

Building Coalitions of Co-operation

Annual Report 2015-2016



SPO

Strengthening
Participatory
Organization

دارہ استحکام شرکتی ترقی

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Annual Report 2015-2016

Strengthening Participatory Organization (SPO)

2nd Floor (Left Half), Plot # 18-B/1, Chohan Plaza G-8 Markaz,
Islamabad, Pakistan

Phone: (+92-51) 2340439, 2340440, 2340445-48

Fax: (+92-51)8444904

info@spopk.org

www.spopk.org

Acronyms

AAC	AAWAZ AAGAHl Centre	DFID	Department for International Development
ADFs	AAWAZ District Forums	DG	Democratic Governance
AJK	Azad Jammu and Kashmir	DOH	Department of Health
ALNAP	Active Learning Network for Accountability and Performance	DPM	Development Planning and Management
ALWG	Accountability Learning Watch Group	DPRD	Disaster Preparedness and Response Department
AUF	AAWAZ Union Council Forum	DSC	District Steering Committee
AVF	AAWAZ Village Forum	DTC	District Technical Committee
BCS	Beneficiary Communication System	ECP	Election Commission of Pakistan
BHC	British High Commission	EMC	Education Monitoring Committee
BHRN	Balochistan Humanitarian Response Network	EMONC	Emergency Obstetric and Neonatal Care
BRSP	Balochistan Rural Support Programme	FATA	Federally Administered Tribal Areas
BoD	Board of Directors	FGD	Focus Group Discussion
CBO	Community Based Organization	FOI	Freedom of Information
CE	Chief Executive	FRs	Frontier Regions
CHC	Canadian High Commission	FAFEN	Free and Fair Election Network
CIDA	Canadian International Development Agency	GB	General Body
CMWs	Community Mid Wives	GEP	Gender Equity Programme
CNICs	Citizen National Identity Cards	HAP	Humanitarian Accountability Partnership
CoD	Charter of Demand	HMC	Health Monitoring Committee
CPI	Community Physical Infrastructure	HR	Human Resource
CR	Conflict Resolution	HR	Human Rights
CRG	Constituency Relations Group	HRMIS	Human Resource Management Information System
CRM	Children's Rights Movement	HRIS	Human Resource Information System
CSN	Civil Society Network	HRDN	Human Resource Development Network
CVPs	Citizens Voice Projects	HRDs	Human Rights Defenders
CSO	Civil Society Organization	IEC	Information Education and Communication
DAI	Development Alternatives Incorporated	ID	Institutional Development
DDF	Dera Development Forum	IHI	Insani Huqooq Ittehad
DEC	District Election Commissioner		

IOM	International Organization for Migration	PRHN	Pakistan Reproductive Health Network
KPK	Khyber Pukhtunkhwa	PPHI	Peoples and Private Healthcare Initiative
LEP	Livelihood Enhancement and Protection	PML-N	Pakistan Muslim League Noon
LG	Local Government	PML-F	Pakistan Muslim League Functional
LSO	Local Support Organization	PPP	Pakistan People's Party
LTEOOP	Long Term Election Observation and Oversight in Pakistan	PSC	Provincial Steering Committee
LEED	Livelihood Employment and Enterprise Development	PWGs	Policy Working Groups
MCHIP	Maternal and Child Health Integrated Programme	PWD	Population Welfare Department
MNCH	Maternal, Newborn and Child Health	RTI	Right to Information
MLBCs	Mid Wives Led Birthing Centers	RTS	Right to Service
MCH	Maternal and Child Health	RCA	Research Campaigning and Advocacy
MDGs	Millennium Development Goals	SCADP	Sindh Coastal Area Development Programme
MIS	Monitoring Information System	SBA's	Skilled Birth Attendants
MNA	Member of National Assembly	SPM	Sectoral Planning and Management
MNH	Maternal and New-born Health	SPO	Strengthening Participatory Organization
MoU	Memorandum of Understanding	SOP	Standard Operating Procedures
MoHR	Ministry of Human Rights	SDC	Swiss Development Corporation
MoFA	Ministry of Foreign Affairs	SDE	Social Development Enterprise
MPA	Member Provincial Assembly	TDPs	Temporary Displaced Persons
NADRA	National Database and Registration Authority	ToT	Training of Trainers
NDMA	National Disaster Management Authority	TNA	Training Need Assessment
NED	National Endowment for Democracy	TDEA	Trust for Democratic Education and Accountability
NGO	Non Government Organization	UC	Union Council
NHN	National Humanitarian Network	UDHR	Universal Declaration of Human Rights
OM	Organizational Management	USAID	United States Agency for International Development
PDC	Participatory Development Coalition	UNICEF	United Nations International Children's Emergency Fund
PESP2	Punjab Education Sector Programme 2	VAW	Violence Against Women
PHRN	Pakistan Human Resource Network	VOs	Village Organizations
PPM	Public Private Mix	WOs	Women Organizations
PPAF	Pakistan Poverty Alleviation Fund	WPF	Women's Protection Forum

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Prologue by the Chairperson

One indicator of SPO's strong external outlook is that we are a Member of 33 national networks (as listed herein) covering a wide range of development and public service sectors.

In addition, SPO is also actively associated with 26 networks representing varied spheres in all 4 Provinces.

Substantive parts of our time and resources are devoted to empowering these coalitions for co-operation. Promoting dialogue and encouraging consensus between state institutions and civil society organizations reinforces our collaborative work for purposeful outcomes.



On behalf of the volunteer-Members of the SPO General Body and Board of Directors, it is a pleasure to serve once again as Chairperson, and to strive --- non-intrusively! --- to help the dedicated, full-time staff team ably led by the Chief Executive.

I thank our donor-partners and community-partners for their valuable support and goodwill.

Senator® Javed Jabbar
Chairperson, SPO
2015-2018

Message from Chief Executive

In 1994, following a modest start, SPO soon rose to the stature of a nationally renowned, rights-based Civil Society Organization (CSO). Since its earlier days, SPO has worked in conditions of rapid change; witnessed internal and external rise and fall, yet, it stood tall and above the turbulent circumstances to not only sustain but also elevate its stature as a leading value-driven organization dealing with the issues of human rights violations, regardless of colour, creed and race. At SPO, we aspire for a change that brings citizens and the state to a shared platform of honouring mutual rights, responsibilities and obligations.



At this important juncture, when SPO is one year short of completing a quarter of a century of an extraordinary journey, I feel greatly honoured to be the part of this incredible institution as the Chief Executive (CE). Over the years, knowledge-based interventions tested, improvised and implemented consistently have unleashed unparalleled impacts on the lives of focus communities, partner civil society and public institutions as well as SPO employees, and, I consider myself among the luckiest ones that have benefitted from this incredible change process.

Over the past year, SPO has largely worked with state and civil society institutions to build their capacities vis-à-vis understanding and internalising rights-based approaches. SPO will continue to sharpen capacities of its focus institutions in order to augment their grassroots interventions aimed at peace promotion, conflict resolution and citizens and state engagement for improved democratic governance.

As part of strengthening internal governance for improved service delivery, SPO will continue bringing additional cutting-edges to its current management practices via sustained investments in systems' development. Through concerted efforts, SPO will seek to bring more focus to its virtual programme, human resource and financial management applications in order to be recognised as a premier and transparent systems-driven rights-based organization.

I would like to take this opportunity to thank our funding partners and extend heartfelt felicitations to the GB, BoD, staff, partner institutions' and focus communities for being the real driving force behind SPO's past 24 years of a meaningful journey and for their demonstrated resolve to stand by the cause of SPO in future.

Naseer Memon
Chief Executive



Origins, Values and Governance of Strengthening Participatory Organization (SPO)

In 1993, the Small Projects Office of the High Commission of Canada in Pakistan, a small-scale initiative established in 1987 in collaboration with the Government of Pakistan and skillfully led first by Dr. Remelt C. R. Hummelen and soon thereafter by Mr. Ralph McKim of Canada, invited three leading development practitioners of Pakistan, namely Dr. Tariq J. Banuri, Ms. Ferida Sher and Senator® Javed Jabbar to help transform the Small Projects Office into an authentic indigenous organization entirely comprised and led by citizens of Pakistan. A transition programme and development plan for the new entity was prepared and implemented after extensive deliberation. The three co-founders of the new Strengthening Participatory Organization (SPO), in turn, identified and invited a group of prominent persons from across the country to become members of the first General Body (GB) of SPO.

Over the past two decades, the initially identified set of values of the new organization named “Strengthening Participatory Organization” has been carefully translated into tangible action through systematic and sustained application. The foundational values of SPO as spelt out at the outset, include:

- Equality of participation in membership of the GB and Board of Directors (BoD) of SPO on a voluntary basis from all four Provinces and participation from other areas, e.g. Federal Capital Territory.
- Representation of membership from diverse disciplines related to development and human rights.
- Gender equality and equity in the General Body, and Board of Directors and staff.
- Practice of democratic principles and processes.
- Holding of the individual offices such as the Chairperson and Vice-Chairperson in the BoD by rotation between the Provinces while ensuring that office-holders have the relevant individual capacity to fulfil their specific responsibilities.
- Maintaining a fine balance between, stewardship and oversight through policy guidance by the GB and the BoD without becoming obstructive and micro-managerial.
- Encouraging participation in the GB, BoD and the management of individuals from religious and ethnic minorities on the basis of merit and competence.
- Convening quarterly meetings of the BoD, as often as is practical, at locations in all four Provinces, rather than only at the National Centre of SPO in Islamabad, in order to maintain contact with partner communities and organizations at the grass roots level.
- Inflexible practice of optimal transparency and accountability in all financial aspects of the organization
- Enforcing strict compliance of the Code of Conduct by volunteer members so as to prevent possible misuse of facilities and resources.

Over the past twenty years, the practice of these foundational values has supported the dedicated and capable full-time management team at SPO so as to steadily and successfully expand and coordinate the significant growth of SPO.



SPO Board of Directors (2015-2018)

1. Senator® Javed Jabbar,
Chairperson
2. Dr. Tufail Mohammad Khan,
Vice Chairperson
3. Advocate Parveen Akhtar,
Member
4. Dr. Taj Baloch,
Member
5. Sister Naseem George,
Member
6. Ms. Neelam Hussain,
Member
7. Ms. Arifa Mazhar,
Member
8. Ms. Rukhshanda Naz,
Member
9. Ms. Farida Tahir Noshewani,
Member
10. Syed Abid Rizvi,
Member
11. Ms. Sadiqa Salahuddin,
Member
12. Ms. Zeenat Yaqoob Yousufzai,
Member
13. Mr. Naseer Memon,
Chief Executive SPO (Ex-Officio)



SPO General Body Members, as on June 30, 2016

Federal Capital Territory – Islamabad:

1. Ms. Tahira Abdullah
2. Ms. Arifa Mazhar
3. Ms. Naheed Aziz
4. Prof. Dr. Karamat Ali

Khyber Pakhtunkhwa

5. Dr. Shaheen Sardar Ali Khan
6. Mr. Muhammad Rafiq

7. Dr. Tufail Mohammad Khan
8. Ms. Rukhshanda Naz
9. Advocate Parveen Akhtar

Punjab

10. Ms. Ferida Sher
11. Mr. Vincent A. David
12. Syed Abid Rizvi
13. Ms. Neelam Hussain



14. Ms. Parveen Ghauri
15. Sister Naseem George

Sindh

16. Mr. Javed Jabbar
17. Ms. Sadiqa Salahuddin
18. Prof. Tanveer Junejo
19. Advocate Kalpana Devi

Balochistan

20. Ms. Zeenat Yaqoub Yousafzai
21. Mr. Mohammad Amin
22. Ms. Farida Tahir Nowsherwani
23. Dr. Allah Dad Looni
24. Dr. Taj Baloch



In Respectful Remembrance of Two Distinguished Members of SPO

Mr. Noor Ahmed Nizamani

He was born on 23 December 1943 at Tando Qaisar, Sindh. He joined Cadet College Petaro in 1957 and left the college in 1962 after completing his Intermediate. After leaving Petaro, Noor Ahmed Nizamani moved to the USA



where he studied post-harvest technology at Cornell University. He then also managed business for several years.

After returning to Pakistan, he was primarily involved in agriculture on his ancestral lands at Tando Qaisar in District Hyderabad. With a progressive outlook towards farming, he was

involved in a number of initiatives to improve farming methods in the country.

He took the laudable and courageous initiative of publishing the journal, "Modern Agriculture" for many years. It was the only English language magazine on agriculture in the country.

Mr. Noor Ahmed Nizamani was associated with various NGOs for many years. He was President of the Sindh Agriculture Forum which works for the development of agriculture and improving lot of rural communities in Sindh. He was Member General Body of SPO and was elected to the Board of Directors. He was also a Member of the Sindh University Senate.

He passed away in October 2016 and is mourned and missed by family, friends, Members of SPO and his community.

Mr. Reginald Dennis Williams

Mr. Reginald Dennis Williams retired as the Senior Chief Coordination of the Planning & Development Department, Government of Khyber Pakhtunkhwa, and worked as a Consultant with the RAHA-UNDP Project.

Mr. Williams was highly respected for his commitment to the public service. During his long association with the Provincial Government, he contributed actively to the formulation of development programme and conducted vigilant monitoring of their implementation.



Both within the Christian community and in civil society, he was respected for his service and dedicated social service.

Mr. Williams was associated as a Member of the General Body of SPO since 1994, and served as a Member of the Board of Directors from November 2012 to August 2014. He passed away on 20th August 2014 after a prolonged illness. He is missed by all who knew him.

SPO Internal Audit Committee

Purpose

To assist the General Body and Board of Directors to oversee the financial reporting process, the system of internal control, the audit process, and the Company's process for monitoring compliance with laws and regulations and the Code of Conduct.

Composition

The Audit Committee is comprised of four Members from the Board of Directors and the Internal Auditor. The Board appoints the Committee for a three-year term.

In addition, the Chairperson, the Chief Executive and the Company Secretary also attend these meetings.

The Audit Committee is presently comprised of the following Members:

1. Ms. Sadiqa Salahuddin
Convener
2. Dr. Tufail Mohammad Khan
Member
3. Syed Abid Rizvi
Member
4. Ms. Arifa Mazhar
Member



THEMATIC FOCUS

Over the past 20 years, Strengthening Participatory Organisation (SPO) has become a leading rights-based Civil Society Organization (CSO) in Pakistan, in terms of national presence and outreach. SPO's Mission is 'to strengthen and support Community-Based Organizations (CBOs) and public interest institutions to help achieve and protect the basic human rights of women, girls, children, minorities and other marginalized segments'.

SPO implements a wide range of small, medium and long term projects in 75 districts, 2 Tribal Agencies of the Federally Administered Tribal Areas (FATA), and 4 Frontier Regions (FRs).

Guided by its stated objectives, SPO advocates the protection and promotion of democratic norms, social harmony and gender justice, and also provides relief and rescue services besides creating Community Physical Infrastructure (CPI) and livelihood opportunities for the communities vulnerable to nature and anthropogenic hazards. SPO's most significant strengths lies in its GB, BoD and its full-time team comprised of 260 male and female staff. There are 184 males, (71%) and 76 females, (29%) and 3,500 nationwide partners including youth, women and minority organizations/networks, think tanks, social and political activists and political leaders.



Democratic Governance

Under its 'Democratic Governance' component, SPO envisions a people-centric state that meaningfully responds to the citizens' expressed voice. In Pakistan, collective lack of well-informed engagement by citizens prevents them from holding the state accountable. Citizens generally lack awareness regarding their primary rights as articulated in the Constitution of Pakistan, and enunciated in the Universal Declaration of Human Rights (UDHR). In an attempt to bring legitimacy, relevance and value to the citizens' expressed voices, SPO, on the one hand, advocates the use of means of impactful demand. This means articulation by the general public where partner CSOs play the role of the catalyst, and, on the other hand, SPO works with state level institutions to promote practices that respond positively to citizens' legitimate needs.



Peace and Harmony

Under the 'Peace and Harmony' component, SPO fosters pluralism as a counter-narrative to the elements which instigate polarization and radicalization of society. A respect for differing ideologies is harnessed through a multi-tiered discourse between, and among various groups of the citizenry as well as political and religious factions. Understanding and tolerance is developed through dialogue among major stakeholders including, but not limited to various faith-based groups and institutions, political parties, ethnic groups and a cross-section of society consisting of people from urban and rural parts of the country. The basic idea behind enabling discourse between people is to cultivate appreciation for diversity of colour, creed, ethnicity and language.



Social Justice

Under the 'Social Justice' component, SPO builds the capacity of a cadre of women catalysts among specific marginalized communities, particularly those living under the perpetual servility of the land and brick-kiln mafias. Further, these informed cohorts of women are assisted technically and financially to form organizations comprising of all the women in their communities. Subsequently, they are provided with basic literacy, health and hygiene and vocational skills. In order to bring effectiveness to the collective voices of Women Organizations (WOs), SPO forms district-level Health Monitoring Committees (HMCs) and Education Monitoring Committees (EMCs). These committees then advocate education and health issues facing WO and their respective communities, and lobby with government line departments and elected political representatives. Through this strategy, the traditionally excluded segments' access to basic civic amenities is increased, and their social inclusion is ensured.



Humanitarian Response

The 'Humanitarian Response' component has been designed to offer customized interventions in pre, during and post-disaster situations. The range of initiatives undertaken, depending on the nature and scope of actual or unforeseen hazards include disaster preparedness and mitigation, emergency relief, early recovery and rehabilitation. The specific interventions are designed keeping in view the most prioritized needs of target audiences. In conjunction with concrete service delivery initiatives undertaken on the ground, linkages are built in the form of establishing as well as hosting humanitarian networks working to achieve policy and governance reforms aimed at building resilience among the people.



Institutional Support

The 'Institutional Support' component helps the staff excel in their respective pathways to ultimately contribute to the growth, success and greater impact of the organization's mandate. Similarly, within the realm of this particular component, SPO constantly invests in upgrading, reviewing, customizing and obtaining more sophisticated programme, planning, management, reporting, monitoring and analysis as well as human resource and financial management tools, techniques and applications. SPO constantly fosters a healthy competitive milieu at the workplace that allows adequate time, resource and space to its staff to generate new and innovative ideas and transform them into cost-effective community-centric interventions.



Programmes and Projects in 2015-2016

Presently, SPO is implementing one long-term programme besides 19 small to mid-term projects in 72 districts, 2 Tribal Agencies of Federally Administered Tribal Areas (FATA), and 4 Frontier Regions (FRs). The donors of these programmes and projects include the British High Commission (BHC), Department for International Development (DFID) of the British Government, the United States Agency for International Development (USAID), National Endowment for Democracy (NED), Pakistan Poverty Alleviation Fund (PPAF), Swiss Development Corporation (SDC), Creative Associates, Packard Foundation, International Organization for Migration (IOM), United Nations International Children's Emergency Fund (UNICEF), Gender Equity Program (GEP) and Care International Pakistan. One major programme presently being implemented is:



آواز
آگاہی نشست
SPO
Strengthening Participatory Organization
ادارہ استحکام شرعی ترقی
جماعے
خواتین کی سیاسی و سماجی
آواز فورم وہاڑی



Strengthening Voice and Accountability in Pakistan (AAWAZ)

Strengthening Voice and Accountability, AAWAZ is a 5-year project that aims to benefit about 9 million people in 45 districts of Punjab and Khyber Pukhtunkhwa (KPK) Provinces. The programme was initiated in May 2012 with the financial support of DFID. The goal of AAWAZ is to help build a stable, tolerant, inclusive, prosperous and democratic Pakistan, responsive to the basic needs of its people. AAWAZ seeks to strengthen fragile democratic processes by making them stable, more inclusive and accountable. The programme is a joint venture of a consortium of partners including an international entity, namely Development Alternatives Incorporated (DAI), and five leading rights-based national non-government organizations.

AAWAZ aims to work on the demand side of the voice-and-accountability equation. The programme strives to create an empowered, mobilized and participatory-minded citizenry, and build robust and critical channels to voice issues, by engaging civil society and other non-traditional actors. As part of the consortium, SPO is responsible for implementing the programme in eight districts of Punjab and five districts of Khyber Pukhtunkhwa (KPK). The programme focuses on three key themes, namely (i) citizens' engagement, (ii) conflict resolution and peace-building, and (iii) women's political empowerment and participation.

The citizens' engagement component has been conceptualized on the premise that a top-down patronage-based system of planning and service delivery translates into priorities being set on the whims of the powerful rather than the legitimate demands and rights of common citizens. At the same time, the lack of people's participation leads to: unaccountable government, poor decision-making, inappropriate priority-setting and irrational resource distribution. In terms of the oversight of public services, the starting point has to be recognition and understanding of the in-built and legally protected spaces for civil society and ordinary citizens to step forward and hold the state accountable.

During the year, SPO being responsible for programme implementation in 13 districts (8 in Punjab and 5 in KPK) focused on strengthening of citizens' forums at village, Union Council, (UC), tehsil and district levels by improving membership of excluded groups such as women, minorities, transgender, through restructuring of forums and by re-elections. Social mapping and development of village profiles preceded the restructuring exercise of AAWAZ forums at all levels from villages to districts.

The second part of increasing the effectiveness of AAWAZ forums was the important exercise of the training of forum members. Entitled, "Aangan-se-Aiwan Tak" (from Home to Parliament), the training provided knowledge about democratic values and diversity, tolerance, harmful customary practices, violence against women and the Right to Information. Through the "Aagan-se-Aiwan Tak" training, over 10,000 AAWAZ forum members including women, men and transgender, were sensitized through separate sessions in 13 districts of SPO.

In addition to the AAWAZ forums, AAWAZ Aagahi Centers (AACs) established at each Union Council remained centers of attention and activities during the year. AACs serve as a common space for AAWAZ communities, specifically for women and excluded groups, where they could seek information, discuss issues, suggest solutions and hold meetings, events, and gatherings.

Details of achievements by each Output are as follows:

Output-1:

Women are better able to participate safely in politics and in public spaces at Federal, Provincial and Local levels in Khyber Pukhtunkhwa (KPK) and Punjab.

Despite the Constitutional guarantee of dignity, freedom and equality for all citizens, and in relation to no discrimination on the basis of gender, women remain marginalized in the public and political spheres. Women continue to be disenfranchised both in terms of holding office and voting. Pakistan was ranked second from the bottom (135 out of 136) in the 'World Economic Forum's Global Gender Gap Index-2013' where women face extreme levels of violence and discrimination in all spheres of life. The AAWAZ programme strives to address the structural (cultural and ideological) and personal barriers facing excluded groups particularly women, to ensure their increased safe participation in public spaces.

AAWAZ activities inspired an enabling environment for increased participation of women in public and political arenas by opening up spaces for their voices and choices. Through the structuring exercise of AAWAZ forums, women have started to rise in leadership roles. Compared to previous years when women were just members, now 60 % women in AAWAZ forums are in decision-making positions. Women as Resource Persons of AAWAZ Agahi Centers have increased from 7% to 60%. This change has created safe spaces for other women in AAWAZ areas to visit without any fear. As a result of an increased number of women resource persons, relocation of centers and capacity building of RPs, AAWAZ Agahi centers have been visited by women to seek information and referral assistance regarding Benazir Income Support Programme (BISP), Citizen National Identity Cards (CNICs), National Database





and Registration Authority (NADRA), voter registration, Bait-ul-Mal, etc. In all 13 districts, women were assisted to obtain CNICs. This enabled them to take part in the electoral process and to access government services and support such as BISP. For example: in a village by the name of Chitta in district Khushab, Punjab 100% adults, mostly women, were facilitated to secure CNICs as the result of the AAWAZ campaign for civic registration. As a rest of the drive for CNICs and voter registration, improved voter turn-out was observed. In Chodwan Union Council of Dera Ismail Khan KPK, women were able to cast their vote for the first time in 25 years.

Other than AAWAZ activities, but in response to the intervention and its aligned activities, women members of forums have been invited to, and included in government Masalihati and Peace Committees in districts such as D. I. Khan and Khanewal, Punjab. In the recent Local Government elections in KPK, women were motivated to contest elections and file nomination papers. Some of these women were elected as local council members.

In addition, 13 women's assemblies were held at district level to promote women's rights. Women and other excluded groups came together at these events to discuss and consolidate demands on women's rights in the form of a women's Charter of Demands which were presented to legislatures, political parties and government functionaries participating in the event. The objective of these events was to help raise women's voices and make them heard at policy formation and implementation level.

Similarly, 13 youth conventions were held at district level to end violence against women and girls. These events secured pledges of advocating women's right of freedom from violence at personal and societal levels. The warm response received at youth conventions in remote and conservative districts such as Buner and Lakki Marwat was significant where events such as discussing customary practices, Violence Against Women (VAW), women's rights and women's participation in social and political discourse were conducted for the first time in history.

Output-2:

Citizens and communities are better able to peacefully resolve disputes, and work together for common solutions in Khyber Pukhtunkhwa (KPK) and Punjab.

Pakistan is a culturally, racially, linguistically and religiously heterogeneous country. Issues of peace, insecurity, intolerance and violence especially against women and minorities have in the past three decades, unfortunately become perilous challenges to the State of Pakistan and society. From the AAWAZ Perception Survey 2014, 40 % of the villages in AAWAZ districts report inter-faith and sectarian tension and conflict. And 84% of villages and settlements in Punjab, and 76 % in KPK were reported to have been the scene of inter-faith or sectarian violence in the recent past. Domestic violence is, arguably, the most widespread form of conflict: it is estimated that 85% of women suffer domestic violence of varying intensity in Pakistan. Incidents of violence against women (including domestic violence) are reported to have occurred in 80% of AAWAZ villages.

In general, most people are reluctant to interact with different religious groups and sects, and this causes mutual misperceptions and an increase in hostility. Women, religious minorities, people with disabilities, the elderly and children bear the brunt of conflicts; yet they remain voiceless and excluded. Large sections of youth, the largest demographic group in Pakistan are not engaged in productive and creative activities and remain prone to alienation and become instrumental in various forms of violence.

Guided by the AAWAZ Theory of Change, programme implementers slightly shifted the Output-2 strategy from conflict resolution to conflict pre-emption by focusing on three sets of conflicts i.e. identity based on religion, sectarianism and gender. This has a direct link with the politics of identity and its manifested violence. An important assertion is that conflicts are inescapable but that AAWAZ can contribute through intervention in pre-empting violence in conflicts by making the alternate discourse more relevant through enhanced capabilities and by supporting the process of transformation at individual and community levels. For instance, given that all religions and sects have differences, AAWAZ aims not to reduce those differences but to reduce intolerance towards those differences. Also, it acknowledges that not all conflicts are bad because social change is a result of diverse views and ideas. Rejecting stereotypes, valuing diversity and tolerance, responsible citizenship, equality and interfaith dialogue underpin the modified AAWAZ approach giving a new lens to view and manage conflicts in Pakistan. Also, considering the fact that every intervention takes place in a complex social, political, economic and cultural setting, a conflict-sensitive programming approach has been adopted which demands persistent and scrupulous risk-analysis and assessment of interaction between context and programme intervention, to avoid further escalation of tensions or divisions in society or groups.

AAWAZ emphasizes the participation of women and excluded groups by strengthening their voices to contribute towards preventing potential conflicts. AAWAZ forums formed and strengthened at different tiers of governance with representation from different groups are a source of conflict-prevention intervention. These forums bridge the gap between state and citizen, powerful and powerless, duty-bearer and right-holder by improved interaction and dialogue.



Massive mobilization and sensitization of AAWAZ communities to promote human rights and compassion for humanity, values of love, mutual respect and active citizenship continued during the year through various initiatives.

In 13 AAWAZ districts SPO mobilized more than 10,000 people to participate in peace and cultural events organized at village, UC and district levels including speech competitions, mushairas (poetry events) and celebration of religious dates according to different calendars. The events marked recognition of multiple identities and respect for religious, sectarian, ethnic, cultural and gender diversity.

During the year, inter-religious and sectarian dialogues through seminars were organized across districts. Participants assembled to discuss the sources of tension and conflict in their areas, and to promote motivation for violence-free communities and to break down barriers to pluralism by strengthening relationships. Commitments to build social cohesion and peace agreements were signed by religious and sectarian leaders. Pro-active efforts by AAWAZ Forums have contributed positively to the protection of women and socially excluded groups from discrimination, harmful cultural practices and violence.

Along with other consortium partners of the AAWAZ programme, SPO also launched an Anti-hate Speech Campaign in its 13 implementation districts to enhance awareness among partner communities regarding the anti-hate speech laws and raise demands for its enforcement. An 'Art for Peace' intervention was initiated in 15 schools of each district whereby students painted school walls with images depicting the ideals of tolerance, peace and harmony in Pakistan. Anti-hate speech posters and video animations were widely disseminated on cable TV networks.

Cumulatively, using extensive communication and media support, the campaign reached over 1.3 million people in 45 districts of KPK and Punjab. As a result, more than 65,000 people signed a petition to promote peace.

In all events, the AAWAZ district teams engaged youth members in academic institutions to increase awareness and sensitization about non-violent communication. As a result, male youth members made pledges not to revert to aggressive and violent attitudes and actions in relation to women and girls at home, in institutions, public places and in social media.

Output-3:

Women and other excluded groups are better able to demand improved delivery of services in Khyber Pukhtunkhwa (KPK) and Punjab.

Output-3 of the AAWAZ programme is based on principles of the social contract, social justice and social accountability of government office-holders to citizens as enshrined in the Constitution, and the broader set of human rights. Social accountability refers to the broad range of actions and mechanisms that citizens can use to hold the state accountable, as well as actions on the part of government, civil society, media and other actors that promote or facilitate these efforts.

The improved Output-3 strategy of the programme aims to enable citizens, particularly excluded groups, to identify and prioritize their demands, access information, interact and influence governance mechanisms for effective provision of social services especially health and education through advocacy initiatives.

However, mapping and identification as well as widespread insensitivity, bias towards and ignorance of the needs and priorities of socially excluded groups have been key challenges to ensure the front role of excluded groups. Since excluded groups and women are the major focus of the programme, an emphasis for the AAWAZ Output-3 strategy is to bring forward representatives of excluded groups to lead advocacy on issues of social service delivery that unevenly affect these groups. The previous approach of 'hand-holding' by field teams and local influential persons, is diminishing to enhance direct interaction of excluded groups with line agencies for long-term solutions of social service delivery issues.

To increase an understanding of how to collectively voice their needs and to hold public officials accountable, awareness sessions on pro-active citizenship, Right to Information (RTI)





and Right to Services (RTS in KPK district) and on advocacy were held with socially excluded groups in all 13 AAWAZ districts of SPO. The sessions were attended by women and other socially excluded group members in AAWAZ communities.

By far, 'khuli kacheries' have proved to be the most successful modes for citizens to raise issues and demand solutions. During the year, over 130 'khuli kacheries' were held by AAWAZ forums at Union Council level where women and other excluded group members participated. In some places, local women are taking a leadership role to hold government functionaries accountable by asserting citizens' claims for improved access to social services. Other formal and informal mechanisms of engagement with government office-holders include visits and meetings of AAWAZ forum members to government line departments. As a result of formal and informal engagements, demands were raised; and a number of demands were met by government departments related to education, health and other issues.

To engage in a meaningful dialogue with line departments' visual evidence of health education and other social service delivery issues were produced and presented to government functionaries and legislators. The videos were also screened on local cable networks and national TV channels to raise public awareness. Through formal sessions, media representatives were sensitized to highlight social service delivery issues in the print and electronic media.

Based on a needs assessment and tool-kits, SPO organized a Training of Trainers (TOT) for 45 Resource Persons of AAWAZ Aagahi Centers from all 45 districts of the AAWAZ programme on Standard Operating Procedures (SOPs) for running Aagahi centers. The Master trainers then spread the training to 450 resource persons of all Aagahi Centers in AAWAZ districts. In 13 SPO districts alone, 130 resource people were trained regarding improved skills of referral mechanisms to social services, report-writing, record-keeping, organizing community meetings, and identification of community problems, of concentrated listening and principles of effective negotiation. The Aagahi Centers are making referral material available to women and excluded group members to improve their access to relevant government departments and service delivery mechanisms. The centers also remained the main hub of the Local Government Campaign for IEC material on LG structures, election procedures and mock sessions for casting votes.

To strengthen district level advocacy by AAWAZ Forums for social services in education and health, SPO has led the process of developing four District Human Development Reports based on primary and secondary research in four AAWAZ programme districts. These research reports will help AAWAZ District Forums (ADFs), civil society and district governments define development priorities and resource allocation for district development planning. The reports are also helpful in comparing the state of human development of particular districts within the province.

SPO also led the AAWAZ Local Government campaign for Constitutional protection of the Local Government (LG) system. Besides demanding increased representation for women and excluded groups, the Charter of Demands (CoD) for the LG campaign invokes holding Local Government elections promptly in KPK and Punjab, and seeks Constitutional protection of Local Governments through recognition of LG as the primary tier of governance, and of empowerment of LG through clearly defined functions, mandating a time-frame for holding elections by an autonomous and independent election commission.

In addition to regional, provincial and national conferences, legal expert consultations and lobbying meetings at provincial and national levels are scheduled to be held. Over 300,000 citizens in KPK and Punjab are prepared to raise demands for LG by signing on paper and on-line public petitions based on the Charter of Demands (CoD) through a signature campaign. A media campaign with animated messages on radio, cable TV and social media will be combined with other LG campaign activities.



Short to Mid-Term Projects

1. Enhancement of Capacities for Transparent and Accountable Local Governance.

SPO has implemented a one-year project titled “Enhancing Capacities for Transparent and Accountable Local Governance” commencing March 31st, 2015 under the Citizen’s Voice Project (CVP) grant -07 funded by USAID in Malir, Thatta and Badin District, Sindh, and Multan, Khanewal and Muzaffargarh in Punjab. The project envisioned capacity-building of politicians and community-based organizations (CBOs) in the area of Freedom of Information (FOI), the Right to Information Act 2013 (RTI) and district budget tracking, and advocacy and lobbying for effective use of the Sindh Freedom of Information Act 2006, or Right to Information Act 2013 in Punjab.

Under this Project SPO identified and orientated 60 CBOs and 120 politicians from the Pakistan People’s Party (PPP), Pakistan Muslim League (PML-N), Pakistan Tehrik –e- Insaf (PTI) and Pakistan Muslim League Functional (PML-F) (20 from each targeted district) as per given criteria, conducted baseline assessments through focus group discussions (FGDs) with the target groups (CBOs), and politicians to develop a situational analysis of the perceptions, capacity gaps and understanding of the citizens and politicians on, the Sindh Freedom of Information Act (FOI) 2006, and Right to Information Act 2013, district budget tracking, advocacy and lobbying.

The Training Needs Assessment (TNA), exercise was conducted with 60 selected CBOs (2 participants from each CBO) and 120 politicians. The TNA focused on the broad themes of the Sindh FOI Act 2006, and Right to Information Act 2013, budget tracking (district) and advocacy and lobbying to determine a training needs-assessment. SPO developed a one-day training manual on the Right to Information (RTI), Freedom of Information (FOI), district budget tracking, and advocacy for use by CBOs and politicians. By achieving milestones of the project, the capacity of 33 men and 27 women of 30 CBOs in Sindh, and 28 women and 32 men of 30 CBOs in Punjab, on the Freedom of Information Act 2006, and Right to Information Act 2013, district budget tracking and advocacy for practice through a three-day training event was organized and conducted.

Based on the training, action plans were prepared by representatives of the targeted CBOs and politicians in which issues requiring action were identified, according to the provisions of the Sindh FOI-Act 2006, and Right to Information Act 2013. CBOs representatives organized joint sessions on FOI and RTI laws within their organizations to disseminate information to their members. Some CBOs developed their advocacy teams to impart awareness and address issues through applications and complaints to respective public departments and the Ombudsman’s Office for solutions. SPO project staff facilitated CBOs and political parties to submit applications to relevant departments and complaints to Ombudsmen and the Information Commission.

The issues highlighted in the applications and complaints were numerous. Issues of closed schools, basic health facilities, public parks, damaged roads, streets, community centers, filter plants and water and sewerage lines were pursued for resolution in Sindh, and applications submitted to the departments for ADP 2015-2016 in target districts of Punjab under the RTI Act 2013.

About 57 applications under the FOI-law were submitted, of which 48 were submitted to the public Regional Ombudsman's office, and 71 applications were submitted to the departments under the RTI Act 2013, of which 41 complaints were submitted to the Information Commission office. Applications dealt with issues related to education, health, basic physical infrastructure development, water and sewerage, law and order, irrigation, utilities and other important sectors. Of the successfully proceeded applications, nine success stories were documented for reference. These success stories received recognition with awards and there were three from Badin, two from Thatta and one from Malir in Karachi, and three from Multan and two from Muzaffargarh Districts of Punjab. Besides this, three government departments which cooperated with the applicants such as for education, health and public health engineering were recognized to present them awards as a token of appreciation and to encourage further cooperation.

2. To offer quality care to Tuberculosis (TB) patients through a network of enabled private sector and parastatal hospitals, clinics and laboratories.

SPO has been successful in signing a new project for Balochistan. SPO is working as one of the Sub-Recipients (SR) of the Global Fund (GF) and is reporting to Mercy Corps under the Public-Private Mix (PPM) Model. The role of SPO involves working with private health professionals, general practitioners (GPs), paramedical staff and laboratory technicians of private healthcare facilities for improving tuberculosis, case notification and encouraging proper follow-up and treatment of the identified TB cases. The project is being implemented during the reporting period.

3. Increased resilience of community women and men to future shocks through gender and community-based Disaster Risk-Reduction (DRR) practices and mechanisms in Mirpurkhas and Dadu, Sindh.

With the support of UN Women, SPO is implementing this project in Sindh. The project aims to increase the resilience of community women, men, boys and girls to possible future shocks by strengthening existing gender and community-based disaster risk-reduction practices, and by introducing new gender-sensitive coping mechanisms to reduce the overall exposure to risk of farmers, sharecroppers, and landless communities in Dadu and Mirpurkhas Districts in Sindh.

4. Sindh Coastal Area Development Programme (SCADP) III

With the support of PPAF, SPO implemented this project in Taluka Shahbandar, District Sujawal, in Sindh. SPO successfully completed the project on September 30, 2015. This project aimed to improve the living standards of targeted households through capacity building in livelihood programs and providing community physical infrastructure to meet their needs. The project was well implemented in its comprehensive designed approach, 3-tier community mobilization and capacity enhancement of community institutions for sustainable development, through Livelihood Employment & Enterprise Development (LEED) Framework. Institutional Development (ID), LEED and Community Physical Infrastructure (CPI) were the 3 main components of the project. And 12,942 persons were direct beneficiaries of the project under all 3 components.

5. Citizens' Action for Democratic Governance in Pakistan (CADGP)

This project was successfully completed in March 2016 with the funding of the Trust for Democratic Education and Accountability (TDEA). The primary purpose of Citizens' Action for Democratic Governance in Pakistan (CADGP) was to develop new and strengthening existing relationships between rights-holders and rights-bearers, to enable citizens' voices to be challenged into administrative, regulatory and legislative reforms, enabling improved electoral, legislative and local governance.

This programme was intended to ensure the participation of people from different walks of life in the implementation of democratic governance. This programme had a large outreach in the electoral processes, so CADGP was especially designed to cover the LG 2015 election activities and implemented by SPO in four districts.

To observe the LG election in four districts, observers were identified and profiled then trained in observation of the elections. Later, the By-election in NA 154 Lodhran was also observed with the help of 76 trained election observers. All the findings and irregularities were recorded through checklists which were submitted to the Free and Fair Election Network (FAFEN) for reporting. Data was collected from selected polling stations and submitted checklists to FAFEN. To increase the community members' participation in LG election 2015, candidates' facilitation camps were organized, and they were motivated to contest the election through submission of nomination papers in Bahawalpur District. Potential candidates were identified and trained in four districts to enhance the participation at UC level in the project districts.

To increase the turn-out ratio in 40 low turn-out polling areas in 4 districts, CADGP staff met the District Election Commissioners, (DECs) and collected basic required data and profiled 40 low turn-out polling areas. To understand the basic issues, FGDs were also conducted and issues were identified. These issues were addressed in outreach community meetings. The result of these meetings was that the ratio of turn-out increased in LG compared to the previous General Election in 2013.

6. Maternal and Child Health Integrated Programme (MCHIP)

The Maternal, Newborn and Child Health Services (MNCH) component of USAID/Pakistan's Maternal and Child Health (MCH) Integrated Programme is aimed to prevent maternal, newborn, and child deaths by ensuring Skilled Birth Attendants (SBA) through a total market approach (public, and private sector), empowered community, timely referral to Emergency Obstetric and Neonatal Care (EmONC), and improved access to child care.

Provision of comprehensive, high quality MNCH services nearest to the woman's home is the core strategy for achieving the goal of reducing maternal and new-born mortality. The concept of 'MNCH Center' has evolved from Community Mid-Wives (CMWs), to Mid Wives Led Birthing Centers (MLBCs) to all health facilities providing a full spectrum of maternal, newborn, and child health services.

Later on the Maternal and Child Health Integrated Programme (MCHIP) focused on all SBA-run facilities (staffed by doctors, Lady Health Visitors (LHVs), nurse-midwives, or Community Mid Wives (CMWs) in both the public and private sectors. This shift of focus (from CMWs to all types of SBAs, in both the public and private sector) helped women and families to access quality health care within the existing system of diverse facilities and providers.

MCHIP is currently working with five different types of primary level health facilities: (1) Government health facilities managed by the Department of Health, (DOH); (2) Government health facilities outsourced to Peoples' Primary Healthcare Initiatives (PPHI); (3) NGO-run private health facilities; (4) for-profit (commercial) private health facilities; and (5) CMW-run private practices. While MCHIP continues to support CMWs to establish functional, high quality private birthing centers, the expanded concept allows the project to achieve a much wider outreach, and, ultimately, a greater impact on MNCH indicators in Sindh.

7. Community Mobilization for ensuring enrolment of 30,000 Out-of-School Children in schools in Bahawalpur and Bahawalnagar Districts.

The project was completed successfully by SPO and 30,000 Out-of-School Children were enrolled in schools in Bahawalpur and Bahawalnagar Districts. The project was funded by DFID and implemented jointly by the Punjab Education Sector Programme 2 (PESP2) and Adam Smith International (ASI). It provided an opportunity to SPO to extend its support in social mobilization and help achieve a the prime target of enrolling 30,000 Out-of-School Children aged 6 to 16 years in the project target districts of Bahawalpur and Bahawalnagar during the pilot phase of 9 months. This indeed was a challenging task that a social mobilization organization like SPO was given to achieve. However, considering SPO's record and unique outreach in the country, there is confidence that this target will be achieved.

8. Citizens First: Improving Human Security Project

The Citizens' First project funded by Oxfam Novib, the Dutch and the Ministry of Foreign Affairs (MoFA) is being implemented in 15 districts of Pakistan under the consortium of 7 partner organizations. This project focuses on capacity building of partners to effectively mobilize people, build alliances and use a comprehensive advocacy strategy for influencing policy makers and implementers. It aims at creating responsive local and national governance which ensures inclusive development, based on local needs and international commitments. The project's targeted Districts are Larkana, Sukkur, Shikarpur and Khairpur situated in the northern areas of Sindh.

SPO implemented the project and showed tremendous changes which can be witnessed in the fact that women's participation in events and meetings were enhanced, excluded and minority communities were brought into the public circle, exclusion was transformed into inclusion, and liaison with the government institutions was strengthened.

9. Strengthening the Rights & Justice Framework Agenda in Pakistan

This project was funded by USAID and successfully completed in February 2016. In pursuance of its signed Memorandum of Understanding (MoU) with the Ministry of Human Rights (MoHR), SPO was selected through a competitive process to sign an agreement with USAID Training for Pakistan Project in October 2015 to design, implement and deliver technical training to the Ministry's staff with the aim of meeting one of the priority development objectives stated in the USAID Pakistan's Mission strategic framework; "effectiveness of the justice system increased". The trainings were designed by SPO in close coordination with MoHR, having the following key objectives:

- To build the capacity of the Ministry's employees to ensure fundamental rights of all citizens, especially the marginalized section of society.
- To enable the Ministry's employees to improve their report-writing skills, for better human rights reporting.
- To enhance the capacity of the Ministry's employees for better advocacy, outreach, lobbying, reporting and hosting events in support of human rights in Pakistan.

As a result of delivering three trainings under this project, SPO, in collaboration with MoHR trained a total of 47 individuals. All these 47 individuals represented the MoHR, all relevant government line departments, academia and civil society.

10. National Co-ordination for Bar Council/ Association Engagement

This project is funded by USAID Gender Equity Programme, from November 2015 till April 30th 2017. The national-scale project aims to work in 12 districts in Punjab, Sindh, Balochistan, Khyber Pukhtunkhwa (KPK), Azad Jammu and Kashmir (AJK) and Gilgit Baltistan. SPO was selected as the only partner for a national-level grant under the GEP sub grant 252. The scope

of the work is to build the capacity of GEP district-level partners of other sub-grants from 12 districts on the effective implementation of their district-level grants on sensitizing District Bar Councils/ Associations on Pro-women legislation.

11. Access to Clean Drinking Water, Health and Hygiene Promotion for Temporarily Displaced Persons (TDPs) of North Waziristan

SPO successfully completed this project in November 2015 in District D. I. Khan. The project has been successful in implementing a health-hygiene component by conducting 10 training sessions for Temporary Displaced Persons (TDPs) and host families in which 100 men and 100 women were directly trained, and made aware of practices related to health and hygiene. The participants in turn have further extended the messages to their families which exceeded 1,800 individuals. They were also equipped with IEC material for a better understanding of the messages and their further propagation.

A water filtration plant has been successfully installed by the Public Health and Engineering (PHE) Department, and the department has taken responsibility for its operations, security and maintenance by providing an operator and a watchman. The plant benefits 1,200 households with a population of 10,800 individuals. Pre- filtration water test results confirm water contamination with arsenic up to 25ppb, which was significantly above the WHO permissible limit of 10ppb water, is now treated effectively by the installed water filtration plant.

The installation of the water filtration system was inaugurated by the Minister for Revenue KPK, Mr. Ali Amin Khan Gandapur as the chief guest. In his speech he said that “Having a water filtration plant and clean water facility is very important for the people, and I am very happy to see this initiative. We will ensure that these kinds of facilities are provided to other people as well”. He appreciated the work done by World Vision International in partnership with Serena Hotels, the Korean Embassy in Islamabad, Strengthening Participatory Organization and Institute of Public Health. He also pledged that ground pavement generators or solar panels for powering the filtration plant will be funded or provided by the Institute of Public Health or by the provincial government, together with support for its maintenance.

Institutional Strengthening

Linkages and Networking

As part of its consistent role in harnessing networks of people and institutions working collectively to strengthen democratic voices, perceptions and practices, SPO continues to seek membership of relevant forms, besides presently hosting some national and international networks.

At the national and local level, SPO continues to create networks in areas (thematic and regions) where there is a void i.e. visible disconnect between state and citizens, and in order to bridge the gap, by building the capacity of such networks to ultimately perform the role of conduits between citizens and state. So far, SPO has created and has been partially hosting 42 Civil Society Networks (CSNs) and District Steering Committees (DSCs). In addition, SPO is presently hosting the Spate-Irrigation Network and the Pakistan chapter of the global campaign. SPO is an active member of the following national and provincial networks:



National Networks

1. Founding Member of Insani Huqooq Ittehad; (SPO is currently hosting the Secretariat)
2. Member, Advisory Committee and host of the secretariat of the Pakistan Human Resource Network (PHRN).
3. Founding Member, We-Can Campaign; a network of over 450,000 change-makers working in 35 districts across the country to end violence against women and girls.
4. Member, of National Resource Group and BoD - Pakistan Coalition for Education (PCE).
5. Member, Children's Rights Movement (CRM).
6. Member, Ending Violence Against Women and Girls Alliance.
7. General Body member and active partner in project implementation: Free and Fair Election Network.
8. Member, BoD Pakistan Coalition for Free and Fair Elections (PACFREL).
9. Member, Gender Voices.
10. BOD Member, - Human Resource Development Network (HRDN).
11. Member, Disaster Management Committee - National Disaster Management Authority (NDMA).
12. Member, NGO Committee for Relief and Rehabilitation of Flood Affectees.
13. Member, Technical Committee on Tsunami, Cyclone and Ocean-Related Hazard Management.
14. Member, and host organization in Pakistan - Spate Irrigation Network.
15. Member, BoD Energy Conservation Fund- Federal Ministry of Water and Power.
16. Member, Pakistan National Committee - International Union for Conservation of Nature (IUCN).
17. Member, Advisory Council on Environment- Ministry of Science and Technology.
18. Member, President of Pakistan's Committee on Disasters.
19. Member, Project Advisory Committee of Rutgers Women Protection Forum (WPF).
20. Member, Project Advisory Committee: Gender and Social Vulnerability to Climate Change (project of SPDC).
21. Member, Technical Committee for Media Fellowship (project of Rozan).

22. Member, HuCaN (Human Capital Network); a forum formed by HR professionals of Islamabad.
23. Member, Central Executive Committee - National Humanitarian Network (NHN).
24. Member, General Body – Pakistan Reproductive Health Network (PRHN).
25. Member, National-level– Accountability Learning Watch Group (ALWG).
26. Organizational Member, Active Learning Network for Accountability and Performance (ALNAP).
27. Certified Member, Humanitarian Accountability Partnership International (HAP).
28. Member, Pakistan Disaster Risk Reduction Forum.
29. Member, National Steering Committee - ONE (UN) WOMEN.
30. Member, Strategic Advisory Group National Shelter cluster – United Nations Office of the Coordination of Humanitarian Affairs (UNOCHA).
31. Member, UN Women Civil Society Advisory Group (UNW/CSAG).
32. Member, Constituency Relations Group (CRG) - Supporting Transparency Accountability and Electoral Processes in Pakistan (Free and Fair Election Network).
33. Member, Steering Committee Aman Tahreek.

Punjab

1. Member, Mumkin Alliance; host for the Punjab Secretariat.
2. Coordinating Member, of the South Punjab NGOs Forum (Multan).
3. Member, Forum Against Child Marriages, Punjab.
4. Member, Protection against Domestic Violence, Punjab.

Sindh

1. Executive Member and host of the current Provincial secretariat – Joint Action Committee (Karachi, Sindh).
2. Member, Regional (Sindh) – Accountability Learning Watch Group (ALWG).
3. Member, Joint Action Committee, Hyderabad.
4. Member, Advisory Council - Voice of New Generation Hyderabad, Sindh.
5. Member, Sindh Disaster Response Forum.

6. Member, Community Advocacy Dialogue Forum, Kech - Mercy Corps Hyderabad, Sindh.
7. Member, Advisory Committee - Women Technical College, Qasimabad, Hyderabad, Sindh.
8. Member, BoD Health and Nutrition Society Hyderabad, Sindh.

Khyber Pukhtunkhwa

1. Member, District Technical Committee (DTC)- Population Welfare Department (PWD), District D.I. Khan, Khyber Pukhtunkhwa (KPK).
2. Member, District Agriculture Advisory Council - D.I. Khan, Khyber Pukhtunkhwa (KPK).
3. Member, Dera Development Forum (DDF) - D.I. Khan, Khyber Pukhtunkhwa (KPK).
4. Member, Pukhtunkhwa Jamhoori Taroon, Khyber Pakhtunkhwa (KPK).
5. Member, Aalami Pukhto Congress, Khyber Pukhtunkhwa (KPK).
6. Member, Pak-Afghan Peoples' Forum, Khyber Pukhtunkhwa (KPK).
7. Member, Pukhtun Awareness Movement (PAM), Khyber Pukhtunkhwa (KPK).
8. Member, Humanitarian Assistance Network, Khyber Pukhtunkhwa (KPK).
9. Member, Aman Tehrik Network, Peshawar.

Balochistan

1. Member, General Body of All Balochistan Academy, Turbat.
2. Member, Provincial Steering Committee - Strengthening Poverty Reduction Strategy and Monitoring (SPRSM), Balochistan.
3. Focal Organization of Balochistan Humanitarian Response Network (BHRN).
4. Member, Human Rights Cell; Directorate of Human Rights Pakistan, Balochistan.
5. Member, Balochistan Mahigeer Network, Turbat.

SPO-UK

SPO-UK is a sister organization of SPO (Strengthening Participatory Organization) Pakistan. It is a Company Limited by Guarantee and a Charity incorporated and registered respectively by the Companies House on 14th June 2011 and the Charities Commission of England & Wales in March 2012 under the Companies Act 2006.

Originally created to help mobilize potential funding support from the Pakistani diaspora in the UK for the benefit of SPO Pakistan, SPO UK also aims to work in the UK in areas of prevention or relief of poverty, advancement of education, environmental protection and promotion and protection of human rights, with a special focus on women, children and marginalized part of South Asian communities.

Social Development Enterprise

Social Development Enterprise (SDE), is an income-generating subsidiary of SPO, which completed its second year of full-scale operations this fiscal year after the pilot phase. SDE is a non-profit company registered under the Companies Ordinance (1984), and was established by SPO in 2013 as a subsidiary social enterprise wing aimed to raise revenue for the effective implementation of community development programmes and to gradually reduce the dependence of SPO Pakistan.

SDE continued its current mandate of supporting social enterprise through the capacity building of communities and professionals, with a focus on community institutions, networks, activists and volunteers.

This was also the first operational year for SDE's training unit in Quetta, which was acquired the previous fiscal year. The expansion proved successful as SDE significantly expanded its client base and presence in the market during this reporting period. SDE provided training services to a host of organizations and clients in its Hyderabad and Quetta training units, in addition to SPO and its partners. Clients this year included the National Rural Support Programme (NRSP), Sindh Community Foundation (SCF), Community World Services Asia, Idara-e-Taleem-o-Aagahi (ITA), Aakash Welfare Society (AWS), Arts Foundation, South Asia Partnership Pakistan (SAP-PK), and DKT Pakistan in Hyderabad; and Aid Balochistan, Children Global Network Islamabad, Taraquee Foundation, Seher, Participatory Integrated Development Society (PIDS) and Balochistan Rural Support Programme (BRSP) in Quetta.

During this reporting period, SDE's training units in Hyderabad and Quetta generated a revenue of Rs. 8.2 million. The performance of the Quetta training unit is commendable, as in its first fiscal year of operations it has returned a modest profit and made its mark as a competitive social service-provider in the region.

To remain competitive in the market and pursue opportunities to diversify SDE's revenue generating social enterprises, the BoD took the decision for this fiscal year to close SDE's training unit in Multan. While continuing with its successful training units in Hyderabad and Quetta, SDE is exploring strategic opportunities and market compatibility to expand its social enterprising outreach across different regions and sectors. This will allow SDE to prioritize revenue-generating social enterprise initiatives with relevant social impact, while working towards the long-term goal of self-sustainability.

Board of Directors and General Body

During the period July 2015 to June 2016, four Meetings of the Board of Directors and one Annual General Body Meeting took place. Major decisions taken in these meetings include approval of the Annual Report and Audited Accounts for the period 2015-16, approval of Annual Work Plan and Budget for 2015-16 and approval of M/s Ernst & Young - Ford Rhodes Sidat Hyder & Company as the external auditors for the fiscal year 2015-2016. Members took a keen and detailed interest in the reports presented by the Chief Executive. They made pertinent and constructive observations to help SPO staff to sustain SPO values and best practices.

Management Information System (MIS)

Presently, SPO's Management Information System caters to programme, planning, reporting, data analysis, on-going monitoring and real-time reporting of the achievements of programme teams against their respective work plans.

Presently, SPO's MIS application is viewed as one of the finest applications in the development sector. The MIS application has not only brought efficiency, reduced costs, and improved quality but also enabled introduction of a significantly reduced paper environment across nine countrywide offices of SPO. Over the past five years, another important use of this application has been the archiving of important institutional data, including proposals, donor reports, research studies, discussion and policy review papers, M&E and financial reports, partner organizations profiles and SPO's thematic profiles and project fact sheets.

Human Resource Development

The Human Resource Development (HRD) work at SPO provides a framework for the development of its human capital and identification of skill requirements. The GB, BoD and senior management staunchly believe that without investing in human resources, success cannot be achieved at any level. Based on that belief, SPO's management provides equal learning opportunities to staff members through various national and international training courses.

During the reporting year, SPO facilitated a total of 19 staff members in enhancing their capacity related to their respective fields. This included 6 national and 13 international trainings. Additionally, in line with its philosophy, 5 study grants were extended to SPO staff members to enhance their professional qualifications and SPO also facilitated 16 staff members for English-language courses.

Based on its belief in effective control and compliance, the HR Department at SPO introduced several new initiatives to improve the structure of its departmental operations. The introduction of a Consolidated Payroll, prepared centrally by the HR Unit was a welcome addition and provided much-needed control; as well as the integration of vital information for easy utilization. The system is now in place now and helps in generation of a consolidated SPO payroll allowing real-time collaboration opportunities for Finance and HR staff during preparation of the monthly payroll.

The Human Resource Department at SPO is housed centrally at the National Centre. To ensure streamlined progression of recruiting and other Human Resource (HR) activities, a virtual-application SPO-Human Resource Management Information System (HRMIS) was envisioned and commissioned in 2009. All Human Resource-related data including Personal and Employment Records of all staff members, issuance of employment contracts, personnel actions and staff benefits' handling, payroll maintenance, and performance evaluation of all employees are managed through this application. During the current year, several modules were developed further and made operational to complement the already existing components and to facilitate staff members.

The new Human Resource Information System (HRIS) Leave module allows the submission of leave applications from a staff member to the supervisor; and subsequent approval or refusal almost instantaneously through the on-line system and to provide timely notification to the HR Department. Similarly, the Separation module has also been primed to allow staff to initiate their final settlement process on-line. The HR Department has installed a new automated time & attendance system for all its offices. The system records attendance data through biometric entry. Attendance data can be retrieved instantly and stored at the dedicated server housed in the National Centre; logging into the on-line web-based system allows HR staff and regional focal persons to generate pre-defined and custom attendance reports as and when required.



Financial Statements

for the year ended June 30, 2016



Building a better
working world

EY Ford Rhodes
Chartered Accountants
Eagle Plaza 75-West, Faziul-Haq Road
Blue Area, P.O. Box 2388
Islamabad 44000, Pakistan

Tel: +9251 234 4160-62
Fax: +9251 234 4163
ey.isb@pk.ey.com
ey.com/pk

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Strengthening Participatory Organization** (the Company) as at 30 June, 2016 and the related income and expenditure account, statement of cash flows and statement of changes in unrestricted funds together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

Σ



- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of cash flows and statement of changes in unrestricted funds together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June, 2016 and of the surplus, its cash flows and changes in unrestricted funds for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Ey Ford Rhodes

Chartered Accountants

Audit Engagement Partner's Name: Khayyam Mushir

Date: 10 October, 2016


Place: Islamabad

1

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)
BALANCE SHEET
AS AT 30 JUNE, 2016

	Note	2016 -----Rupees-----	2015
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	181,479,582	166,185,536
Intangible assets	7	63,867	178,177
		<u>181,543,449</u>	<u>166,363,713</u>
CURRENT ASSETS			
Grants receivable		11,571,893	26,737,037
Advances	8	1,113,600	519,173
Deposits and short-term prepayments	9	3,907,654	3,568,822
Interest accrued		1,246,895	1,903,683
Other receivables	10	13,244,132	6,068,375
Tax refunds due from the government	11	5,674,200	5,030,045
Short-term investments	12	129,000,000	129,000,000
Cash and bank balances	13	192,822,559	196,827,215
		<u>358,580,933</u>	<u>369,654,350</u>
TOTAL ASSETS		<u>540,124,382</u>	<u>536,018,063</u>
FUNDS AND LIABILITIES			
Unrestricted funds		417,658,505	409,915,743
SURPLUS ON REVALUATION OF FIXED ASSETS	14	58,158,602	26,412,198
NON-CURRENT LIABILITIES			
Deferred grants against operating activities	15	30,271,139	45,060,509
Deferred grants against purchase of fixed assets	16	23,264,053	31,220,544
		<u>53,535,192</u>	<u>76,281,053</u>
CURRENT LIABILITIES			
Accrued and other liabilities	17	10,772,083	23,409,069
CONTINGENCIES AND COMMITMENTS			
	18	-	-
TOTAL FUNDS AND LIABILITIES		<u>540,124,382</u>	<u>536,018,063</u>

The annexed notes, 1 to 23, form an integral part of these financial statements.


 CHIEF EXECUTIVE


 DIRECTOR

2

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2016

	Note	2016 -----Rupees-----	2015
INCOME			
Grants	19	505,534,530	537,903,476
EXPENDITURE			
Programme activities:			
Programme expenses	20	(396,922,904)	(377,915,195)
Grants to Community Based Organizations (CBOs)/others	21	(76,782,321)	(77,147,203)
Administrative expenses	22	(473,705,225)	(455,062,398)
Other operating expenses		(57,143,292)	(64,309,905)
		-	(241,784)
OTHER OPERATING INCOME	23	33,960,186	26,210,616
SURPLUS FOR THE YEAR		8,646,199	44,500,005
Taxation		(1,219,017)	(1,278,838)
NET SURPLUS FOR THE YEAR (transferred to unrestricted funds)		<u>7,427,182</u>	<u>43,221,167</u>

The annexed notes, 1 to 33, form an integral part of these financial statements.


 CHIEF EXECUTIVE


 DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company incorporated under Section 42 of the Companies Ordinance, 1984)
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2016

	2016	2015
	-----Rupees-----	
SURPLUS FOR THE YEAR	7,427,182	43,221,167
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
Surplus on revaluation of fixed assets (Other comprehensive income not transferred to unrestricted fund and not to be reclassified to income and expenditure in subsequent periods)	32,061,984	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>39,489,166</u></u>	<u><u>43,221,167</u></u>

The annexed notes, 1 to 33, form an integral part of these financial statements.



 CHIEF EXECUTIVE



 DIRECTOR

4

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2016

	Note	2016 -----Rupees-----	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		8,646,199	44,500,005
Adjustment for non cash and other items:			
Depreciation		31,507,133	31,891,356
Amortization		114,310	183,438
Grant income		(505,534,530)	(537,903,476)
Loss / (gain) on sale of fixed assets		(2,110,125)	80,701
Receivables written-off		1,265,597	-
Liabilities written back		(1,072,513)	(2,651,056)
Unrealized exchange loss - net		688,370	161,083
Realized exchange gain in previous period		(14,624,839)	-
Grant adjustments		5,163,504	-
Return on savings accounts		(6,378,962)	(8,538,889)
Operating (deficit) before working capital changes		(482,335,856)	(472,276,838)
Working capital changes:			
(Increase) / decrease in current assets			
Advances		(594,427)	1,243,914
Deposits and short-term prepayments		(338,832)	275,704
Other receivables		(7,323,595)	1,333,733
Increase in current liabilities			
Accrued and other liabilities		(11,564,473)	(449,254)
Cash (used in) operations		(502,157,183)	(469,872,741)
Advance tax paid		(1,863,172)	(2,899,341)
Grants received		508,571,565	533,219,470
Amount refunded to donors		(2,274,176)	(548,902)
Net cash generated from operating activities		2,277,034	59,898,486
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(14,783,835)	(34,264,150)
Purchase of intangible assets		-	(87,975)
Proceeds from sale of fixed assets		2,154,765	416,491
Interest received		7,035,750	7,794,140
Net cash (used in) investing activities		(5,593,320)	(26,141,494)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(3,316,286)	33,756,992
CASH AND CASH EQUIVALENTS AT THE BEGINNING			
OF THE YEAR		325,827,215	292,231,306
Effect of changes in exchange rate		(688,370)	(161,083)
CASH AND CASH EQUIVALENTS AT THE END			
OF THE YEAR	25	321,822,559	325,827,215

The annexed notes, 1 to 33, form an integral part of these financial statements.

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 CHIEF EXECUTIVE



 DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION
 (A Company registered under Section 42 of the Companies Ordinance, 1984)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE, 2016

	SPO Receipts	SPO Training Units	Vehicle Reserve Fund	Total
	Rupees			
Balance at 30 June 2014	223,405,029	74,194,896	68,779,071	366,378,996
Net surplus for the year	37,639,638	369,645	5,211,884	43,221,167
Other comprehensive income	-	-	-	-
Amortization of revaluation surplus	37,639,638	369,645	5,211,884	43,221,167
	315,580	-	-	315,580
Balance at 30 June 2015	261,360,247	74,564,541	73,990,955	409,915,743
Net surplus for the year	5,523,792	167,400	1,735,990	7,427,182
Other comprehensive income	-	-	-	-
Amortization of revaluation surplus	5,523,792	167,400	1,735,990	7,427,182
	315,580	-	-	315,580
Balance at 30 June 2016	267,199,619	74,731,941	75,726,945	417,658,505

The annexed notes, 1 to 33, form an integral part of these financial statements.


 CHIEF-EXECUTIVE


 DIRECTOR

STRENGTHENING PARTICIPATORY ORGANIZATION

(A Company registered under Section 42 of the Companies Ordinance, 1984)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2016

1 THE COMPANY AND ITS OPERATIONS

Strengthening Participatory Organization (SPO or "the Company"), was incorporated on 15 January, 1994, under Section 42 of the Companies Ordinance, 1984 as a company limited by guarantee, having its registered office in Islamabad. It is one of the largest right-based civil society organization of Pakistan working for the capacity building of community based organizations and public interest institutions through training and technical assistance, research, advocacy, linkages and networking.

The Company receives grants from various national and multinational organizations for implementation of its objectives. SPO strives to address the emerging issues in the particular socio-economic context of Pakistan through its core programme areas of democratic governance, social justice and peace and social harmony. In addition, SPO has a component of humanitarian response that deals with disasters and emergency situation.

The registered office of the Company is situated at First floor, Ahmed Arcade, Street # 169, G-13/3, Islamabad, with regional/project/satellite offices in 12 cities of Pakistan, including major cities Karachi, Lahore, Quetta, Peshawar, Hyderabad, and Multan, among others.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

Previously, instead of IFRS issued by IASB as are notified under the Companies Ordinance, 1984, the Company applied the Accounting and Financial Reporting Standards (AFRS) for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan. As a result of changes in the fifth schedule to the Companies Ordinance, 1984, by the Securities and Exchange Commission of Pakistan, through S.R.O 928 dated 10 September, 2015, the Company is now classified as a Large Sized Company and is required to prepare its financial statements, for the year ended 30 June, 2016, in accordance with IFRS issued by IASB, as are notified under the Companies Ordinance, 1984. The transition date for the application of IFRS issued by IASB as are notified under the Companies Ordinance, 1984, was 01 July, 2015, i.e. the beginning of the period for which complete comparative information has been presented in these financial statements.

The accounting policies adopted by the Company, under AFRS for MSEs, are consistent with those required under IFRS issued by IASB as are notified under the Companies Ordinance, 1984. Accordingly, as at the transition date, the Company was not required to:

- a) recognize any asset or liability, which was not previously recognized;
- b) derecognize any asset or liability, which was previously recognized; and
- c) reclassify items that the Company recognized under AFRS for MSEs as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity under IFRS, issued by IASB, as are notified under the Companies Ordinance, 1984;

3

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)

Accordingly, the Company has not presented a balance sheet as at the transition date. Further, the adoption of IFRS, issued by IASB as are notified under the Companies Ordinance, 1984 did not affect the Company's reported financial position, financial performance and cash flows in the current and prior period. However, certain additional disclosures in respect of financial instruments and construction contracts are included in these financial statements.

AMMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following amendments with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below against the respective standard and have not been adopted early by the Company:

Standard	Effective date (annual periods beginning on or after)
IFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendment)	01 January, 2018
IFRS 10 Consolidated Financial Statements, IFRS 12; Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements Investment Entities: Applying the Consolidation Exception (Amendment)	Not yet finalized
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January, 2016
IFRS 11 Joint Arrangements Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January, 2016
IAS 1 Presentation of Financial Statements Disclosure Initiative (Amendment)	01 January, 2016
IAS 7 Statement of Cash Flows Disclosure Initiative (Amendments)	01 January, 2017
IAS 12 Income Taxes - Tax Assets for unrecognized losses (amendments) Recognition of Deferred	01 January, 2017
IAS 16 Property, Plant and Equipment and IAS 38 Intangible assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January, 2016
IAS 16 Property, Plant and Equipment and IAS 41 Agriculture : Bearer Plants (Amendment)	01 January, 2016
IAS 27 Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)	01 January, 2016

The above amendments are not expected to have any material impact on the Company's financial statements in the period of their initial application.



STRENGTHENING PARTICIPATORY ORGANIZATION**(A Company registered under Section 42 of the Companies Ordinance, 1984)**

In addition to the above amendments, improvements to various accounting standards (under the Annual Improvements 2012-14 cycle) have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January, 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	Effective date (annual periods beginning on or after)
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 July, 2009
IFRS 9 Financial Instruments: Classification and Measurement	01 January, 2018
IFRS 14 Regulatory Deferral Accounts	01 January, 2016
IFRS 15 Revenue from Contracts with Customers	01 January, 2018
IFRS 16 Leases	01 January, 2019

Further, the SECP has also notified the application of an Accounting Standard for Not-For-Profit Organizations, issued by the Institute of Chartered Accountants of Pakistan, for companies licensed under section 42 of the Companies Ordinance, 1984, for the annual financial period beginning on or after 01 July, 2016. The Company is in the process of assessing the implication of adopting this standard.

4 BASIS OF PREPARATION

The accompanying financial statements have been prepared under the 'historical cost convention', except for freehold land and building, which have been measured at revalued amounts.

These financial statements are the separate financial statements of the Company. The Company also prepares consolidated financial statements.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are the same as those employed in the previous year.

5.1 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies management has made the following estimate and judgment which is significant to the financial statements:

1

Property and equipment

The estimates for the revalued amounts of freehold land and buildings, are based on valuations performed by external professional valuers. The Company reviews the appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of the respective item of property and equipment, with a corresponding effect on the related depreciation charge and impairment.

5.2 Property and equipment

Property and equipment, except freehold land and buildings, are stated at cost less accumulated depreciation and impairment, if any. Freehold land and buildings are stated at revalued amounts less accumulated depreciation and impairment losses, if any.

Depreciation is charged to the Income and Expenditure Account applying the straight-line method, whereby the cost of an asset is written-off over its estimated useful life. The rates of depreciation are stated in note 5 to the financial statements. Depreciation on additions is charged from the month of acquisition with no charge of depreciation in the month of deletion.

Useful lives are determined by the management based on the expected usage of assets, the expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change in accounting estimate.

Surplus on revaluation of property and equipment is credited to the surplus on revaluation account. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation is transferred directly to unrestricted funds.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income and expenditure account in the year the asset is derecognized, and the related surplus on the revaluation is transferred directly to unrestricted funds.

Normal repairs and maintenance costs are charged to the Income and Expenditure Account as and when incurred.

5.3 Intangibles

These are stated at cost less accumulated amortization and impairment, if any.

Amortization is provided for by applying the straight-line method. A full month's amortization is charged in the month of addition, and no amortization is charged in the month of disposal, to the Income and Expenditure Account.

The rate of amortization, which is disclosed in note 6, is designed to write-off the cost of intangibles over the estimated useful lives of these assets.

STRENGTHENING PARTICIPATORY ORGANIZATION**(A Company registered under Section 42 of the Companies Ordinance, 1984)**

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of intangible assets is the greater of fair value less costs to sell and value-in-use.

5.4 Investments**Held-to-maturity**

Investments in securities with fixed maturities, where management has both the intent and the ability to hold to maturity, are classified as held-to-maturity, and carried at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the Effective Interest Rate method, of any difference between the initially recognized amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the Effective Interest Rate, transaction costs and all other premiums and discounts. For investments carried at amortized cost, gains and losses are recognized in the income and expenditure account when the investments are derecognized or impaired, as well as through the amortization process.

5.5 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the Company's balances of cash in hand, cash at banks and other short-term financial assets, which are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

5.6 Funds

The Company has setup three reserves, namely the "SPO Training Unit", "Vehicle Reserve Fund" and "SPO Receipts". The nature of these funds is explained below:

5.6.1 SPO Receipts

This represents the balance of net surpluses, except those described under notes 5.6.2 and 5.6.3.

5.6.2 SPO Training Unit

This represents the net surplus generated from training related activities, including training fees charged to donors.

5.6.3 Vehicle Reserve Fund

This represents the net surplus generated from vehicle rental income charged to donors.

5.7 Provisions

A provision is recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)

5.8 Staff retirement benefits - defined contribution plan

The Company operates a defined contribution provident fund scheme for its eligible employees. The fund is recognized and is fully funded. Contributions to the fund are made by the Company and its employees in accordance with the rules of the fund. The rate of employer and employee contributions is 10% of the basic pay of eligible employees.

5.9 Taxation

Provision for taxation is made at the current rate of tax on the Company's income, after considering tax credits available to the Company as a charitable organization covered under section 100C to the Income Tax Ordinance, 2001.

5.10 Revenue recognition

5.10.1 Grant income

Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

5.10.2 Grants against operating activities

Grants of a non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the Income and Expenditure Account to the extent of expenditure incurred. Expenditure incurred against grants, against which grant funds have been committed but not received, is recognized in the Income and Expenditure Account and is reflected as a receivable from donors in the Balance Sheet.

5.10.3 Grants against purchase of fixed assets

Grants received for the purchase of fixed assets are initially recorded as deferred income upon receipt. Subsequently, these are recognized in the income and expenditure account, on a systematic basis, over the periods necessary to match them with the carrying value of the related assets.

5.10.4 Profit on savings accounts and short term investments

Profit on savings accounts is recognized using the Effective Interest Rate method

5.11 Foreign currency translation

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Foreign currency transactions, during the year, are recorded at the exchange rates approximating those ruling on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange, which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items measured at fair values in a foreign currency, are translated using the exchange rates prevailing at the dates when the fair values were determined.

5.12 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set-off the recognized amounts, and intends either to settle these on a net basis, or to realize the assets and settle the liabilities, simultaneously.



STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)

5.13 Impairment

5.13.1 Financial assets

A financial asset is assessed at each balance sheet date, to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

5.13.2 Non-financial assets

The carrying values of non-financial assets are assessed at each balance sheet date, to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the non-financial assets is estimated. An impairment loss is recognized as an expense in the Income and Expenditure Account, for the amount by which the non-financial asset's carrying value exceeds its recoverable amount.

5.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i In the principal market for the asset or liability; or
- ii In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ii Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- iii Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

STRENGTHENING PARTICIPATORY ORGANIZATION

(A Company registered under Section 42 of the Companies Ordinance, 1984)

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Head of Finance determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

13

STRENGTHENING PARTICIPATORY ORGANIZATION
(a Company registered under Section 42 of the Companies Ordinance, 1984)

14

5 PROPERTY AND EQUIPMENT

Note	2016	2015
	Rupees	
5.1	180,662,183	185,680,536
5.2	817,389	505,000
	<u>181,479,572</u>	<u>186,185,536</u>

Operating Fixed Assets
Capital Work-in-Progress

5.1 OPERATING FIXED ASSETS

Note	COST			As at 30 June 2016	Rate %	ACCUMULATED DEPRECIATION			As at 30 June 2016	WRITTEN DOWN VALUE As at 30 June 2016
	As at 01 July 2015	Additions	Revaluation increase (note 6.4)			(Disposals)	Adjustment on revaluation	Charge for the year		
	Rupees									
6.1.1	91,600,300	-	22,426,250	114,026,550	5%	-	-	-	-	114,026,550
	41,682,640	-	9,635,734	40,082,397	20%	(11,235,977)	-	(11,235,977)	-	40,082,397
	40,060,005	2,149,966	-	42,045,488	20%	(154,483)	-	(132,387)	34,541,081	7,504,407
	72,146,318	7,115,000	-	76,407,436	20%	(2,862,883)	-	(2,845,877)	64,285,349	12,122,067
	39,896,516	4,015,452	-	43,710,008	33%	(271,660)	-	(266,079)	40,550,707	3,159,301
	14,770,701	1,191,318	-	15,947,019	20%	(15,000)	-	(14,093)	12,179,578	3,767,441
	<u>300,225,481</u>	<u>14,471,436</u>	<u>32,081,984</u>	<u>332,218,899</u>		<u>(3,304,025)</u>	<u>(11,235,977)</u>	<u>(11,235,977)</u>	<u>151,555,715</u>	<u>180,662,183</u>

Freehold land
Building on freehold land
Electrical appliances and equipment
Vehicles
Computer equipment
Furniture and fixtures

Note	COST			As at 30 June 2015	Rate %	ACCUMULATED DEPRECIATION			As at 30 June 2015	WRITTEN DOWN VALUE As at 30 June 2015
	As at 01 July 2014	Additions	Revaluation increase			(Disposals)	Adjustment on revaluation	Charge for the year		
	Rupees									
	67,828,000	23,672,300	-	91,600,300	5%	-	-	-	-	91,600,300
	41,682,640	-	-	41,682,640	20%	(1,518,921)	-	(1,518,921)	7,351,845	34,430,795
	35,031,639	5,547,190	-	40,060,005	20%	-	-	-	26,161,452	11,898,553
	70,333,319	1,812,000	-	72,145,319	20%	-	-	-	54,191,092	17,954,227
	40,266,192	805,220	-	39,966,516	33%	(1,104,896)	-	(1,007,189)	35,647,915	4,318,601
	14,400,316	822,440	-	14,770,701	20%	(852,055)	-	(513,403)	9,292,541	5,478,060
	<u>269,642,106</u>	<u>33,759,150</u>	<u>-</u>	<u>300,225,481</u>		<u>(3,175,775)</u>	<u>(2,578,583)</u>	<u>(2,578,583)</u>	<u>134,544,245</u>	<u>185,680,536</u>

Freehold land
Building on freehold land
Electrical appliances and equipment
Vehicles
Computer equipment
Furniture and fixtures

6.1.1 This includes a building in Turbat, constructed on land allotted to the Company by the Government of Baluchistan for the establishment of a training and technical assistance center subject to the condition that the land will not be utilized for any other purpose.

6.1.2 This represents elimination of accumulated depreciation, against the gross carrying amount of the revalued assets, on the date of revaluation

6.2 Additions during the year represent the payment made to a vendor in respect of soil test and architectural designs for the construction of a building in Multan

6.3 Depreciation for the year has been charged entirely to the Administrative expenses (Note 22).

6.4 The revalued land and buildings consist of land and office properties located in Islamabad, Hyderabad, Multan and Turbat regions of the Company. The management of the Company determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the land and properties.

6.5 The fair value of the land and property was determined using the comparable market method. This means that valuations performed by the valuer are based on active market prices, through market inquiries of market rates for similar sized plots in the vicinity, which have significantly been adjusted for differences in the nature, location or condition of the specific property. The valuations of buildings were based on the present costs of construction for a similar structure. As at the date of revaluation on 30 June, 2016, the properties' fair values are based on valuations performed by various, accredited independent valuers, who were duly registered with the Pakistan Banking Association, as at that date.

6.6 Fair value measurement hierarchy of the assets:

Date of valuation	Total	Rupees	
		Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
30 June, 2016	114,026,550	114,026,550	
30 June, 2016	40,082,397		40,082,397
	<u>154,108,947</u>	<u>114,026,550</u>	<u>40,082,397</u>

6.7 Significant unobservable input:

Price in Rupees per square ft.	Range
Land	Rs. 122 to Rs. 11,111
Buildings	Rs. 632 to Rs. 1,799

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value.

6.8 If land and buildings were measured using the cost model, the carrying amounts would be, as follows:

	Rupees	
	Total	Buildings
Cost	113,274,957	73,371,042
Accumulated depreciation	(17,324,613)	(17,324,613)
Net carrying amount	<u>95,950,344</u>	<u>56,046,429</u>

6.9 There were no transfers between the fair value measurement hierarchy during the year.

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STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)

	2016	2015	
	Note	-----Rupees-----	
INTANGIBLE ASSETS			
Cost			
Balance as at 01 July	2,070,326	1,982,351	
Additions during the year	-	87,975	
	<u>2,070,326</u>	<u>2,070,326</u>	
Accumulated amortization			
Balance as at 01 July	(1,892,149)	(1,708,711)	
Charge for the year	(114,310)	(183,438)	
	<u>(2,006,459)</u>	<u>(1,892,149)</u>	
Balance at the 30 June	<u>63,867</u>	<u>178,177</u>	
ADVANCES			
Considered good			
To employees:			
against expenses	225,623	240,568	
against salaries	887,977	278,605	
	<u>1,113,600</u>	<u>519,173</u>	
DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposit			
Security deposits	2,085,919	2,278,270	
Short-term prepayments			
Rent	898,730	144,800	
Insurance	665,805	642,987	
PO/CSN/Networks	200,000	170,100	
Others	57,200	332,665	
	<u>1,821,735</u>	<u>1,290,552</u>	
	<u>3,907,654</u>	<u>3,568,822</u>	
OTHER RECEIVABLES			
Considered good			
Receivable from employees	161,886	117,825	
Receivable from Partner NGO's and donors	3,030,293	2,655,942	10.1
Receivable from subsidiary company	8,083,496	940,238	
Others	1,968,457	2,354,370	
	<u>13,244,132</u>	<u>6,068,375</u>	
Considered doubtful			
Receivable from previous land lord	1,212,759	1,212,759	
	<u>14,456,891</u>	<u>7,281,134</u>	
Provision against doubtful other receivables	(1,212,759)	(1,212,759)	
	<u>13,244,132</u>	<u>6,068,375</u>	

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STRENGTHENING PARTICIPATORY ORGANIZATION
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10.1 This represents receivables from different Partner NGOs/donors on account of expenses incurred on their behalf and reimbursement of expenditure on programme activities.

	Note	2016	2015
		-----Rupees-----	
11 TAX REFUNDS DUE FROM THE GOVERNMENT			
Advance income tax		15,713,842	13,850,670
Provision for taxation		<u>(10,039,642)</u>	<u>(8,820,625)</u>
		<u>5,674,200</u>	<u>5,030,045</u>

12 SHORT-TERM INVESTMENTS

Held-to-Maturity

Term Deposit Receipts (TDRs)

Cost

	12.1	129,000,000	129,000,000
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Accrued interest at Effective Interest Rate

		1,200,000	1,849,315
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		<u>130,200,000</u>	<u>130,849,315</u>
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Shown as part of interest accrued

		<u>(1,200,000)</u>	<u>(1,849,315)</u>
--	--	--------------------	--------------------

		<u>129,000,000</u>	<u>129,000,000</u>
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12.1 The above TDRs, having a maturity period of three months, have been placed with the following financial institution:

			2016	2015
		Note	-----Rupees-----	
Name of financial institution	Rate of Mark-up	Maturity date		
Silk Bank limited	5.75%	20 July, 2016	50,000,000	50,000,000
Silk Bank limited	5.75%	16 Oct, 2016	50,000,000	50,000,000
Silk Bank limited	5.75%	1 Oct, 2016	29,000,000	29,000,000
			<u>129,000,000</u>	<u>129,000,000</u>

13 CASH AND BANK BALANCES

Cash

In hand

		216,471	351,585
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At banks in

Current accounts

local currency

		54,211,147	84,764,223
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foreign currency

		6,055,126	4,309,257
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		<u>60,266,273</u>	<u>89,073,480</u>
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Savings accounts

local currency

	13.1	121,121,094	98,205,145
--	------	-------------	------------

foreign currency

	13.2	11,218,721	9,197,005
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		<u>132,339,815</u>	<u>107,402,150</u>
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		<u>192,822,559</u>	<u>196,827,215</u>
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13.1 These carry mark-up ranging between 3.75% to 6% (2015: 5% to 10%) per annum.

13.2 These carry mark-up at the rate of 2.4% (2015: 0.3%) per annum.

STRENGTHENING PARTICIPATORY ORGANIZATION
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14 SURPLUS ON REVALUATION OF FIXED ASSETS

	2016	2015
Note	-----Rupees-----	
Opening balance	26,412,198	26,727,778
Addition in revaluation surplus - net	32,061,984	-
Depreciation transfer for land and building transferred to revaluation reserve	<u>(315,580)</u>	<u>(315,580)</u>
	<u><u>58,158,602</u></u>	<u><u>26,412,198</u></u>

14.1 The fair values of the Company's land and buildings were determined as at 30 June, 2016 (Note 6.4).

15 DEFERRED GRANTS AGAINST OPERATING ACTIVITIES

	2016	2015
Note	-----Rupees-----	
Opening balance	18,323,472	11,481,626
Grants received during the year	508,571,565	533,219,470
Grants recognized in income and expenditure account		
Against expenditure incurred	<u>(458,007,530)</u>	<u>(442,410,638)</u>
Against services performed	<u>(24,852,119)</u>	<u>(71,960,057)</u>
Against closed projects	<u>(312,454)</u>	<u>(1,332,068)</u>
	<u>(483,172,103)</u>	<u>(515,702,763)</u>
Refunds to donors	(2,274,176)	(548,902)
Transferred to deferred grant against purchase of fixed assets	16 (14,405,936)	(9,786,075)
Balances written-off against closed projects	1,117,759	-
Adjustments	15.3 5,163,504	(339,884)
Exchange gain recognized	15.1 (14,624,839)	-
	<u><u>18,699,246</u></u>	<u><u>18,323,472</u></u>
Break-up of closing balance		
Unspent grant	30,271,139	45,060,509
Grant receivable - gross	<u>(11,571,893)</u>	<u>(26,737,037)</u>
	<u><u>18,699,246</u></u>	<u><u>18,323,472</u></u>

15.1 This represents the recording of exchange gain realised in the year 2014 and 2015, on the transfer of funds from the donor against the DAI - Aawaz Programme (the Programme). Under this Programme the Company is entitled to any exchange gain or loss on receipt of funds. Accordingly, the exchange gain realised, amounting to Rs. 14,624,839, on the funds received in the implementation Year 1 and year 2 of the Programme, were recorded as deferred grant, to be utilized in the future periods, in case of any budget over runs or net exchange losses incurred. As the activities under the agreement conclude in 2017, the management of the Company has made an assessment of the planned Programme activities at the year end and accordingly, decided to record the realised gain, in the Income and Expenditure Account.

STRATEGIC PLAN 2015-2017
 14. Summary statement under section 19 of the Companies Act, 1994

15.2. Donor-wise movement in grants

	Opening Balance break-up at 30 June, 2015					Grants recognized in income and expenditure					Closing Balance break-up at 30 June, 2016					
	Unspent grants	Grants receivable	Total unspent grants/ receivable	Grant received	Against expenditure incurred	Against services performed	Against closed projects	Total	Refunds to donors	Balances written off	Transferred to deferred grants against purchase of fixed assets	Adjustments (Note 15.3)	Exchange (Gain) (Note 15.1)	Closing balance	Unspent grants	Grants receivable - gross
Ausaid	146,725	-	146,725	-	-	-	(146,725)	-	-	-	-	-	-	474,954	-	474,954
BVCFD	474,954	-	474,954	-	-	-	-	-	-	-	-	-	-	-	-	-
Care International	(266,200)	(266,200)	266,200	266,200	(713,227)	713,227	-	(10,482,081)	-	(2,922,004)	2,922,004	(14,624,039)	21,010,729	21,010,729	-	21,010,729
Creative Associates	(1,915,000)	(1,979,000)	1,975,000	1,975,000	(7,880,426)	(2,621,653)	(50,000)	(10,482,081)	-	-	-	-	(603,843)	-	(603,843)	
CVP	(1,135,745)	(1,795,745)	11,977,826	11,977,826	(229,076,119)	(680,127)	(50,000)	(3,160,082)	-	-	-	-	(465,242)	-	(465,242)	
DAI	29,853,568	29,893,658	235,796,145	235,796,145	(3,110,082)	(60,000)	(50,000)	(3,160,082)	-	-	-	-	(603,843)	-	(603,843)	
EPI	50,000	-	50,000	50,000	(381,099)	(105,183)	(50,000)	(466,242)	-	-	-	-	(465,242)	-	(465,242)	
GEF-AP	-	-	-	2,536,119	-	-	-	-	292,144	-	-	-	-	-	-	-
CSDFP	-	(202,143)	(202,143)	-	-	-	-	-	-	-	-	-	-	-	-	-
IC	-	(6,025,195)	(6,025,195)	6,025,195	-	-	-	-	-	-	-	-	-	-	-	-
IDRF	-	(1,765,741)	(1,765,741)	1,765,741	-	-	-	-	-	-	-	-	-	-	-	-
JOM	-	(3,724,143)	(3,724,143)	3,724,143	-	-	-	-	-	-	-	-	-	-	-	-
Jhpiego	-	-	-	23,976,342	(21,561,063)	(12,000)	-	(21,573,063)	-	(1,732,500)	1,732,500	-	(1,320,084)	-	(1,320,084)	
LPH	-	-	-	58,613,286	(5,442,238)	(568,248)	-	(6,010,487)	-	-	-	-	(1,467,221)	-	(1,467,221)	
Mersey corps	-	-	-	30,167,505	(21,953,785)	-	(115,729)	(21,953,785)	-	(7,527,700)	7,527,700	-	1,446,010	-	1,446,010	
NDI	-	(1,460,214)	(1,460,214)	1,475,944	-	-	(115,729)	-	406,211	-	-	-	-	-	-	1,610,356
NED	-	(1,095,107)	(1,095,107)	679,956	-	-	-	-	-	-	-	-	-	-	-	-
Oxfam Novib	5,578,722	-	5,578,722	17,789,586	(19,873,727)	(1,165,628)	-	(23,139,352)	-	-	-	-	1,610,356	-	1,610,356	
Oxfam Wash	169,135	-	169,135	-	-	-	-	(169,136)	-	-	-	-	-	-	-	-
PESP-2	6,342,937	-	6,342,937	38,748,038	(30,766,846)	(13,798,005)	-	(64,567,851)	-	(1,714,732)	1,714,732	-	2,297,850	-	2,297,850	
PGCB	-	(5,978,568)	(5,978,568)	59,613,503	(53,843,109)	-	-	(53,843,109)	-	-	-	-	-	-	-	-
PPAF	527,056	-	527,056	4,482,866	(4,267,969)	(225,000)	-	(4,492,866)	-	-	-	-	-	-	-	-
PRP-Event	-	(700)	(700)	-	-	-	-	-	700	-	-	-	-	-	-	-
RAF	-	(397,180)	(397,180)	-	-	-	-	-	397,188	-	-	-	-	-	-	-
TAF	-	-	-	7,814,688	(7,862,383)	(387,304)	-	(8,235,692)	-	-	-	-	(425,006)	-	(425,006)	
TDEA	-	-	-	5,205,500	(8,690,598)	(38,500)	-	(8,690,598)	-	-	-	-	(3,481,569)	-	(3,481,569)	
UNDP	-	-	-	22,626,952	(19,264,650)	(423,292)	-	(19,707,982)	-	(505,000)	505,000	-	121	-	121	
UNICEF	1,876,371	(1,776,104)	1,776,104	7,165,756	(6,345,055)	(2,761,753)	-	(9,106,810)	-	64,683	-	-	-	-	-	
UN-Women	-	-	-	51,182,330	(7,415,125)	(1,766,205)	-	(9,182,330)	-	-	-	-	-	-	-	-
USAID-TFP	-	(284,550)	(284,550)	2,965,107	(2,842,251)	(105,124)	-	(2,747,385)	-	46,834	-	-	-	-	-	-
World Vision	45,060,509	(26,067,589)	19,002,910	497,703,964	(450,356,171)	(24,292,794)	(312,454)	(474,961,965)	(2,274,176)	(1,177,758)	(1,4,405,938)	5,763,504	16,801,222	26,940,080	(10,038,638)	16,801,222
Networks housed in SPO:																
IHI	-	-	-	145,091	(40,311)	(319,000)	(46,311)	(46,311)	-	-	-	-	104,780	104,780	(570,406)	104,780
NHN-CARE-ahg	-	-	-	2,850,000	(3,101,406)	(319,000)	(4,420,406)	(4,420,406)	-	-	-	-	(570,406)	-	(570,406)	
NHN-Tear fund	-	-	-	4,000,000	(595,701)	(147,000)	(673,701)	(673,701)	-	-	-	-	3,326,299	3,326,299	3,326,299	
Spate Irrigation	-	-	-	3,792,558	(3,982,395)	(93,835)	(4,075,720)	(4,075,720)	-	-	-	-	(962,643)	-	(962,643)	
Total	45,060,509	(26,797,637)	18,262,872	508,571,565	(450,007,550)	(24,852,118)	(312,454)	(483,174,103)	(2,274,176)	(1,177,758)	(14,405,938)	5,763,504	18,899,246	30,271,138	(11,571,893)	18,899,246

15.3 This represents capitalization of assets donated by donors, on the completion of projects during the year.

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STRENGTHENING PARTICIPATORY ORGANIZATION
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	Note	2016 -----Rupees-----	2015 -----Rupees-----
16 DEFERRED GRANT AGAINST PURCHASE OF FIXED ASSETS			
Balance at the beginning of the year		31,220,544	43,635,182
Additions during the year (at cost)	15	14,405,936	9,786,075
		<u>45,626,480</u>	<u>53,421,257</u>
Amortization during the year			
Charge for the year		(22,323,868)	(22,052,387)
Relating to assets disposed-off		(38,559)	(148,326)
	19	<u>(22,362,427)</u>	<u>(22,200,713)</u>
		<u>23,264,053</u>	<u>31,220,544</u>
17 ACCRUED AND OTHER LIABILITIES			
Accrued liabilities		1,671,930	19,137,712
Other liabilities			
Payable to suppliers		7,772,356	912,478
Payable to staff		286,836	252,673
Employees' provident fund payable		215,537	3,006,959
Withholding tax payable		154,889	88,712
Others		670,535	10,535
		<u>9,100,153</u>	<u>4,271,357</u>
		<u>10,772,083</u>	<u>23,409,069</u>
18 CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments, as at the end of the current and prior year.			
19 GRANTS	Note	2016 -----Rupees-----	2015 -----Rupees-----
Current grants	19.1	483,172,103	515,702,763
Amortization of deferred grant	16	22,362,427	22,200,713
		<u>505,534,530</u>	<u>537,903,476</u>

B

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)

19.1 Current grants	2016	2015
	-----Rupees-----	
Aurat Foundation - GEP	3,160,062	-
Ausaid	146,725	-
British High Commission (BHC)	-	91,123,498
Care International "Establishing Data Base of Human Rights"	-	1,145,200
CARE-NHN-AHG	2,350,641	-
Creative Associates	-	29,672,440
Creative Associates- KYI	-	9,618,594
CVP - Enhancing Capacities for Transparent and Accountable Local Governance	10,482,081	2,543,037
Development Alternatives Inc - Department For International Development (DAI - DFID)	230,056,245	211,746,226
Emergency Relief Fund (ERF)	50,000	970,817
Governor Special Development Program (GSDP) - DIK	466,243	-
Inter Cooperation - Livelihood Programme (IC)	6,010,487	8,988,354
International Development and Relief Foundation (IDRF)	-	1,675,402
International Organization for Migration (IOM)	-	4,301,516
International Organization for Migration (IOM) - GSDP	-	3,899,777
Jhpiego - Improving Maternal and Child Health Services	21,573,063	7,991,343
Mercy Corps - NFM	21,193,795	-
National Democratic Institute (NDI)	115,729	8,543,645
National Endowment for Democracy	-	4,229,729
Oxfam Great Britain (OGB) - Ending Torture	-	57,782
Oxfam Great Britain (OGB)	-	317,470
Oxfam Novib - Citizens First	21,139,352	2,186,129
Pakistan Poverty Alleviation Fund (PPAF)	52,808,593	47,061,936
Pakistan Poverty Alleviation Fund LEP	1,034,516	953,442
Pakistan Reading Project event	4,492,966	-
PESP Community Mobilization for increasing enrolment in schools of Districts Bahawalpur and Bahawalnagar	44,557,851	6,778,866
Promoting Girls Education in Balouchistan (PGEB)	-	14,202,051
Research and Advocacy Fund (RAF)	-	3,681,863
The Asia Foundation (TAF) - GEP	-	4,972,826
The David and Lucile PACKARD Foundation	-	11,243,652
Trust for Democracy and Accountability (TDAE)	8,239,692	-
UNDP - Civic and voter education	-	4,734,834
Unicef Engaging Youth for SCR in Sindh	19,707,982	19,943,462
United Nations Development Programme (UNDP)	8,690,058	-
UN-Women	9,106,810	7,915,629
USAID - TFP	9,182,330	-
World Vision	2,747,385	2,774,800
	477,312,606	513,274,320
Networks housed in SPO:		
Insani Haqooq Ittehad	40,311	-
National Humanitarian Network - Care	1,069,765	-
TEAR FUND-NHN-STP	673,701	-
Spate irrigation	4,075,720	2,428,443
	5,859,497	2,428,443
	483,172,103	515,702,763

B

STRENGTHENING PARTICIPATORY ORGANIZATION
(A Company registered under Section 42 of the Companies Ordinance, 1984)

20	PROGRAMME EXPENSES	Note	2016	2015
			-----Rupees-----	
	Salaries and benefits	20.1	194,803,641	207,074,777
	Traveling and conveyance		34,623,759	30,351,131
	Vehicle running and maintenance		29,287,821	23,684,920
	Office rent		10,871,653	10,071,186
	Office supplies		6,915,310	7,266,607
	Resource materials and publications		5,530,284	8,221,454
	Training and development		111,736,727	77,576,172
	Monitoring, evaluation and reporting		-	9,861,060
	Maintenance and renovation		3,136,288	3,759,088
	Program planning and review		17,421	48,800
			<u>396,922,904</u>	<u>377,915,195</u>

20.1 Provident fund contribution included in salaries and benefits amount to Rs. 11,367,749 (2015: Rs. 12,757,894).

21	GRANTS TO COMMUNITY BASED ORGANIZATIONS (CBOs) / OTHERS	Note	2016	2015
			-----Rupees-----	
	Material supplies		2,114,520	4,216,972
	Grant/support to partner organizations		17,425,000	18,635,317
	Social sector funding		7,081,586	12,233,639
	Support to Aawaz Forums and CPOs		42,539,977	33,894,357
	Grant to enhance capacity of political workers		-	257,000
	Grant/support to government department		880,000	1,320,000
	Network secretarial support		538,700	1,540,000
	Civil society network (CSN) expenses		-	2,778,300
	Food items and commodities		90,745	65,545
	Direct expenses by donors (charged through debit notes)		3,904,895	2,169,341
	Net book value of in-kind contributions to SDE		-	36,732
	Community Farmers Insurance		793,000	-
	National Humanitarian Network (NHN) expenses		1,413,898	-
			<u>76,782,321</u>	<u>77,147,203</u>

21.1 This represents grants to CBOs in respect of agriculture, livestock, basic education, primary health care, environment, governance and other welfare and social activities in accordance with the policies of the Company.

22	ADMINISTRATIVE EXPENSES	Note	2016	2015
			-----Rupees-----	
	Telephone and postage		4,583,063	4,570,144
	Utilities		4,465,409	5,384,012
	Maintenance and renovation		-	6,372,034
	Office security		8,060,354	7,702,038
	Legal and professional charges		789,540	970,535
	Depreciation	6	31,507,133	31,891,356
	Amortization	7	114,310	183,438
	Auditors' remuneration	22.1	784,800	725,000
	Receivables written-off		1,265,597	-
	Training expenses		1,061,257	5,195,628
	Miscellaneous expenses		4,511,829	1,315,720
			<u>57,143,292</u>	<u>64,309,905</u>

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		2016	2015
		-----Rupees-----	
22.1	Auditors' remuneration		
	EY Ford Rhodes		
	Audit fee of statutory financial statements	520,300	484,000
	Audit fee of statutory consolidated financial statements	64,500	60,000
	Out of pocket expenses	200,000	181,000
		<u>784,800</u>	<u>725,000</u>
23	OTHER OPERATING INCOME		
	Income from financial assets		
	Return on savings accounts	6,378,962	8,538,889
	Return on investment in TDR's	8,663,925	10,699,320
		<u>15,042,887</u>	<u>19,238,209</u>
	Income from non-financial assets		
	Gain on sale of fixed assets	2,110,125	-
	Exchange gain - net	13,936,469	-
	Miscellaneous income	863,735	2,324,716
		<u>16,910,329</u>	<u>2,324,716</u>
	Others		
	Liabilities written-back	1,072,513	2,651,056
	Income from training units	934,457	1,996,635
		<u>33,960,186</u>	<u>26,210,616</u>
24	TAXATION		
	Current	24.1 <u>1,219,017</u>	<u>1,278,838</u>
24.1	This represents the provision for taxation against taxable income arising from activities outside the ambit of the tax credits provided under section 100C to the Income Tax Ordinance, 2001, as applicable to charitable organizations.		
25	CASH AND CASH EQUIVALENTS	2016	2015
		-----Rupees-----	
	Short-term investments	12 129,000,000	129,000,000
	Cash and bank balances	13 <u>192,822,559</u>	<u>196,827,215</u>
		<u>321,822,559</u>	<u>325,827,215</u>

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26 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

26.1 Financial assets and financial liabilities

i) Financial assets

	2016	2015
-----Rupees-----		
Loans and receivables		
Maturity upto 1 year		
Grant receivable against operating activities	11,571,893	26,737,037
Advances	887,977	278,605
Deposits and short term prepayments	2,085,919	2,278,270
Interest accrued	1,246,895	1,903,683
Other receivables	13,244,132	6,068,375
Cash and bank balances	192,822,559	196,827,215
	221,859,375	234,093,185
Held-to-maturity		
Short-term investments	129,000,000	129,000,000
	129,000,000	129,000,000
	350,859,375	363,093,185

ii) Financial liabilities

	Carrying Amount	Within 1 year	2 to 5 years	More than five years
-----Rupees-----				
Accrued and other liabilities				
2016	10,401,657	10,401,657	-	-
2015	20,313,398	20,313,398	-	-

26.2 Financial risk management

The Company has exposure to the following risks from its use of financial instruments

- credit risk
- liquidity risk
- market risk.

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect the changes in conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews and agrees policies for managing each of the above risks which are summarized below:



26.3 Concentration of credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities.

The Company's credit risk is primarily attributable to its grant receivable against operating activities, deposits, advances to employees, receivable from subsidiary company, other receivables and, investments and balances with banks. The credit risk on balances with banks is very minimal. The Company attempts to control credit risk by keeping track of its expenditure in respect of various projects and obtaining advance funding for project activity from the donor. The Company is not materially exposed to credit risk.

The Company establishes an allowance for impairment that represents its estimates of incurred losses in respect of grants and other receivables.

26.4 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was against:

	Note	2016 -----Rupees-----	2015
Grants receivable against operating activities	15	11,571,893	26,737,037
Advances to employees against salary	8	887,977	278,605
Deposits	9	2,085,919	2,278,270
Interest accrued		1,246,895	1,903,683
Other receivables	10	13,244,132	7,281,134
Short-term investments	12	129,000,000	129,000,000
Bank balances	13	192,606,088	196,475,630
		<u>350,642,904</u>	<u>363,954,359</u>

The credit quality of cash and bank balances, that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate. Credit ratings and exposure of bank balances and investments with each of the counterparties are as follows:

	Long Term Rating	Short Term Rating	Rating agency	Rupees
Short-term investments				
Name of Bank				
Silk Bank Limited	A-	A2	JCR-VIS	129,000,000
Savings accounts				
United Bank Limited	AAA	A1+	PACRA	3,322,606
Allied Bank Limited	AA+	A1+	PACRA	3,614,350
Habib Bank Limited	AAA	A1+	JCR-VIS	21,376,279
NiB	AA-	A1+	PACRA	664,106
Silk Bank Limited	A-	A2	JCR-VIS	103,362,474
				<u>132,339,815</u>
				<u>261,339,815</u>

26.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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The Company ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2016	2015
	-----Rupees-----	
Accrued and other liabilities		
Within one year	10,401,657	20,313,398
Between one and five years	-	-
	10,401,657	20,313,398

26.6 Market risk

Market risk, is the risk that results from changes in market prices, such as foreign exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to any significant market risks from its operating activities.

a) Interest rate risk

The Company's interest bearing instruments consist of investments in TDRs and balances in savings accounts, amounting to Rs. 129,000,000 (2015: Rs. 129,000,000) and Rs. 132,339,815 (2015: Rs. 107,402,150). Applicable interest rates for (i) the investment in TDR's is 6% to 9% (2015: 9%) and (ii) balances in saving accounts range from 3.75% to 6% (2015: 0.3% to 10%) per annum. However, these carry fixed interest rates and, therefore, are not exposed to interest rate risk.

b) Currency risk

The Company's financial assets amounting to Rs. 17,273,847 (2015: Rs. 13,506,262) are exposed to foreign exchange rate risk. Foreign currency risk arises due to financial assets denominated in foreign currencies in the financial statements.

Foreign currency sensitivity

Management runs a sensitivity analysis (what-if analysis) in case the EURO and USD currencies appreciate versus the functional currency by 10%.

A 10% depreciation of the EURO and USD, versus the functional currency, would have reduced the surplus for the year by Rs. 1,727,385 (2015: Rs. 1,350,626) and vice versa.

The following significant exchange rates applied during the year:

	Average rate during the	Spot rate on balance
2016		
USD	103.10	104.70
EURO	114.94	116.08
2015		
USD	100.13	101.50
EURO	124.20	113.79

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c) Determination of fair values

The carrying values of financial instruments approximate their fair values. The fair values of these financial instruments are determined as the present value of future cash flows, discounted at market rates of interest at the reporting date. The fair value of financial assets is determined for disclosure purposes only.

26.7 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair values.

27 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so it can achieve its primary objectives, provide benefits for other stakeholders and maintain a strong capital base to support the sustained development of its business, in line with the objects of the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings less unrestricted cash and bank. Capital signifies unrestricted funds as shown in the balance sheet plus net debt.

The gearing ratio of the Company as at year end is Nil (2015: Nil)

	2016	2015
	-----Number-----	
28 NUMBER OF EMPLOYEES		
Number of employees	<u>203</u>	<u>262</u>
Average number of employees during the year	<u>233</u>	<u>239</u>

29 RELATED PARTY DISCLOSURES

The related parties of the Company, comprise of a subsidiary, associates due to common directorship and key management personnel, (comprising of the Chief Executive Officer and directors) and the Company's Employees' Provident Fund. The remuneration of the Chief Executive Officer has been disclosed in note 30 to the financial statements. Other related party transactions, not disclosed elsewhere, are as follows:

	2016	2015
	-----Rupees-----	
TRANSACTIONS WITH SUBSIDIARY		
Expenditure incurred on behalf of the subsidiary	8,636,060	5,690,173
Services acquired from the subsidiary	4,532,982	3,117,988
Donations in kind	-	36,732
TRANSACTIONS WITH EMPLOYEES' PROVIDENT FUND		
Contribution paid to employees' provident fund	36,688,072	33,817,562

30 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVES AND DIRECTORS

	Chief Executive Officer		Executives	
	2016	2015	2016	2015
	-----Rupees-----		-----Rupees-----	
Managerial remuneration	5,264,400	5,198,400	95,133,270	108,790,587
Special allowance	180,000	180,000	9,830,345	10,243,653
Bonus	113,400	448,200	2,182,560	4,940,083
Provident fund and others	526,440	519,840	8,702,367	10,748,118
	<u>6,084,240</u>	<u>6,346,440</u>	<u>115,848,542</u>	<u>134,722,441</u>
Number of persons	<u>1</u>	<u>1</u>	<u>110</u>	<u>108</u>

- 30.1** The directors of the company were not paid any managerial remuneration or allowance in the current or prior period.

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31 PROVIDENT FUND TRUST	2016	2015	-----Rupees-----	
Size of the trust (Rupees)	<u>68,334,009</u>	<u>61,273,793</u>		
Cost of investments made (Rupees)	<u>67,635,763</u>	<u>57,689,396</u>		
Fair values of investments made (Rupees)	<u>68,114,893</u>	<u>58,285,013</u>		
Percentage of investments made (%)	<u>99.68%</u>	<u>95.12%</u>		
	2016	2015	2016	2015
	%	%	-----Rupees-----	
Break-up of investments				
With a scheduled bank				
In savings accounts	<u>8.70%</u>	<u>13.04%</u>	<u>5,944,647</u>	<u>7,989,396</u>
Term Deposit Certificates	<u>90.98%</u>	<u>82.08%</u>	<u>62,170,246</u>	<u>50,295,617</u>
	<u>99.68%</u>	<u>95.12%</u>	<u>68,114,893</u>	<u>58,285,013</u>

Investments out of the Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for that purpose. These current year figures are unaudited.

32 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 08 OCT 2016 by the Board of Directors of the Company.

33 GENERAL

Figures have been rounded off to the nearest Rupee.

R



CHIEF EXECUTIVE



DIRECTOR

Strengthening Participatory Organization (SPO)

SPO is a leading national rights-based civil society organization with its Citizens Voice and Accountability (CVA) initiatives being implemented in over 75 districts of the country. SPO's focus mainly being on state and citizens engagement for strengthening democratic values, systems, practices and institutions to secure justice, peace and harmony and eradicate conflicts, poverty and gender-inequalities, works with over 3500 countrywide civil society entities comprising human rights, women, minority and youth activists, organizations and networks, mainstream political parties, labour organizations, trade unions, teachers' and media associations, intelligentsia and legislators.

Parallel to the CVA initiatives, SPO also designs and delivers critical service-delivery projects in the remotest and under-privileged areas of the country where there is absence of basic services.

Realizing the gravity of critical emergency situations that focus communities have to intermittently face, SPO also deals with humanitarian emergencies resulting from natural and human-induced hazards including earthquakes, rain-fed floods, cyclones and internal displacement of communities triggered by conflicts.

UDHR and other international human rights covenants are central to SPO's outreach philosophy.



SPO NATIONAL CENTRE

First Floor, Ahmed Arcade, Street 169, G-13/3, Islamabad, Pakistan

UAN: +92-51-111-357-111 Tel: +92-51 2301221-22, 2301226-27 info@spopk.org www.spopk.org

BALUCHISTAN

QUETTA

House 58-A, Near Pak Japan
Cultural Centre, Jinnah Town
Quetta
Tel: 081-2863701 Fax: 081-2863703
Email: quetta@spopk.org

TURBAT

Pasni Road, Turbat
Tel: 0852-412333 Fax: 0852-413884
Email: turbat@spopk.org

KHYBER PAKHTUNKHWA

PESHAWAR

House 15, Street 1, Sector N-4
Phase 4, Hayatabad, Peshawar
Tel: 091-5811792 Fax: 091-5813089
Email: peshawar@spopk.org

D.I.KHAN

House 2, Qasim Road,
Near Father School
D.I.Khan
Tel: 0966-713231 Fax: 0966-733917
Email: dikhan@spopk.org

PUNJAB

MULTAN

House 339-340, Block-D
Shah Rukh-e-Alam Colony,
Multan
Tel: 061-6772995 Fax: 061-6772996
Email: multan@spopk.org

LAHORE

House 76-A, Sher Shah Block
New Garden Town, Lahore
Tel: 042-35863211 Fax: 042-35863213
Email: lahore@spopk.org

SINDH

HYDERABAD

Plot 158/2, Behind M. Usman Deplai
Scholars Academy, Alamdar Chowk,
Grid Station, Qasimabad, Hyderabad
Tel: 022-2654725 Fax: 022-2652126
Email: hyderabad@spopk.org

KARACHI

G-22, B/2, Park Lane
Clifton Block 5, Karachi
Tel: 021-35836213 Fax: 021-35873794
Email: karachi@spopk.org