiple parties.
The RCDP focuses on disseminating good practices and sound methodologies to support entrepreneurs, small business owners, and sustainable enterprises to make Pakistan’s economy strong.
Saiqa

Saiqa was on a search for financial support and was uncertain where to go because she was very afraid of savings and loan groups and always thought they will run away with her money. She spoke to a sister about her needs as well as her fears and the sister spoke well of RCDP. Sana was looking for a company for an immediate loan because it was time for her next purchase as her shop was almost empty. She was not sure of RCDP, not even when they had assured her that they could deliver the loan within seven days. Besides, she had not heard anywhere before this that it is possible to access a loan from a bank without having a guarantee. She was surprised when the money was disbursed to her account seven days after applying for the loan. Her business has expanded since she joined RCDP. RCDP has also helped her to improve her savings habits.

In addition, RCDP has inculcated a good spirit to plan ahead such as for loan repayment or payment of children’s school fees. For instance, she has started to saves money regularly to pay for kids’ fees. She is now able to plan and keep records of her activities which has helped her expand her business. She has been able to achieve her goals in life and even gone beyond what she ever expected.
Kalsoom Bibi

Kalsoom lives in remote areas of Sheikhupura in Pakistan with her husband and three children. After being introduced to the branch’s field staff by her neighbors, Kalsoom bibi decided to join a group. She received her first loan of PKR 10,000, and, on her husband’s advice, invested the amount in purchasing a sewing machine. She started stitching clothes for her friends and neighbors and also received orders from nearby schools for sewing uniforms.

The amount she earned was sufficient to pay her installments but not enough to generate savings. After clearing the first term loan as per schedule, she approached RCDP for a second loan and purchased two more sewing machines. She hired two women and started taking orders from schools in surrounding communities. Currently, her business is financially sustainable and she has started making significant savings. She can take care of the school fees of her three children and has recently bought her husband a second-hand mini truck to start their own transportation business.

Currently, her business is financially sustainable and she has started making significant savings.
Leading the Way to change

Ghulam Kubra bib is living in Farooqabad, a town of Sheikhupura District. The unanticipated death of her husband instigated enormous psychological and financial stress on Kubra bibi. As a widow, she faced a very hard and tough time to feed her family. When RCDP started working in the area where Kubra lives, she came across a female Credit Officer from RCDP. Kubra showed interest in microcredit loans. She thought it was a great opportunity to get a loan with such easy repayment installments without any capital requirements. So, Kubra applied for the loan and got the first loan of 15000/-. She has since completed several loan cycles.

She intends to stretch her business by sizing it up by installing another press machine and cascading her technical skills to the community and generating livelihood and income opportunities. She is much confident that she would get more profit and a better business position as a good potential present in the market with a good human resource who is looking for employment.

She was a widow with extreme hard work she gains success in this business, she purchased her own house. Now the greatest challenge is to maintain the same quality & quantity for a few years to strengthen her credibility in the market & to obtain more orders to cope with her fixed cost.

She was a wretched widow with rental house & 5 children to feed, distressed beggarly & destitute condition with hand to mouth situation. Now they have their own family business & proudly they can say they are Micro-Entrepreneurs with more than 15. Now the family is a role model for thousands of Micro Finance users who not only hempecked her miserable situation but an encouragement to other women. The business has generated women employment, women empowerment, women’s financial inclusion, and women’s societal dignity along with reasonable income with market system developments for the principals, intermediaries, and end-users in the society. It has importantly curbed employment for 18 females in a loop manner.

She was a widow with extreme hard work she gains success in this business.
Salma
One of the regular borrowers of RCDP, who started a beauty parlor to supplement her husband’s earnings for the family. Hard work translated into business growth and her husband joined her to take care of supplying the products to wholesalers at a reasonable price. The business expanded into outsourcing production to 50+ women in her locality. She looks forward to RCDP Bridge the gaps of capital and facilitate the expansion plans.

Story of Empowerment
RCDP does not believe in just providing financial access to customers, it considers kindling their holistic awareness as its mission. Because empowerment, which is the organization’s primary commitment to its customers can only take proper shape if it is accompanied by a knowledge of the surroundings and their commitment to it.

RCDP believes that women earn for the family and work for the upliftment of the family. If a woman is properly sensitized that will go a long way towards the all-round improvement of the family in particular and society in general. RCDP believes that only an empowered mother even if she lacks formal education can create a generation of educated empowered children. Sustainability is another key concern that RCDP keeps a keen eye on. No good can be done for the future generation if we leave back a polluted environment devoid of natural resources. Every initiative that RCDP undertakes, takes the impact on nature into consideration.

She looks forward to RCDP Bridge the gaps of capital and facilitate the expansion plans.
RCDP implemented financial literacy program and focused on the possession of the set of skills and knowledge that allows the customers to make informed and effective decisions with all of their financial resources.
Rural Community Development Programmes

Financial Inclusion

RCDP sets a great store by financial inclusion that involves financial awareness and access to finance. Mere access to finance is not enough; the customers, especially those who are very poor and have a very low level of literacy, need to be taught the value of money and its use. The organization’s functioning and its success crucially depend on the efficiency of the customers in the utilization of the borrowed fund. It is on this learning that RCDP has included training in both financial awareness and how to access our funds. The training also involves outcome evaluation so that there is close monitoring of the training itself.

Training Canvas

RCDP believes that learning is a continuous process. Structurally, therefore, RCDP has developed a mandatory training process called Continuous Group Training. The process is basically targeted at all customers, exposing them to the basic guidelines, benefits of microfinance, proper utilization of loans, other financial services, and its proper valuation and how are these to be followed. This is a regular training program that is implemented under a skilled trainer.

Nurturing Human Capital

Pakistan’s microfinance industry is growing at a very fast pace. However, as is universal, a growth of this magnitude is also bringing in its wake a slew of new challenges for the industry. Of all, the single biggest challenge lies in the area of training and capacity development. While, on the one hand, there is a lack of service providers with required skill sets exacerbated by a lack of comprehensive, integrated and relevant training modules; on the other, not enough attention is being paid to training the senior management. Understanding the importance of sharpening skill sets on a continuing basis, RCDP has been consistent in its approach and methodology for training and capacity building of its human resources across the hierarchy. It has in place training centers in the head office and regional office. From this facility, RCDP builds capacity and provides training and skill development support to the internal team our customers as well. The strategy adopted to address the issue of capacity building both at the customers as well as at the level of internal resources.

While the senior management training has its own challenges in terms of structuring the modules, fashioning the same for the customers is no less challenging. As is being repeatedly harped on, underlying all that RCDP does is the need to spread the financial inclusion mission wide and far. Inclusion subsumes two aspects, a) financial awareness and b) access to funds. Keeping these two in mind RCDP already has put in place an elaborate training plan for our customers at the branch level.

The training module involves at least two-day engagement with the newly inducted customers. During the training they are introduced to the company, the concept of microfinance, the concept of joint liability group, their responsibilities, KYC and the relevant regulations, products of RCDP and the terms and conditions, importance of insurance, market linkages development, financial literacy, preparation of documents for loan, loan purpose checking, customer house visit, creation of awareness about financial inclusion and recommendation about the best way to utilize loans among others.

The focus of the entire training structure is on a) compliance from an ‘aware position’ that naturally and organically screens out inadvertent lapses leading to various violations, b) capacity creation. Not only that, RCDP believes a financially enlightened ecology is that what is needed to lend support to the process of development. And as a microfinance institution RCDP is tasked with lending its might to the creation of such an ecology within its ambit of operations.
A training program allows you to strengthen those skills that each employee needs to improve. A development program brings all employees to a higher level so they all have similar skills and knowledge. This helps reduce any weak links within the company who rely heavily on others to complete basic work tasks.
Learning is a moderately permanent change in behavior, thought, or effect that occurs as a result of one’s interaction with the environment. Several aspects of this learning and development are important. The focus of learning is change either by occurring something new (like skills in conducting a meeting or managing official work) or modifying something that already exists. The change must be long-lasting and the focus of learning can include behavior, cognitions. Training refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical that are relate to specific useful competencies. It further refers to the activity of coaching staff better and more profitable ways of working. Staff training is an effective management tool to improve staff Skills, Knowledge, Motivation and ultimately their working performance. Training is a process but not a one-time event.

Training Methodology

- Staff Learning and Development Strategy
- Community Skills and Technical training Strategy

Staff Learning and Development Strategy includes Staff capacity building regarding achieve the company’s goals in a smart way. In this innovation, RCDP has a vast buckeye of training that develops and makeover the behavioral and Mindset Skills of Staff as well as technical skills regarding their Job Description.

Community Skills and Technical training Strategy

With the growth of the Microfinance Industry in Pakistan, there is a number of MFIs who working on the development of the deprived and marginalized community. In the present situation, those companies are sustainable who have strong relationships with the community. The vision of RCDP “Sustainable development through financial and non-financial services”. Our non-financial services are that we work for community development through different pieces of training like livestock development, EDT, Agri, skills enhancement, etc.

Last year RCDP organized different types of staff training and community training.
Joining Plant for Pakistan Movement

While economic development is the key business objective of RCDP, the company never forgets that the goals can never be achieved at the expense of our environment. To showcase its commitment towards giving back to nature, it has been a long tradition of RCDP to celebrate the tree plantation day of every branch office by planting at least one sapling of medicinal value. The plantation drive is normally done through RCDP staff and customers so that the awareness reaches the grassroots.

Imparting Empirical Skills

RCDP with the collaboration of Generation Pakistan PSDF is offering a 4-week program to prepare youth with personal and professional skills that resonate to become successful in the growing Microfinance industry. A total of 21 students was selected in a maiden batch of training. RCDP provides empirical training with the assistance of Generation Pakistan. At the closure of training, 17 students graduated with flying colors. The embarked to start a career as Loan Officer. The placement rate of the first graduate batch was 99% which is kind of exemplary. RCDP plans to formulate a robust plan which facilitates the deserving candidates at the national level.
EVENTS
A Glorious Celebration: International Woman Day

Rural community development program (RCDP) lately arranged a “Gender Equality and Female Empowerment” program on Friday, 8 March to celebrate International Women’s Day 2019 in conjunction with RCDS at Mandi Faizabad, Punjab. International Women’s Day is a time to reflect on progress made, to call for change and to celebrate acts of courage and determination by ordinary women who have played an extraordinary role in the development of communities, societies, and nations. The opening remarks were honored by Mr. Murtaza Khokhar, (CEO-RCDP) the penal of guest speakers included (principal-Government degree collage Sharapkur Shareef), Ayesha Gulzar (Chairperson- RCDP), Mr. Qaiser Iqbal (Managing Director- RCDS). An exhibition was also organized which was aimed for the clientele and community to showcase their innovative products in front and inspire them to set an example for others to shape their lives and support their families in a conducive manner. A Drama was also presented to the audience which was centralized to motivate them to accept the new challenges.

Eye Camp to Provide Health Services our Valuable Customers

With the credo and manifesto of providing a wide range of community benefits, RCDP organized a health-camp in noon village, Punjab Pakistan. More than three million people are suffering from different eye diseases in the country. The main reasons for eye diseases in Pakistan include the use of contaminated water, dust, smoke and different allergies. The highest degree of surprise was that plenty of people didn’t know that they bear any eye problems, i.e. dry eye syndrome, pink eye, vision problem, etc. The overwhelming attendance of the people represented the aim and the will of becoming conscious of their health-stratosphere. The medical team prescribed and advised effective methods, precaution and solution to the attendee along with providing medication too. The community acknowledged and appreciated the initiative and envisioned it to be a harbinger of health-sustainability and improve living conditions. The people of the noon village called it a great activity and good support for them.

Smart Campaign

The Smart Campaign is a global effort to unite financial leaders around a common goal: to keep the client as the driving force of the industry. For over ten years, investors, regulators, financial service providers, fintechs, academicians, and other members of the financial inclusion community have voiced their commitment to the Client Protection around the world. RCDP has joined the Smart Campaign and endorses the Client Protection Principles with regular adherence and reporting to the established standards:

- Prevention of over-indebtedness
- Transparency
- Responsible pricing
- A fair and respectful treatment of clients
- Privacy of Client Data
- Mechanisms for compliant resolution
- Appropriateness of products and services

14th August

Nations celebrate national days to rejoice and celebrate the fruits of freedom and progress. On August 14th, Pakistanis commemorate the success of their struggle for an independent state. 14th August is certainly a time for every Pakistani to review the rich and dynamic Pakistan. RCDP team celebrated 14th August 2019 independence day with great fanaticsism, fervor and renewed promise to make our country strong and affluent. Colorful events chalked out in a befitting manner and pay respect to those who gave sacrifice for their motherland to give a bright future to the next generations. Muhammad Murtaza (CEO) highlighted the importance of the day and sacrifices rendered by heroes and nations’ forefathers for it and we need to contribute to the prosperity of our country.

Pakistan has gotten its independence on 14th August 1947 since then people of Pakistan and the government of Pakistan celebrating the day of independence, which reminds us of attainment of freedom from British rule who entered in our land early 17th century as business enterprises for establishing their business but established their government and ruled about two centuries to this sub-continent said, Mr. Muhamad Murtaza. 14th August has indeed been one of the most important days in the history of Pakistan. It is celebrated in every town and city in Pakistan, the whole nation enjoys the day and makes a pledge to strengthen the country and RCDP also contributing its own portion in this prestigious cause. We are committed to making prosperous Pakistan.
Annual General Meeting

Notice is hereby given for 4th annual general meeting of RCDP will be held on 30th Nov 2019 at PC Hotel, Lahore for deliberating and seeking approval for the agenda items along with working papers shared to the members on …………………… The adoption of the minutes pertaining to the predecessor convene were adopted and the stipulated resolutions were passed by the honorable directors. The key elements included approval of audited financial statement, annual budget, business plan, bank account opening, SOPs, CSR, along with auditors appointment coupled with associated remuneration.
RURAL COMMUNITY DEVELOPMENT PROGRAMMES

(Rural Community Development Programmes) (A company set up under section 42 of the Companies Ordinance, 1984 - New Companies Act, 2013)

Statement of Financial Position
As at June 30, 2019

<table>
<thead>
<tr>
<th>Assets</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>4</td>
<td>1,465,354</td>
<td>1,507,236</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8</td>
<td>1,249,318</td>
<td>397,383</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term provisions</td>
<td>7</td>
<td>1,249,318</td>
<td>1,621,739</td>
</tr>
<tr>
<td>Microfinance loan portfolio - allowances</td>
<td>9</td>
<td>415,741,652</td>
<td>405,541,652</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>11</td>
<td>425,540,084</td>
<td>372,746,906</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working capital - current</td>
<td>8</td>
<td>4,248,074,471</td>
<td>2,556,595,506</td>
</tr>
<tr>
<td>Stores &amp; raw materials</td>
<td>9</td>
<td>559,245,860</td>
<td>582,297,061</td>
</tr>
<tr>
<td>Made up raw materials</td>
<td>10</td>
<td>44,893,277</td>
<td>44,920,500</td>
</tr>
<tr>
<td>Advances - deposits and other receivables</td>
<td>11</td>
<td>8,626,496</td>
<td>3,188,150</td>
</tr>
<tr>
<td>Income tax receivable - net</td>
<td>12</td>
<td>4,514,600</td>
<td>4,850,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>13</td>
<td>1,414,000</td>
<td>1,414,000</td>
</tr>
<tr>
<td>Current portion of long-term investment</td>
<td>6</td>
<td>3,154,970</td>
<td>8,487,900</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>14</td>
<td>4,089,291</td>
<td>791,404,471</td>
</tr>
<tr>
<td>Total current assets</td>
<td>15</td>
<td>4,821,052,522</td>
<td>3,179,155,893</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,666,602,606</td>
<td>3,731,751,399</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Profit and Loss Account**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus before tax</td>
<td>1,201,169</td>
<td>1,031,972,472</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,201,169</td>
<td>1,031,972,472</td>
<td></td>
</tr>
</tbody>
</table>

The financial statements are audited by independent auditors. The financial statements have been prepared in accordance with generally accepted accounting principles.
RURAL COMMUNITY DEVELOPMENT PROGRAMMES

(A Company set up under Section 42 of repealed Companies Ordinance, 1984 - New Companies Act, 2017)

Statement of Cash Flows
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>381,946,195</td>
<td>348,075,878</td>
</tr>
<tr>
<td>Adjustments for non-cash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>11,588,154</td>
<td>7,314,229</td>
</tr>
<tr>
<td>Amortisation</td>
<td>111,647</td>
<td>603,444</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>31,926,214</td>
<td>54,274,732</td>
</tr>
<tr>
<td>Bank charges written off</td>
<td>3,650,759</td>
<td>2,469,599</td>
</tr>
<tr>
<td>Financial cost</td>
<td>171,403,917</td>
<td>209,951,271</td>
</tr>
<tr>
<td>Foreign currency translation loss</td>
<td>9,409,546</td>
<td></td>
</tr>
<tr>
<td>Deferred tax amortised</td>
<td>21,904,553</td>
<td></td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>1,664,340,414</td>
<td>1,027,585,494</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(increased) / decrease in current assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in loans portfolio</td>
<td>(1,088,552,048)</td>
<td>(1,088,552,048)</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>(13,789,480)</td>
<td>(13,789,480)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(2,574,311)</td>
<td>(2,574,311)</td>
</tr>
<tr>
<td></td>
<td>(3,985,283)</td>
<td>(3,985,283)</td>
</tr>
<tr>
<td>Cash received</td>
<td>(1,664,340,414)</td>
<td>(1,027,585,494)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(36,472,839)</td>
<td>(36,472,839)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>(36,472,839)</td>
<td>(36,472,839)</td>
</tr>
<tr>
<td>Sale of intangible assets</td>
<td>(364,910)</td>
<td></td>
</tr>
<tr>
<td>Long-term investments sold</td>
<td>955,188</td>
<td>(51,152)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(36,472,839)</td>
<td>(36,472,839)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan received from PPAF</td>
<td>(95,460,875)</td>
<td>(95,460,875)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash from financing activities</td>
<td>(95,460,875)</td>
<td>(95,460,875)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase / (decrease) in cash and cash equivalents</td>
<td>(259,999,128)</td>
<td>213,995,864</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>817,482,478</td>
<td>644,482,414</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>817,482,478</td>
<td>644,482,414</td>
</tr>
</tbody>
</table>

The amounts shown from 1 to 28 form an integral part of these financial statements.

CHAIRMAN / DIRECTOR

www.rcdppk.org