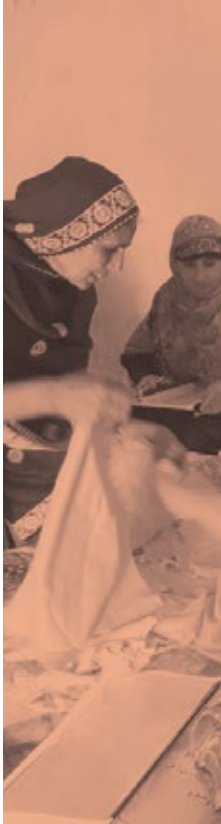


ANNUAL REPORT 2017



Kaarvan Crafts Foundation
Crafting Livelihoods



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Kaarvan Crafts Foundation was established in 2004 and is incorporated as a Not-for-Profit company registered under Section 32 and licensed under Section 42 of Companies Ordinance, 1984 (Companies Act, 2017). Kaarvan provides training to women in low income communities of Pakistan in order to build their confidence to participate in local decision-making and carving connections with relevant urban markets. Kaarvan is working towards implementing the Sustainable Development Goal 5 and creating a collective movement for a culture of peace from a gender perspective enhancing relational capacities through skills development – skills pertaining not only to profession but also communication, critical thinking and conflict transformation.

DISCLAIMER FOR REPORT

This publication is designed to provide accurate and up to date information on Kaarvan Crafts Foundation. It is being distributed with the knowledge that this document is evidencing information that has come across the organization in terms of operations and various monitoring and evaluation activities.

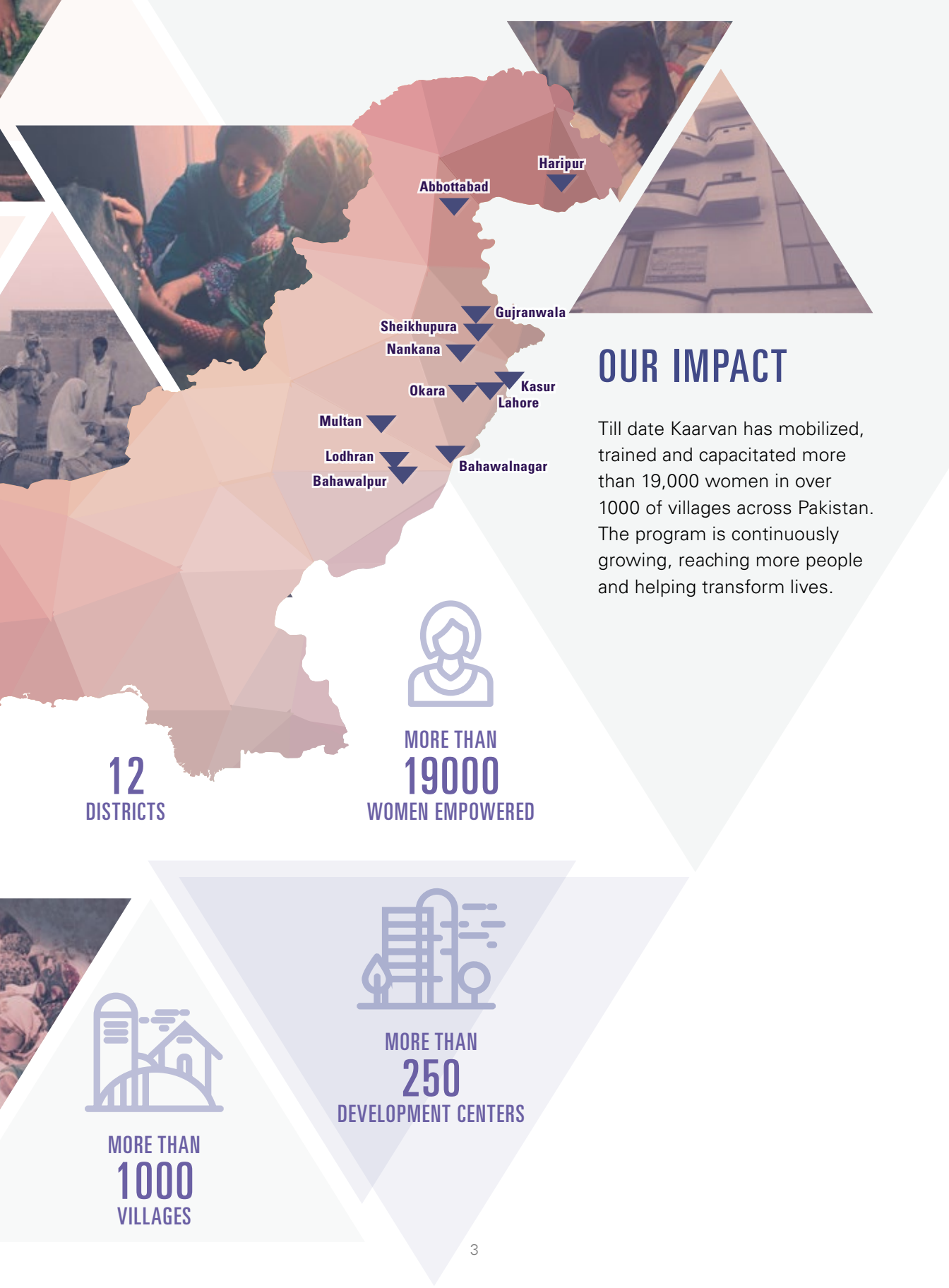


OUR VISION

Every woman has the opportunity to earn a dignified livelihood.

OUR MISSION

To create opportunities for income generation among women in poor communities, by strengthening their skills, business capacities and market linkages. Economic capacities, that enables an individual to contribute to self-development, family and community.



OUR IMPACT

Till date Kaarvan has mobilized, trained and capacitated more than 19,000 women in over 1000 of villages across Pakistan. The program is continuously growing, reaching more people and helping transform lives.

12
DISTRICTS


**MORE THAN
19000**
WOMEN EMPOWERED



**MORE THAN
1000**
VILLAGES



**MORE THAN
250**
DEVELOPMENT CENTERS



CHAIRMAN'S MESSAGE

Kaarvan's journey of passion and commitment to social equity continues. The Foundation delivered landmark results in the year under review, by not only contributing to national skill development, but also by connecting Pakistani women to the market economy in a meaningful way, thereby ensuring that they get empowered through a comprehensive process of learning production and entrepreneurial skills. More importantly, Kaarvan is creating a visible impact at the grass root level by positively touching lives of women from marginalized communities in the relatively underdeveloped pockets of the country. The real life stories of Kaarvan is about women empowerment, about human rights and about the struggle of women in a leadership role to take their families and future generations towards upward economic mobility. These stories are both touching and

encouraging at the same time, since they depict the difference that can be created if social innovation is managed professionally.

As an institution, KCF over the years has grown and matured immensely with the goal being to think global while acting locally. The endeavor has been to manage all operational & management affairs, professionally, ethically, transparently and in compliance to the corporate governance principles. This has paid dividends as it gave confidence to our local and foreign partners to enhance their relationship with Kaarvan, the results of which are clearly reflected in the financials of 2017. The Board — unique in being comprised of all independent directors who draw no perks or remuneration — performed its role and responsibilities very well for the overall management and supervision of the affairs of the Foundation, and remained duly cognizant of its fiduciary responsibilities. In addition to this, during the year under review, the Board also continued to monitor financial results on

a quarterly basis. Going forward, we remain committed towards an on-going development of the Board in terms of efficiency and performance. It is important to highlight the key role played by the committees (Audit/ Finance Committee and Human Resource and Remuneration Committee) in underscoring and directing towards areas of improvements and recommending practical solutions.

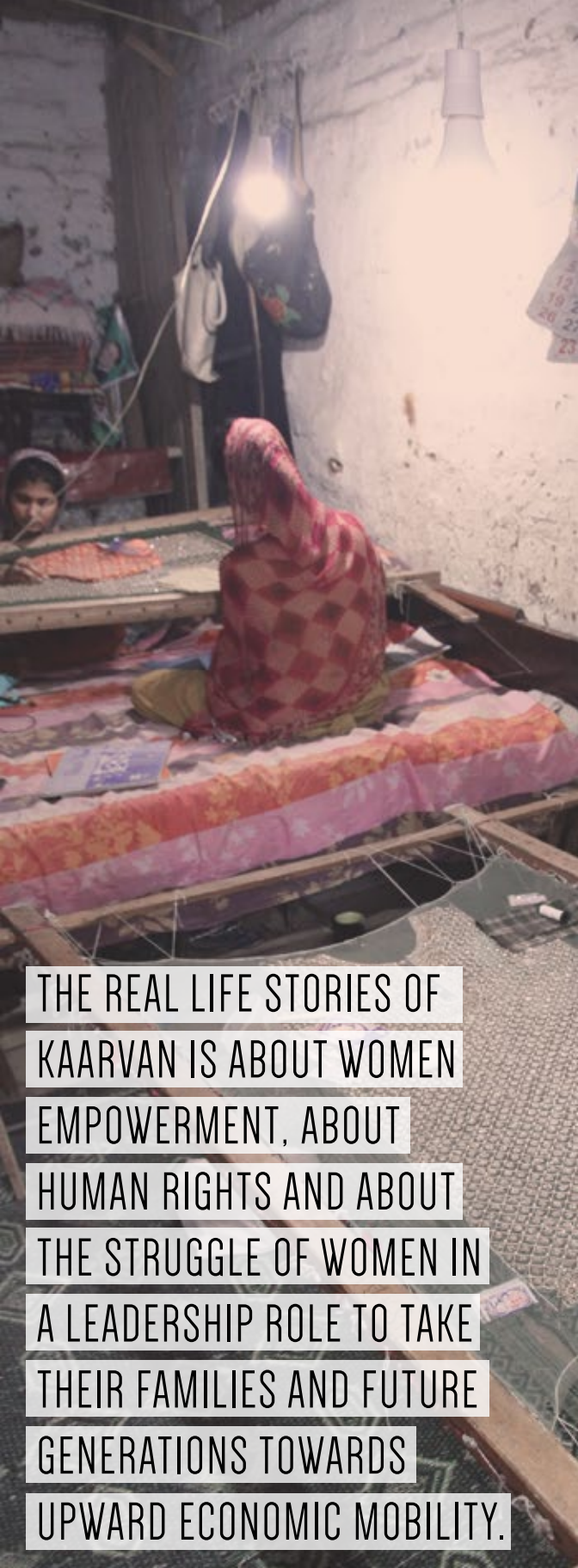
Looking ahead, the Foundation aims to build on its current position by expanding our team of training professionals and increasing our outreach to even more remote areas of Pakistan. The relationship with our local and foreign partners will be strengthened so that available resources can be increased for a higher impact in 2018. We will ensure continuity in imparting an even more improved level of skills and in further enhancing our connectivity with the Pakistani women in order to empower them, both economically and socially — all this while complying with best governance practices.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all our stakeholders and partners for their continued support, trust and encouragement and place on record our deep appreciation of the valuable services rendered by the employees of the Foundation. I also acknowledge the commitment and diligence of my fellow directors during the year under review and thank our CEO and his Executive Team for their truly exceptional efforts. Look forward to another successful year for Kaarvan in 2018, InshaAllah!

Kamal Monnoo

Chairman Board of Directors

Kaarvan Crafts Foundation



THE REAL LIFE STORIES OF
KAARVAN IS ABOUT WOMEN
EMPOWERMENT, ABOUT
HUMAN RIGHTS AND ABOUT
THE STRUGGLE OF WOMEN IN
A LEADERSHIP ROLE TO TAKE
THEIR FAMILIES AND FUTURE
GENERATIONS TOWARDS
UPWARD ECONOMIC MOBILITY.



CEO'S MESSAGE

Dear Friends,

This year, has been truly exiting for Kaarvan as we expanded the domain of development and education. Moving towards a Collective Commons Movement that is truly collaborative and working with whole array of stakeholders, institutions and non-profits organizations to create a more inclusive space where men and women stand side by side as equal participants — without one group trying to dominate or control the other. Kaarvan believes in inclusivity for all, particularly for the women from marginalized low-income communities across Pakistan. The idea is to inspire a movement towards sustainable change that keeps women at the heart of development.

With Our Theory of Change framework at the core Kaarvan has developed a holistic developmental approach that caters to both human dignity and individual integrity — to multiple aspects of a person that

include physical, intellectual, aesthetic and spiritual life. Kaarvan creates a circle of care with all the people it engages with. Blurring the boundaries of othering and compartmentalization by humbly engaging with people through deep listening, asking questions, being present and being non-judging.

By end of 2017, several collaborations, project initiatives, market linkages programs, digital literacy trainings and digital portal are set in motion. On going partnerships with British Asian Trust, CERP and Punjab Skills Development Fund are building on top of previous learnings of skills training services and market linkage interventions. Through evidence based operations research and learning sharing platform we hope to increase labor force participation, earnings and women empowerment.

2017 has also been a year of new beginnings as Kaarvan expanded its realm into women's work in home-based livestock care. Training that touches upon creating healthy living

environment, healthy food source that eventually translates into healthier individual and community life. Not to mention breaking new ground in the domain of human rights and personal growth through interactive workshops using the medium of art and design to reflect & take action on how are we participating in the world as individuals. Discussing the impact of individual thoughts, behaviors and every act or lack of acts that creates the society, the system and the world we live in.

I am truly humbled by all that we have achieved thus far thanks to the relentless passion and dedication of the team, our partners and you — the people! Nothing is possible without the support of you, the public. Thanks to everyone's commitment, Kaarvan has touched the lives of 19,000 women in over 1000 of villages across Pakistan. The program is gaining momentum, creating critical mass and slowly but surely transforming lives.

Come, collaborative with us and bring about positive change and a culture of peace.

Danish Khan
Chief Executive Officer
Kaarvan Crafts Foundation



THE IDEA IS TO INSPIRE A MOVEMENT
TOWARDS SUSTAINABLE CHANGE
THAT KEEPS WOMEN AT THE HEART
OF DEVELOPMENT.



OUR PARTNERS



Center for Economic Research Pakistan (CERP) is an impact evaluation-focused research center that informs development policy and practice through rigorous socio-economic research. In 2015 Kaarvan partnered with CERP to develop pioneering market linkages model for rural women.



Mennonite Economic Development Association (MEDA), an international development agency, partnered with Kaarvan in 2008 to run a project in Punjab and KPK, whereby women from low-income, under privileged areas would be capacitated to become economic actors.



Crescent Textile Mills (Crestex) is a vertically integrated composite textile unit, and engaged in supreme quality manufacturing of yarn, greige/processed fabrics, home textile, and institutional garments. Being one of the largest exporters of home textiles in Pakistan, Crestex partner with Kaarvan to extend its reach to the rural villages. And also further develop hand embroidery designs with the local female artisans.



HomeNet South Asia, an organization working for home-based workers partnered with Kaarvan in 2012 to train 200 women as micro-entrepreneurs in a yearlong project.



Pakistan Centre for Philanthropy is a non-profit organization partnered with Kaarvan for social development in Pakistan.



City & Guilds is a global leader in skills development. Provide accreditation, qualifications and consultancy on skills to Kaarvan — helping the organization move in positive direction.



BRITISH ASIAN TRUST
TRANSFORMING LIVES TOGETHER

The British Asian Trust, a premier development organization in the UK was founded by HRH The Prince of Wales, identified Kaarvan Crafts Foundation as a 'High Impact Organization' in 2014. Since then a strategic partnership has been established where CEO, Danish Jabbar Khan accompanied Kalsoom Tahira, a woman with a daring heart who overcame socio economic hardships of life and become embodiment of Kaarvan's values to her community — to London to attend His Royal Highness (HRH) Prince of Wales at his British Asian Trust's Annual Dinner 2017. A sustained collaboration where CEO Richard Hawkes and Trustee Asif Ansari visited Kaarvan Head Office and Training Centers — discussed institutional capacity building strategies of bringing about positive change both individually and systemically.



The Department for International Development is a United Kingdom government department financially aids Kaarvan's social projects in mobilizing, training and empowering rural communities located in remote villages of Punjab and Khyber Pakhtunkhwa.



Kaarvan has formed a strategic partnership with Punjab Skills Development Fund (PSDF), a semi-governmental organization that is working towards the Punjab Growth Strategy by providing skills training services all over the province. As an implementation partner Kaarvan contributes to policy formation regarding field practices of community building and skill services.



KALSOOM TAHIRA

a daring heart

Born in a small village near Sialkot. My family consists of eight brothers and sisters. Growing up I watched my father working tirelessly to support our family. It was not an easy job for him. Balancing the needs of a huge family resulted in quarrels, which could be easily overheard through the thin walls of our rooms. In such living I slowly found refuge in school life, a place where I could temporarily distract myself from the reality of our situation. As I matured I became aware about the concept of freedom and began to shift traditional attitudes and beliefs of family members. I stood up for myself against my father's wishes. Was amazed that things actually changed!

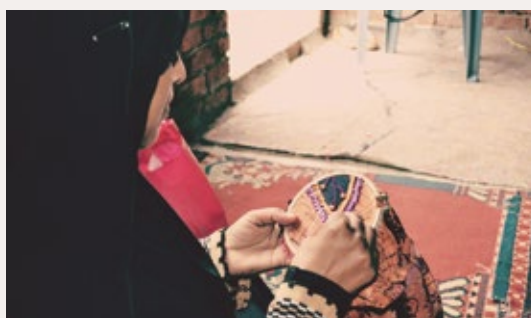
I was the only girl in my community to complete matriculation. This determination took me ahead in life I completed by FA and pursued my dream of helping others

by becoming a teacher. I received a monthly income of 300 Rupees of which I saved 100 every month. From these saving I was able to bare all the expenses of my elder brother's wedding. And assisted my father financially for my younger sister's wedding also. During preparations for my sister weddings, a rishta for me came as well. So, two weddings were about to take place simultaneously. This upset the to-be-in laws who were not prepared to have two weddings on the same day. But we bound by financial limitations and couldn't afford weddings on two separate days. This resulted in the wedding being called off and on again multiple times. After series of back and forth discussion and apologies, I yielded accepting the marriage proposal for the sake of my other sibling's future. Hopeful, that all would turn out for the best. Sadly I could not have been more wrong my wedding day was ruined by family disputes and the new chapter of my life started with curses.

I couldn't understand anything, the reluctance, the lashing and permitting again. Rather than supporting me, my husband used to manhandle and chasten me in front of his family. There came a time when I was not even allowed to talk to my parents. The abuses and substantial ill treatment affected me psychologically. I started to feel abnormal. On June 7th, 2007, I found out that I was pregnant, and right away it lit a hope of redemption in my world.

But what could I say, hopes are just hopes. On the 18th of June, out of the blue, my in-laws kicked me out of their home on a minor issue. After returning to my parent's home, my health deteriorated. Under the love and care of my parents I slowly recovered. However, my husband did not leave in peace for long. Throughout the pregnancy period, there were many conflicts that resulted in moving in and out of maternal home.

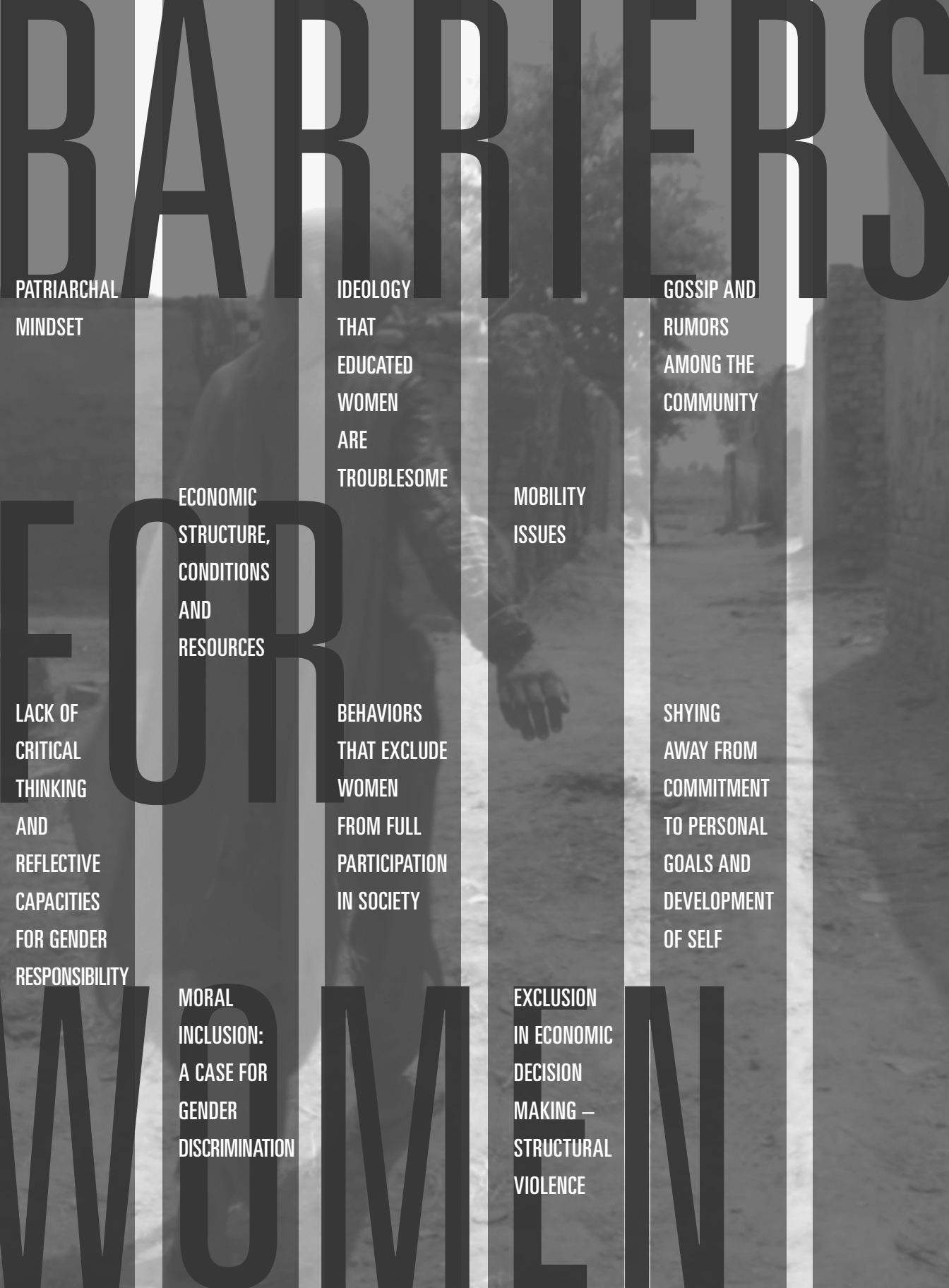
On the 26th of December 2007, my baby was about to see the world. Time went by, and now my baby was about four months old and I couldn't wait for his father anymore, so I began the divorce process. It was during this time I came across Kaarvan Crafts Foundation and enrolled in their Skills for Market program. I am extremely grateful to Allah was this opportunity and being connected with such a humble group of individuals. Kaarvan acknowledged my hard work and passion, I was given the opportunity to travel to London and share my experience with Prince Charles. Of course, I was nervous who wouldn't be...but I mustered up the courage and took the leap of faith. I spoke about my life before Kaarvan and how it changed after I got joined Kaarvan. I was asked various questions



and I addressed them all with confidence, which Ms. Angina translated. If only I could speak English, I know I would have conquered the stage.

Now, I have opened my own mini training center at home. Like Kaarvan I hope to bring about positive change in lives of fellow female neighbors. So, that they too can become self-sufficient and exercise decision making in their household.

It is women like Kalsoom, pushing cultural boundaries and standing up for their rights that make us believe in what we do. Kalsoom has embodied the inspiration to do, the will move forward and most importantly, the change that she wants to see in the world.



PATRIARCHAL
MINDSET

IDEOLOGY
THAT
EDUCATED
WOMEN
ARE
TROUBLESOME

GOSSIP AND
RUMORS
AMONG THE
COMMUNITY

ECONOMIC
STRUCTURE,
CONDITIONS
AND
RESOURCES

MOBILITY
ISSUES

LACK OF
CRITICAL
THINKING
AND
REFLECTIVE
CAPACITIES
FOR GENDER
RESPONSIBILITY

BEHAVIORS
THAT EXCLUDE
WOMEN
FROM FULL
PARTICIPATION
IN SOCIETY

SHYING
AWAY FROM
COMMITMENT
TO PERSONAL
GOALS AND
DEVELOPMENT
OF SELF

MORAL
INCLUSION:
A CASE FOR
GENDER
DISCRIMINATION

EXCLUSION
IN ECONOMIC
DECISION
MAKING —
STRUCTURAL
VIOLENCE

WOMEN IN PAKISTAN: THE GENDER DIVIDE

In 2017, Pakistan was ranked 143 out of 144 countries, according to the World Economic Forum's Global Gender Gap Report. These global rankings evaluate the national characteristics of a country through analyzing various social, economic and political factors to see how the gender dynamic is established. Pakistan, scorecard on gender is quite unbecoming.

Why is it like this? Well, the institutional and structural provisions for women to live their lives are non-existent, and there is a dearth of basic freedoms for women across the country. With cultural patriarchy still largely dictating the narrative of gender, women are considered beings of the private (of the chaar-diwari). This dichotomy of gender has transformed into the hierarchy of gender, whereby women are often considered subordinate to the male gender. Thus, women face an increasingly hostile environment, where their basic right to life is often disregarded and marginalized using tradition, religion and social norms as an excuse.

There is a drift of change. Yes, Pakistan falls quite low on the gender index. Yes, there is much that we need to do in terms of the way the gender dynamic is set up in Pakistan. In this time period of connectivity

with mass media broadcasts, there is growing awareness of rights — more and more women are standing up for their basic freedoms. It is this will power; this drive, that is reconfiguring the debate on gender roles and re-writing the discourse on the gender paradigm to ensure that men and women work side by side as equals.

And while the gender divide is across multiple areas, Kaarvan mainly focuses on building individual economic capacities and opportunities. The reason for this focus? We believe that the economic emancipation of women is a viable

pathway to the empowerment of women in terms of capacitating them to understand their needs better and demand their rights from those around them. Our Theory of Change - centered around the belief that education,

enablement and empowerment is the solid foundation of economic justice and gender justice as it provides opportunities for wellbeing and dignity on a gender-equal basis.

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GENDER GAP REPORT

KAARVAN MAINLY
FOCUSES ON
BUILDING
INDIVIDUAL
ECONOMIC
CAPACITIES AND
OPPORTUNITIES.



1 EDUCATE
IN LIFE SKILLS



2 ENABLE
TO EARN



3 EMPOWER
TO DECIDE

OUR THEORY OF CHANGE

Over the course of our work and our internal findings, we were able to design a theory of change directed at the needs of the rural population. This ground-up approach to building a theory of change has allowed for our work to become viable in multiple aspects. Not only are we far more suited to operate within the paradigm of development, we are able to run a needs-based call to action that creates the change that we need the most, thereby ensuring sustainability and longevity. Our theory of change is as follows:

Change begins with self — ability to develop one's mind, body and spirit. Kaarvan offer opportunities to develop life skills that range from technical skills, learning how to read, write to understand basic financial transactions. The education process becomes the first step towards empowering these women as it prepares them with a wide skill set that can be employed for economic gains.

And while training in, and learning of, these new skills is important; it is not enough. These women come from a reality that has not enabled them to learn how to capitalize on their skills and talent. Developing that talent is essential in making them productive. The enabling of these women to step out and use their skills to create economic benefit is key in our Theory of Change. This stage of enabling involves allowing these women to understand the market and carve out niches within the market through the help of local sales agents. Through various market linkages and training activities, these women are able to create market quality products and generate their income.

The ultimate empowerment of these women is to step up and take charge of their own futures. With the training that they employ to earn for themselves and their families, these women are able to become decision makers. The importance of being able to project their demands, get their say and decide, not just for themselves, but for their families, is key in making these women an equal participating member of their communities and society at large. Once these women can stand up for what they believe in, it is only then can they become truly empowered.

WOMEN AND THE ECONOMY

EMPOWERING INDIVIDUALS

EMPOWERING COMMUNITIES

Pakistan is home to 207 million people and is the sixth most populous country in the world. This makes us one of the largest human resources in the world. Our men and women have proved, time and again, that they can achieve anything that they put their minds to. However, the numbers don't always translate into reality.

207 million people



So where are we going wrong?

Of the 207 million people currently residing in Pakistan, 48.76% make up the female population. According to recent labour force survey in Pakistan 24% women are working, out of which 12% reside in urban areas. In Pakistan female labour force participation is still well below levels as opposed to other countries, in spite of the steady growth occurring in past 2 decades. With 25% of Pakistani women welding a university degree work outside the home illustrates how the labour force participation is low even among women with a high level of education. This lack of women's labour force participation leads to missed opportunities and loss of productivity. Women are mostly found working in sectors like domestic work, home-based work, agricultural work, garment factories — gendered workspace with dismal protection. There is plethora of socio-cultural barriers that hinder women's opportunities such as mobility, education and skills to participate in the workforce on an equal footing. Additionally, research indicates that there is inadequate data regarding women's unpaid work, which may also impact their motivation to participate in the labour force.


At the moment Pakistan has the lowest rate of female entrepreneurship in the world, with only 1% of female entrepreneurs compared to 21% of male entrepreneurs. One of the biggest hurdles women face in pursuing entrepreneurial activities is access to viable economic opportunities.

Not to mention a lack of awareness of their basic rights leads to being oppressed by masculinities, gender biased inequalities and harassment in the indoor/outdoor spheres of life. Gender bias also slinks in the employer–employee relationship in exploitative ways. All these factors diminish an individual's sense of power, of ownership to create their own lives. A sealing off process begins — locking away of one's self-confidence, courage to pursue personal dreams and the will to speak and raise voice for obtaining and enjoying basic human rights which the law, the justice system internationally and locally have decreed for them.

Wait, there is hope...

Our local research showed that after just three months of vocational training and employment for economic gains, within six months, more than 51% of the women were investing more into the lives of their children. This means that within six months, more than half of the families were benefitting from the economic earnings of their female members. While this research is localized and time-bound, it shows the difference that small scale grass-root level change can bring.

Women in the work force play a pivotal role in giving back not only to their family but also to their community.

A group of women wearing hijabs are seated around a large wooden table, working on large sheets of yellowish paper. They are using pens and pencils, and some are looking at the papers while others are writing. The scene is brightly lit, suggesting an indoor setting with large windows. The women are dressed in traditional attire, including hijabs and long-sleeved tops. The papers they are working on are large and yellowish, possibly recycled or aged paper. The overall atmosphere is one of collaborative work and learning.

**Convention on the Elimination
of All Forms of Discrimination
Against Women (CEDAW)**

**The National Policy for Women's
Development and Empowerment**

The New Growth Framework

Beijing Platform for Action

Punjab Growth Strategy

Implementing **SDG 5
on the ground level**

PUTTING WOMEN FIRST: THINKING GLOBAL, ACTING LOCAL

Kaarvan strives to bring women at the heart of development. In this regard Pakistan has embraced a number of key international commitments regarding gender equality and women's human rights such as the Beijing Platform for Action, the CEDAW, and SDGs. In undertaking of Article 25 of the 1973 Constitution of Pakistan that guarantees equal rights to all citizens without discrimination between men and women — the Government of Pakistan has adopted policy documents such as the New Growth Framework, Poverty Reduction Strategy Papers (2001, 2003), the National Policy for Women's Development and Empowerment (2000) and most importantly Punjab Growth Strategy 2014-2018 to empower women.

The drive to change, the passion to transform and the urge to evolve has guided us, and directed our journey through a great many adventures. More than 10 years ago, the organization began with a vision of empowering women and creating better livelihood opportunities for the rural areas of Pakistan. Today, we stand at a precipice. Not only are global tides changing, there is a budding local evolution: people are more invested in our vision and mission, more invested in grass-roots level change, and most importantly, the public is ready. The people are ready — for better lives, for better opportunities, for a better future.

And we can't be more excited at being part of this change.

Kaarvan fully embodies its Persian name, which means in the pursuit of people — in pursuit for justice. A group of change makers decided to build and establish an organization working for the economic empowerment of women. There was a sense of excitement, but also a sense of impossibility. Developmental work is road under construction, our mission was still being established, the team in the process of being built; but it was always understood that no matter what, this organization had to stand for those who were being oppressed time and time again. It is this perseverance, this culture of embracing strength even in the toughest of times, which has brought Kaarvan to where it is today.

Today, we stand in the middle of a tide that is changing our world. It is our responsibility, not just as an NGO or a social enterprise, but as members of this community, adherents of this society, and civilians of this country, to guide this tide and make it beneficial for everyone. And it is this responsibility that we choose to fulfill through our work. Kaarvan has become a household name among our target audience; the women in the under privileged areas where we work now associate our organization with better lives and a chance to unlock opportunities.

The organization not only guides these women on how to take ownership of their lives, we also take an active part in shaping the way development progresses. Thus,

IMPLEMENTING SDG 5 ON THE GROUND LEVEL IN PAKISTAN.

Kaarvan is working towards implementing (Sustainable Development Goals) SDG 5 on the ground level in Pakistan. Understanding the impact of gender and its effects on society at large. In order to unpack gender factor and its ramifications for women's role in development, Kaarvan has developed a holistic practice of learning from on the ground challenges present in rural areas as well as investigating interconnected topics of feminism, patriarchy, masculinity, femininity, class, and social inequalities.

We are establishing a new reflective and emergent practice that shape-shifts based on new learnings – an openness to change. Over the last year, Kaarvan has established, nurtured and cemented various strategic partnerships with organizations, both local and international, to ensure that our involvement in the development sector is both as an implementer and as a policy advocate. The idea is to join the global; with our mission, vision and manifesto guiding us, we aim to become a force to be reckoned with for gender empowerment and equality. Thus, our call to action is outward looking; it is deliberately focused on putting Pakistan on the world map in terms of practicing and implementing sustainable development.

A STEP TOWARDS COLLECTIVE MOVEMENT

Today, the organization is an elastic change-maker that creates a lasting impact on the grass-roots level. With our work spanning across local and international development networks through the help and guidance of our partners, we have been able to become a dynamic organization that is helping the global agenda become local, become relevant.

INCREASING THE STAKES:
INWARD TO OUTWARD

STRENGTHENING THE MANDATE:
PROJECTS TO PROGRAM

THE EVOLUTION:
CRAFTS TO CRAFTING
LIVELIHOODS

THE COLLECTIVE MOVEMENT

Being identified as a “High Impact Organization” by the British Asian Trust (BAT) enabled Kaarvan to join the international conversation of development. With BAT’s international support alongside with local and national partners’ encouragement — a gender responsive movement was born.

This Movement is an internal advancement of Kaarvan from a small-scale impact maker into a dynamic organization that operates with a strategic focus on long-term systemic change. To become this, we focused on the three pivotal areas detailed below.



The Evolution: Crafts to Crafting Livelihoods

When the organization began, the main area of focus was local crafts; women were encouraged to become a part of the crafts economy, and learn skills around how to develop and produce local crafts. However, there was always an internal acknowledgement that it is not just local crafts that we are teaching these women. Our teachings and trainings were always more focused on human development; we train our women to understand how markets function and how they can become economic responsible citizens. Creating this inclusive environment, where women can become empowered members of their communities leads to a wave of change that affects the very fabric of our society. This is what we termed Crafting Livelihoods. Thus, a major part of the movement came into being — to craft dignified livelihood opportunities for the most vulnerable section of women.



Strengthening the Mandate: Projects to Program

We have moved from a local perspective to a more global approach. Also a shift from a projects based approach to a program based approach. Throughout our history, Kaarvan has partnered with various organizations to run time bound projects with a limited scope in terms of outputs and outcomes. However, never have we let the boundaries of a project limit us in the change that we try to inspire in our women. For this very reason, we have progressed towards a more program-based approach. We decided that while external projects were ideal to create small pockets of effective social change, our program based initiatives would enable a large scale social move towards change. And thus, the organizational shift came about.

Increasing the Stakes: Inward to Outward

Kaarvan has also widened its outlook to be much more expansive. Previously, much of Kaarvan's activity was based upon an inward approach that created an exclusive nature of the organization. We had a selective operational strategy, which enabled us to be extremely efficient, but relatively closed off. However, with this gender responsive movement, the organization has moved from an inward to an outward approach. One of the major changes in this move has been that we have opened up to our audiences in terms of including all our stakeholders as much as we can. This has made us a more approachable and far more dynamic organization that can function on multiple levels without being isolated in its operations and impact.



A woman wearing a white headscarf and a black and white patterned dress is working on a garment. She is holding a piece of fabric and appears to be sewing or adjusting it. The background shows green foliage and a tree trunk.

ADVANCING THE ECONOMIC EMPOWERMENT OF WOMEN

OUR INTERVENTIONS: HOW WE DO WHAT WE DO

Over the years, our theory of change has been put into practice. This can be seen in the multiple projects being carried out in the rural areas of Pakistan. These interventions are guided projects that aim to deal with issues identified in the various needs based assessments that we run with the help of our partners.



Transforming Lives with The British Asian Trust

The British Asian Trust and Kaarvan have formed a strong strategic partnership in order to unlock the potential of community living in rural areas. This is done by strengthening Kaarvan's core functions such as providing more rigor in research, analysis and dissemination of information by Monitoring & Evaluation and Marketing & Communication departments. Such rigor has built Kaarvan's institutional capacity to handle various projects and run them accountably and transparently has increased greatly. Also, there has also been an increase in self-evaluation, which has paved the way for our organizational evolution.



- Skills for Employability
- Skills for Market
- Skills for Jobs
- Skills for Punjab Growth Strategy

4 PROJECT INITIATIVES



Nurturing a Growth Mindset with Punjab Skills Development Fund

Since 2012 Kaarvan has formed a strategic partnership with Punjab Skills Development Fund (PSDF), a semi-governmental organization that is working towards the Punjab Growth Strategy by providing skills training services all over the province. Over the course of five years, 4 project initiatives have been implemented: Skills for Employability, Skills for Market, Skills for Jobs and Skills for Punjab Growth Strategy. For these projects, Kaarvan is continuously exploring to innovative the traditional business model by being responsive to local needs and providing holistic training that encompasses technical handicraft skills as well as business sense.

Training to inspire change. Where the women can take hold of their life by carving their own local micro-entrepreneur initiatives — crafting a livelihood for themselves, their families and their communities. Working and participating with PSDF on policy level, as an implementation partner developing a sound skill service practice and curriculum.



Learning, Unlocking, Accessing the Market with CERP

The lack of innovative market linkage solutions has been recognised as an important constraint on the effectiveness of vocational training programs by the Government of Punjab, DFID and PSDF. Therefore, Kaarvan is continuously trying to experiment and conceive an innovative market-linkage solution that is cost-effective, scalable and sustainable. In 2015 Kaarvan partnered with Center for Economic Research in Pakistan (CERP) in order to expand the traditional training services provision model. Opportunities to access the apparel industry through increased entrepreneurial and business trainings were provided.

Reaching the Marginalized with HNSA

In 2012, HomeNet South Asia, an organization working for home-based workers partnered with Kaarvan for a yearlong project. Where 200 women were trained and capacitated as micro-entrepreneurs. The yearlong duration helped create a smoother skills transfer processes. Kaarvan has sustained the relationship with these women by connecting back with them every now and then.



Pathways and Pursestrings with MEDA

In 2008, Mennonite Economic Development Association (MEDA), an international development agency, partnered with Kaarvan to run a project in Punjab and KPK, whereby women from low-income, under privileged areas would be capacitated to become economic actors. By end of 2012, the Pathways and Purse strings project ran successfully in over 300 villages across 7 districts. A total of 8184 women were trained and capacitated in this project.



UNDERSTANDING THE CHANGE THROUGH RESEARCH AND ANALYSIS

Over the years, the work that we have done has revolved around educating women in life skills and capacitating them to become effective market participants. For every project we conduct a thorough impact analysis on socio-economic indicators to mark the tangible difference that uptake of skills creates in the life of female artisan, her family and community. Focus group discussions with questionnaires are held with female trainees in order to gauge the change and transformation that occurred in their life before and after training. The findings of these evaluations validate our method — our Theory of Change — educate in life skills, enable to earn and empower to decide — works both for social and economic betterment.

INDICATORS

ECONOMIC

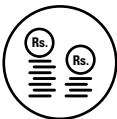


The proportion of women **self-employed** witnessed a significant **increase** from 1% to **22%**.

7 % of the women reported that they were working as **daily wage workers** after 8 months of the trainings and unemployed ratio also decreased from 84% to 64%.



Uptake ratio witnessed a **rise** from 7% to **21%** which suggests that more women are employing vocational skills to create economic opportunities for themselves.



On average, the trainees who are earning an **income** have experienced an **increment of Rs 275**.



15 out of 22 trainees who are earning an income through uptake of skills have witnessed an **increase of Rs 1574** in their **average monthly personal income**.



On average, **7 %** of the total **household income** was being earned by the trainees after 8 months of the training as compared to 3.5% in the baseline.



11 out of 15 **women** earning through the uptake of vocational skills believe that they are **economically better off** post the trainings.

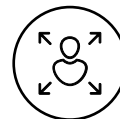
SOCIAL



22% of the women earning reported that they **exercise control** over their economic resources.



60% of the women who did uptake the skills feel that they have a **more decisive role** to play in intra household decisions.



A greater share of women reported **improved mobility** post the trainings.



THIS YEAR IN REVIEW

This year, has been truly exiting for Kaarvan as we expanded the domain of development and education.



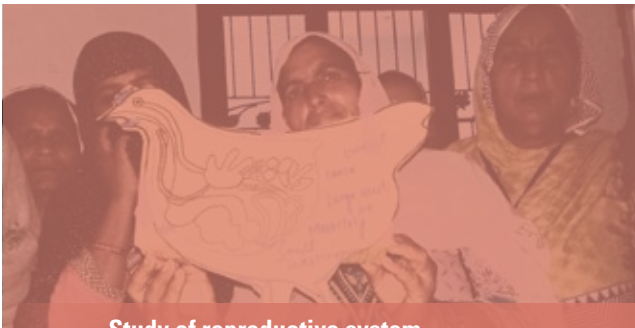
Digitize to Equalize - Opening up opportunities for the Female Artisans

Working to building on top of previous learnings of skills training services and market linkage interventions. Through evidence based operations research and learning platform we hope to increase labor force participation, earnings and women empowerment – also reach out to other stakeholders. Enabled by the British Asian Trust, Kaarvan's intervention in collaboration with CERP help identify learnings and influence policy of what works and what does not work towards creating a sustainable market linkage model. This intervention is being undertaken with the home-based female stitchers in Bahawalpur and Bahawalnagar.



Breaking New Ground - Women Work in Livestock Care

This year Kaarvan expanded its life skills training sessions to incorporate home based livestock opportunities. Livestock farming plays an important role in the family based farming system and has been the backbone of a farmer's household economy for years. Training in efficiently utilizing Pakistan local resources, breeds and feedstuffs. Trained female doctors immerse themselves in grassroots fieldwork in the villages of Okara, Kasur and Nankana. Educating best diary and livestock farming practices to 3,038 females.

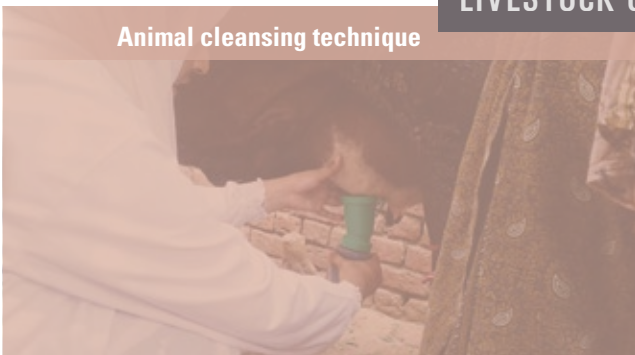


Study of reproductive system



Processing of maize fodder

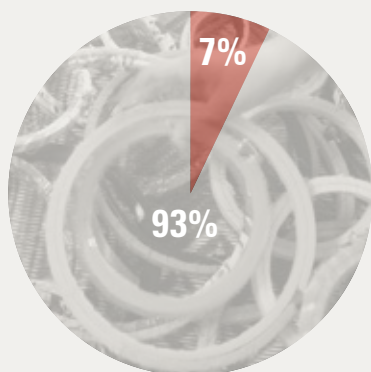
LIVESTOCK CARING SKILLS



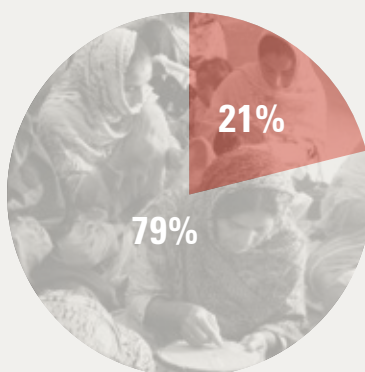
Animal cleansing technique



Lacto-meter reading



**Uptake of Skills
Before Training**



**Uptake of Skills
After Training**

Design for Impact

We strive to educate and foster human capacities. Through the Monitoring, Evaluation and Research department we evaluate the impact — setting pragmatic indicators for project analysis, check-in female trainings, building partnerships with organizations and continuing to evolve the products, services, and experiences we design even after they're out in the world. In 2017, we released our 3rd Impact Evaluation Study empirically elucidating how we are tracking our initiatives as they continue on their steady journey of improved lives, stronger communities, and brighter futures.

TANGIBLE THOUGHT EXPERIMENT

BNU & KAARVAN PARTNER TO DIALOGUE & ENVISION THE OTHER

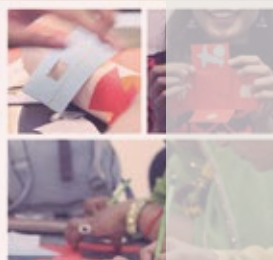


INTRODUCTIONS

**Mairey samne
buhat see
beautiful
ladies baithee
hoyee hein**



**Mairee
nazar
se dekh**



**Imagining
the Other
PHOTO
STUDY**

Envisioning the Other, Celebrating International Rural Women's Day

15th October was the day that Kaarvan owned & celebrated with pride by bringing to front the narrative of rural women empowerment through an integrated campaign. Engaged with the whole community both rural and urban women through series of workshops held at various institutions in Pakistan in order to deconstruct, unlearn and reflect upon our existing ideas of gender. Through workshops defined as 'tangible thought experiments', Kaarvan is hoping to address the problem of "otherness" by engaging in story telling and dialogue in order to better envision/ imagine the reality of "other" people or our rural neighbors. This year, 2017, the workshops were held at LUMS, BNU and KCF Institute.



Bending Gender Rules

Use of art and design to inspire youth to think about culture and its socially embedded gender roles. Future is crafted by youth of today. Therefore, it is necessary that both male and female begin to question how gender is affecting their participation in society. Boys need to question "masculine" modes of life — so called masculine ways of seeing, judging and rewarding. Boys require practicing more empathy and see women as equal to them as human beings. Urban girls should avoid quick judgments, shaming and silencing boys. In October 2017, Kaarvan partnered with Aitchison College in their annual Art Fest used art as medium for creative expression and social awareness regarding gender responsibility. Through the informal set-up of photo-booth and a giant paper scroll spread across the table – the prompt asked participants: if you could bend a gender rule...what would you do? Bend gender rules through honest inquires, open dialogue and thoughtful activities.

A woman wearing a red shawl is looking at a black garment hanging on a rack. The background shows a brick wall and some lights. The text "EXPANDING MARKET PARTICIPATION OF FEMALE ARTISANS" is overlaid on the image.

EXPANDING MARKET PARTICIPATION OF FEMALE ARTISANS



Crescent Textile Mills (Crestex) and Kaarvan Signed Contract to Integrate Women Artisans with Commercial Sector

August, Crescent Textile Mills Limited, one of the oldest and the largest manufacturer and exporter of home textiles in Pakistan, and Kaarvan Crafts Foundation partnered with the aim to integrate industry for perspective market linkages for female artisans all over Pakistan especially those working in remote areas.





PROJECT HOPE

One of the constraints to self-employment for rural women is access to starting capital; without it, women are unable to invest and thus caught in a cycle of poverty. To break this chain, we provided 50 home-bound women facing abject poverty with the tools to start their own businesses. The British Asian Trust provided the funding for the purchase of sewing machines, irons, starter design kits and other equipment. This material was then disseminated among women deserving of Zakat in Gujranwala and Bahawalpur.

This project was titled “Hope” not only because we aspired to give these women hope, but also because their stories of struggle, determination and passion motivate us to hope for a better gender just tomorrow.

Rays of hope enveloped in the stories of these women gift us fresh perspective of how change manifests from self and extends outward to its community.

Mai chahtee hoon kay mai kissi ki muhtaaj na rahoon

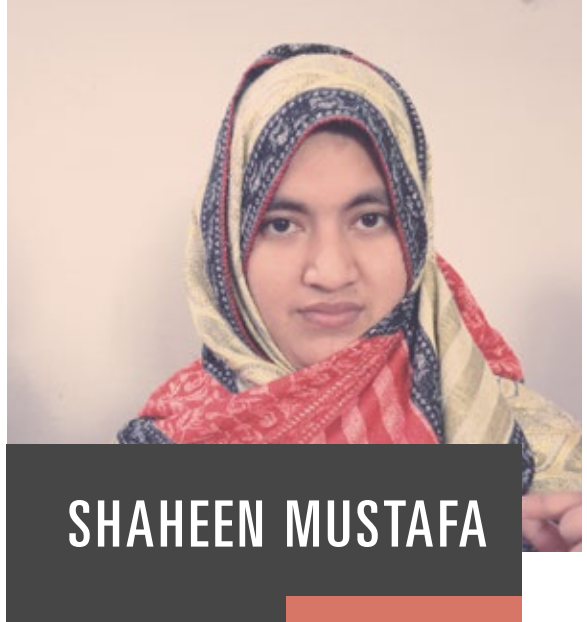


FOZIA SHAKIR

Often months go by and sometimes even more than a year that I don't get to see my husband. He leaves us — me and my three children — with nothing to eat, wear, or spend. During these times, I don't even know about his whereabouts. Is he well? Is he going to come back this time? Is he even alive? These are questions that constantly race my mind as I work as a home-based tailor. Nowadays, he is at home but that has not changed our fate either. Due to a kidney disease, he is unable to work and requires medication that I buy from the money I earn. Not once has this man looked at his children like a father or at us as his family, and yet, he demands I handover all my income to him and fights if I refuse to do so.

Recently, I too was diagnosed with an illness that required an additional expenditure of PKR 6,000 each month. It affected my work but more importantly, it reduced the savings that I can manage to accumulate after the end of each month. I felt frustrated at my helplessness. This feeling of powerlessness, of not being able to change the fate of my children (if not my own) suffocates me.

Morning till night, I stitch men's clothes and earn barely enough to feed my children. Sometimes I stop getting sufficient orders and it worries me how I will make ends meet. Other times, I am too exhausted but have to keep myself working. Although I am physically drained, I know that tomorrow will be better if I keep pushing and doing my best. I aspire to expand my business and start designing women's clothing and I know that one day, with my dedication this dream will become a reality.



They say you can't forget the ghosts of your past. My ghosts haunt me every day. Sometimes in my dreams my mother is protecting me from father as I wake up to the sounds of my own sobs. My father has just come home smelling of drugs, his eyes bloodshot and he starts slapping my little sister because there are lentils for dinner. When I protest and say that lentils is the only food available, he hits me too. I wake up in a sweat, screaming. I see my mother lying next to me, tired from her day work as a maid. I admire her resilience, the strength it took for her to move to the city from village with us — her five children, just to save us from father's wrath. I, the eldest of all my siblings, helped her share this burden. So, I joined a garment factory. As my hands tire from stitching and sewing all day, I yearn to go back to school, to immerse myself in books all day but I can't afford that luxury. My only wish is that my two brothers understand this, but I'm glad my sisters do. But as ghosts never leave, so is also the case with dreams and hope that one day my dream of going back to school will come true.



MUMTAZ ARIF

I remember when I had first joined Kaarvan's Training institute in Bahawalpur. At that time, my three kids and I were living on the upper floor of my brother's house. Just because we were living there however, did not mean it was a free pass. I still had to bear all of my family's expenses. Over time, I thought that I could use my sewing skills and stitch clothes for my neighbors. However even after hours of labor and hard work, I could barely make enough to eat and make sure my kids went to school. This did not deter me. I wanted to open my own boutique and I promised myself, that one day I will. The training from Kaarvan helped turn my life around. I spent the stipend I received for my business to buy material and make embroidered clothes putting the skills of the fashion design into practice. Slowly my work gained popularity, I started selling my dresses to my relative's neighbors using a small room in my house as a place of exhibition. Before I had no idea of what everyone meant when they kept saying the word 'profit.' I just reinvested my money.

I have come a long way. From being a sole earner, I now employ around 20 others. It is surprising how I still do not know how much I actually earn but I keep reinvesting it to make my business grow. Yes, I am super proud of "Mumtaz's Boutique", although it is just a small room in my house that displays my clothes. It is enough to feed my children, school them and buy them decent clothes. Eventually I aim to earn enough to expand my boutique and possibly rent a small apartment for my family.



Going Digital

It is the era of era of technology. Kaarvan is embracing digital literacy on various platforms whether this distilling latest technological learning to rural areas, innovating market linkages via apps/ web portals or conducting quantitative data.

Kaarvan is the process of developing a digital portal where the trainees become micro-entrepreneurs and upload their crafts — take orders, sell, and receive payments from national and international customers through Android Mobile Devices. The idea is to provide them with a digital market linkage and equip them to use technology to expand their avenues to market their products on an accessible forum, as well as multiple external forums.



Encountering New Experiences

Society consists of diverse social groups. Kaarvan's door is open to all who wants to contribute and create a gender-sensitive community. For this Kaarvan tries involve as many interns and volunteers as possible. We expose them to the realities of women's empowerment in Pakistan and, we hope to foster a culture of care, gender sensitivity and civic responsibility in them.

This year we had both international as well as local interns and volunteers who added value to our work by enthusiastically committing themselves to working for women's livelihoods for weeks on end. Their motivation and insight has inspired us and we are looking towards expanding our internship and volunteer program.





ENVISIONING THE FUTURE: STEPS TOWARDS THE COLLECTIVE MOVEMENT

Today any given social issue has a whole array of stakeholders, institutions and non-profits organizations working to find a solution to that social issue. Great! But satisfaction with isolated impact of one agency, or one department, or one voice, while important is not enough. Complex global issues require more collaboration. While the work that Kaarvan is doing has created impactful change all over the Punjab and KPK, there is still much that needs to be done. By localizing SDG

Goal 5 through immersive grassroots operational fieldwork in rural areas.

Kaarvan embraces an integrated holistic developmental approach that caters to both human dignity and integrity of an individual. We must honor the sacredness of human life — dignity. Also be steadfast to integrity — to multiple aspects of a person that include physical, intellectual, aesthetic and spiritual life.

We do this by spreading an ethos of doing what's right, not easy. Inspiring, nurturing, building capacity for thoughtful leaders to emerge through provision of life skills to women in rural areas of Pakistan and breaking down cultural binaries through interactive critical thinking activities. Thus, our strategic vision for the upcoming years is working towards a world of collaboration that strives for sustainability, enterprising for change and crafting livelihoods — a gender-responsive future.

Goal Statement

To create opportunities for income generation among women in low-income communities, by strengthening their skills, business capacities and market linkages. At the same time, fostering the growth of a favorable and equitable marketplace.

Targets

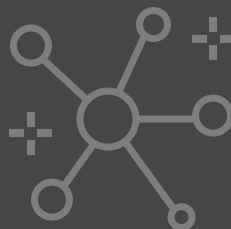
The organization targets for year 2015 – 2020, is to economically empower 10,000 more women in low-income communities through acquisition of value-added skills and training (have the ability to earn a fair livelihood).

EDUCATE: Provide skill-based training for 10,000 women in low-income communities over five years.

ENABLE: To provide enterprise education, advisory and mentorship services geared at increasing the productivity /business yields of 5,000 skilled women in low income communities over a five years.

EMPOWER: To promote access to local/urban markets, engaging 1,000 skilled women in on-going opportunities for wage employment and self-employment and foster the growth of a self-sustainable marketplace inclusive of low income women.

ENABLING ENVIRONMENT: Develop a program-based approach, while building upon long term financial sustainability.



Provide skill-based training to women in low-income communities in female friendly environment

- ▼ Vocational Skills Training + Certification
- ▼ Soft Skills Training
- ▼ Basic Literacy

PROGRAM SERVICE DELIVERY STRATEGY



Increase productivity/ business investment of skilled low-income women

- ▼ Basic business and enterprise education and resource directories
- ▼ Advice and mentorship on product sourcing; design and innovation
- ▼ On-site community mobilizers for field supervision



Build linkages to value-added markets

- ▼ Market exposure visits, exhibition
- ▼ Develop and promote sales agents who serve as go-betweens
- ▼ Negotiations and relationship building with value chain players



Build and sustain a program based approach for long term growth

- ▼ Engage in research and advocacy
- ▼ Strengthen monitoring & evaluation
- ▼ Apply for general purpose funding to strength organizational capacity and pilot new initiatives

OPERATIONAL STRATEGIES

1

Improving financial systems for sustainability

—

To establish an income generation mechanism for Kaarvan within its domain of work while simultaneously diversifying & expanding its funding base for financial sustainability.

2

Enhance administrative capacities and systems

—

To enhance the support services department to manage procurement, administration and logistics functions along with automation to streamline processes in each department.

3

Human capital development

—

To evolve and implement policies related to talent management, staff quality, training etc. to ensure adequate human capital development for improved program service delivery.

4

Showcase impact and business development through Strategic Communication & Learning Sharing Platform

—

To publish external communication documents such as Annual Reports and Newsletters, which increase the outreach of the organization's impact. Additionally, use of marketing tools such as social media, case studies, websites etc. will enhance visibility and engage a more socially conscious audience. Thereby establishing Kaarvan's organizational presence among the development agents both nationally and internationally for collaborative work.

5

Strengthening Monitoring & Evaluation

—

To implement rigorous M&E systems/ monitoring interventions that gather primary data by tracking activities, outputs, evaluate outcome and impact in line with the indicators identified in the logframe based upon the strategic plan of the organization. This is carried out for impact/ program evaluation in order to enhance the quality of program service delivery.

BOARD OF DIRECTORS

Kamal Monnoo

Dr Kamal Monnoo is the Chairman of the Board of Directors of Kaarvan. He is a leading Industrialist & Economic Analyst. With extensive industry experience and exposure, he sits on boards of various corporate and public sector entities. He is serving on the boards of Unilever Pakistan Ltd, Samira Fabrics (Pvt) Limited, Samira Industries (Pvt) Limited, Institute of Public Policy & Islamabad Policy Research Institute (IPRI), among others.

Dr Kamal Monnoo is also the Honorary Consul General for the Czech Republic. He has also authored Understanding WTO (published by Ferozesons, 2011).

Having done his schooling from Aitchison College, Dr Kamal Monnoo holds a Doctorate in Business Administration with graduation from Syracuse and Yale University.

Aysha Saifuddin

Founder CEO of Kaarvan Crafts Foundation, Aysha Saifuddin brings with her immense experience in the field of women empowerment. She started her career in development sector with the aim of helping the poor and needy people. She envisioned opportunities in training and capacity building for the poor and remained active in different initiatives. Aysha felt that organizing women in the low income communities and linking them with the mainstream market required an entity dedicated to that task alone. Since the inception of Kaarvan Crafts Foundation, Aysha has remained an active member providing leadership and advisory as board member.

Ms Aysha Saifuddin completed her undergraduate from Mount Holyoke, USA and Masters from Lahore University of Management Sciences (LUMS).

Salima Hashmi

Salima Hashmi is an artist, curator and contemporary art historian. Professor Hashmi was the founding Dean of the Mariam Dawood School of Visual Art and Design at Beaconhouse National University, Lahore. She was Professor of Fine Art at National College of Arts [NCA] Lahore and was also Principal of the College. The Australian Council of Art and Design Schools (ACUADS) nominated her as Inaugural International Fellow, for distinguished service to art and design education in 2011. She was awarded an Honorary Doctorate by Bath Spa University in 2016.

She is Council member of the Human Rights Commission of Pakistan.

Roshaneh Zafar

Ms. Zafar is the Founder and Managing Director of Kashf Foundation. She holds a Masters degree in International Development from Yale University and BSc Degree in Finance from the Wharton Business School, University of Pennsylvania in the United States. Roshaneh has a wide range of development experience; she started her career with the World Bank and then went on to set up Kashf Foundation. Ms. Zafar has won many awards and recognitions for her contributions to the field of social entrepreneurship and women's development.

Saleem Sethi

Mr Saleem Sethi is a Retired Civil Servant, Government of Pakistan with over 35 years of progressive experience in policy formulation and implementation. During these long years of public service, he has held diverse positions managing finance, administration and human resource development at different tiers in the government.

Mr Sethi has served as Secretary Economic Affairs Division under the Ministry of Finance. By virtue of the position was the Alternate Governor of ADB and the WB. He represented the Government at various national and international economic forums.

He has also served as Senior Advisor to Executive Director (ED) at the Executive Board, International Monetary Fund (IMF) Washington DC. He holds a Masters in Development Administration from Western Michigan University (WMU) Michigan, USA and a Diploma in Public Finance, focus on 'Budgeting in Public Sector', Kennedy School of Government, (HIID) Harvard University, USA.

Mr Sethi is currently doing versified translation of Masnavi of Moulana Rumi from Persian to Urdu.

Fareeha Baqir

Ms. Fareeha Baqir has been a force in the educational sector of Pakistan. Her education includes a Masters in Education and her time abroad at the University of Arkansas and Trenton State College have made her a pioneer in understanding how the world works. With her time as the principal at the Lahore American School, and currently serving as the Principal at Lahore Grammar School, Ms. Baqir is a force to reckon with. Her direction and guidance to Kaarvan has been crucial in making the organization a high functioning body of change.

Fatima Asad-Said

Fatima Asad-Said is the Executive Director, Human Capital Capital Excellence at Abacus Consulting – a leading management consulting firm in Pakistan. She has extensive experience in the areas of change management, organizational structuring, corporate governance and Human Capital Development through strategic and project management positions. She has worked with national and international clientele in private and public sectors and has advised business managers, leaders as well as boards in development of organizational strategies that effectively integrate human capital practices with long-term strategic business plans and capacity building. She also is a member of various HR Board Committees of leading organizations, and serves as advisor to international associations and entrepreneurial ventures.

Ms Fatima Asad-Said is an MBA from Lahore University of Management Sciences (LUMS) and currently serves as the President of LUMS Alumni Association.

Rabia Khan

A multidimensional development professional having sound exposure and experience in women empowerment. Ms Rabia Khan, an active Board member with Kaarvan Crafts Foundation has reviewed and audited different projects and initiatives related to women empowerment. She has a track record in handling projects with a results-based

management approach and is an expert in undertaking short-term research activities as well. She has worked in different capacities with various development sector organizations including Sungi Development Foundation, Aahung, Kashf Foundation and Delta Education Trust.

Ms Rabia Khan holds a degree in law, LLB as well as Masters of Public Management from Carnegie Mellon University.

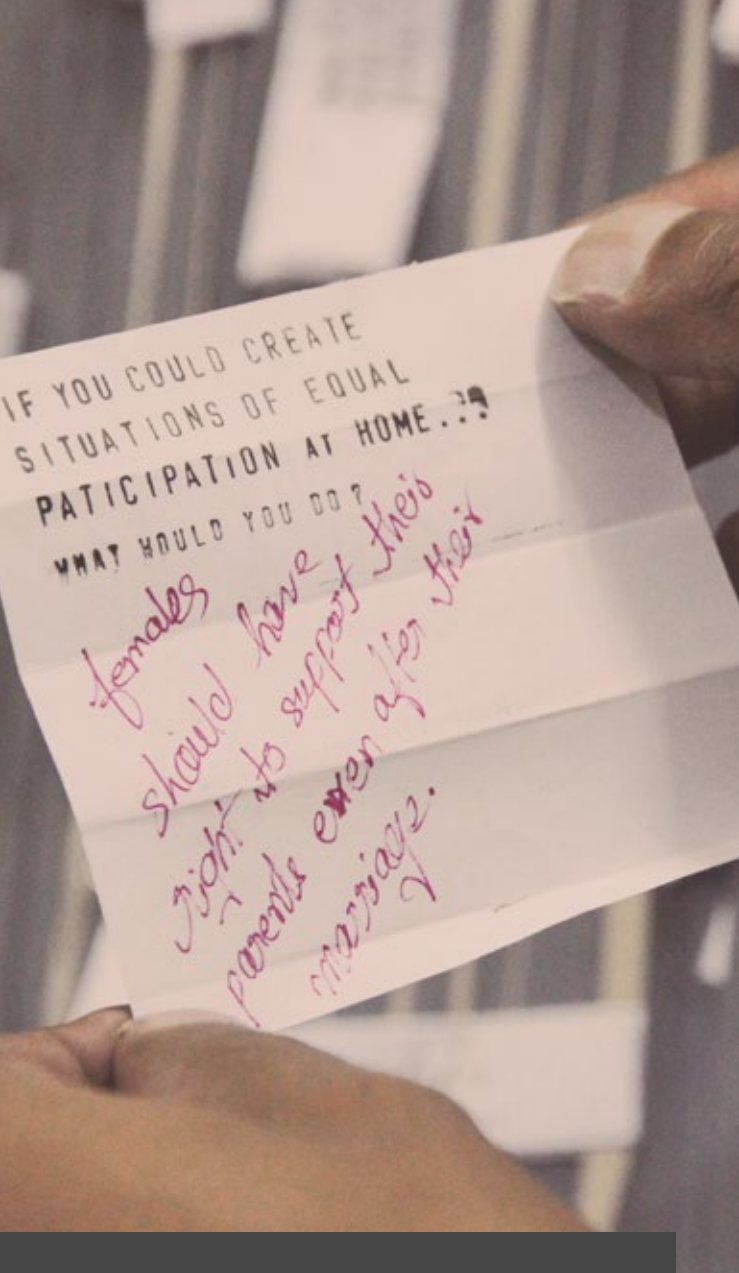
Zia Uddin Syed

Zia Uddin Syed joins the board with an experience in finance that spans over many years. His current work with Kansai Paint as their Chief Financial Officer, and his previous work with ICI, Azko Nobel make him a great fit in terms of making Kaarvan a more financially robust organization.

Razia Monnoo

Razia Monnoo holds an LLB Honours degree from the School of Law of University of Manchester, England and is a Barrister-at-Law. She was called to the bar of England & Wales from Lincoln's Inn in 2013. At present she is High Court Advocate working as an associate Hassan Qureshi and Mamdot Advocates and Legal consultants. She is also a visiting lecturer at the Nadira Hassan Law Department of Kinnaird College, Lahore.





Finance Committee

The finance committee comprises of the following Board Members:

Dr. Kamal Monnoo

Mr. Zia Uddin Syed

Ms. Roshaneh Zafar

Ms. Aysha Saifuddin

Human Resources Committee

The HR committee comprises of the following Board Members:

Ms. Rabia Khan

Ms. Fatima-Asad Said

Ms. Aysha Saifuddin

Ms. Fareeha Baqir

Mr. Danish Khan

COMPANY INFORMATION

Kaarvan Crafts Foundation is registered under section 32 and licensed under section 42 of the Companies Ordinance, 1984. Has established a culture of transparency evident in our practices and social projects.

Registered Head Office

137 -1, C Block, Model Town, Lahore, Pakistan

T: +92 42 35857485

External Auditors

Grant Thornton Anjum Rahman (GTAR)

1-Inter Floor Eden Center 43 Jail Road

Lahore

T: +92 (42) 37423621-23, 37422987-88

F: +92 (41) 37425485

E: iafzal@gtpak.com

Tax Consultants

Salman Arshad Chartered Accountants

561 G Block, Johar Town, Lahore

T: +92 (42) 35240628

E: salman@salmanarshad.com

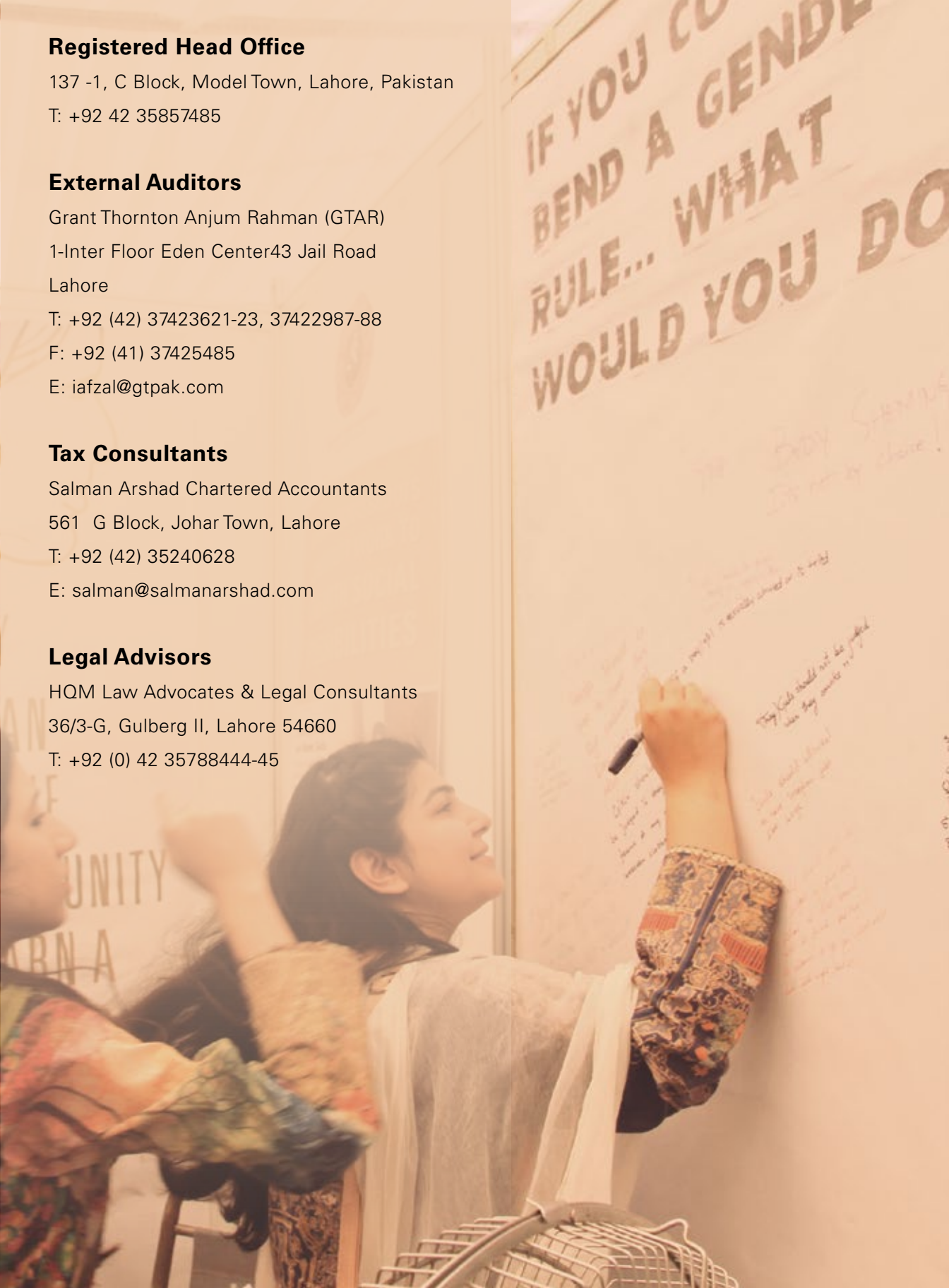
Legal Advisors

HQM Law Advocates & Legal Consultants

36/3-G, Gulberg II, Lahore 54660

T: +92 (0) 42 35788444-45

IF YOU CO
BEND A GEND
RULE... WHAT
WOULD YOU DO



FINANCIAL STATEMENTS





Grant Thornton

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Grant Thornton Anjum Rahman

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F +92 42 37425 485

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Kaarvan Crafts Foundation (the Company)** as at **December 31, 2017** and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund 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;
- 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 comprehensive income, cash flow statement and statement of changes in fund together with the notes forming part thereof conform with 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 December 31, 2017 and of the surplus, total comprehensive income, its cash flows and changes in fund balances 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)

We draw attention towards note 1.2 to the financial statements which states that currently, the Company is in process of reviewing its license under section 42 of the Companies Ordinance, 1984 from the Securities and Exchange Commission of Pakistan. Our opinion is not qualified in respect of this matter.

Grant Thornton Anjum Rahman
CHARTERED ACCOUNTANTS

Engagement Partner: Imran Afzal

Lahore

Dated: April 24, 2018

FINANCIAL STATEMENTS

KAARVAN CRAFTS FOUNDATION

(A Company set up under section 42 of the Companies Ordinance, 1984)

Balance sheet

As at December 31, 2017

	Note	2017 (Rupees)	2016 (Rupees)
Assets			
Non-current			
Property and equipment	4	6,768,813	7,814,790
Intangible assets	5	378,087	460,611
Long term security deposits		587,527	389,527
Non-current assets		7,734,427	8,664,928
Current			
Grants receivable	6	30,847,364	4,164,783
Advances, prepayments and other receivables	7	1,165,725	227,996
Advance income tax - net		11,685,521	7,311,276
Short term investments	8	29,000,000	31,000,000
Cash and bank balances	9	17,716,999	735,887
Current assets		90,415,609	43,439,942
Total assets		98,150,036	52,104,870
Equity and liabilities			
Equity			
General Fund	10	80,067,815	48,316,681
Total equity		80,067,815	48,316,681
Liabilities			
Non-current			
Deferred liabilities	11	11,533,815	990,350
Non-current liabilities		11,533,815	990,350
Current			
Trade and other payables	12	6,548,406	2,797,839
Current liabilities		6,548,406	2,797,839
Total liabilities		18,082,221	3,788,189
Total equity and liabilities		98,150,036	52,104,870
Contingencies and commitments	13		

The annexed notes 1 to 27 form an integral part of these financial statements.

Signature

Signature
CHIEF EXECUTIVE OFFICER

Signature
DIRECTOR

KAARVAN CRAFTS FOUNDATION

(A Company set up under section 42 of the Companies Ordinance, 1984)

Income and expenditure account


For the year ended December 31,2017

	Note	2017 (Rupees)	2016 (Rupees)
Grants	14	102,422,301	21,175,356
Other income	15	1,552,492	1,939,224
Total income		103,974,793	23,114,580
Project Expenditure:			
Punjab Skills Development Fund (PSDF)	16 & 17	50,955,989	13,280,108
Other projects expenses	18	11,491,301	10,467,842
		62,447,290	23,747,950
Administrative expenses	19	7,765,163	15,400,529
Other expenses	20	1,211,050	382,706
Surplus / (Deficit) before taxation		32,551,290	(16,416,605)
Provision for taxation	21	800,156	-
Surplus / (Deficit) after taxation		31,751,134	(16,416,605)

The annexed notes 1 to 27 form an integral part of these financial statements.

6/10/17


CHIEF EXECUTIVE OFFICER


DIRECTOR

KAARVAN CRAFTS FOUNDATION

(A Company set up under section 42 of the Companies Ordinance, 1984)

Statement of comprehensive income

For the year ended December 31,2017

	2017 (Rupees)	2016 (Rupees)
(Deficit) / Surplus for the year	31,751,134	(16,416,605)
Other comprehensive income for the year	-	-
Total Surplus / (Deficit) for the year	31,751,134	(16,416,605)

The annexed notes 1 to 27 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER
DIRECTOR

KAARVAN CRAFTS FOUNDATION

(A Company set up under section 42 of the Companies Ordinance, 1984)

Statement of changes in fund balances

For the year ended December 31, 2017

	General fund (Rupees)
Balance as at January 01, 2016	64,733,286
Deficit for the year ended December 31, 2016	(16,416,605)
Balance as at December 31, 2016	48,316,681
Surplus for the year ended December 31, 2017	31,751,134
Balance as at December 31, 2017	80,067,815

The annexed notes 1 to 27 form an integral part of these financial statements.




CHIEF EXECUTIVE OFFICER


DIRECTOR

FINANCIAL STATEMENTS

KAARVAN CRAFTS FOUNDATION

(A Company set up under section 42 of the Companies Ordinance, 1984)

Cash flow statement

For the year ended December 31, 2017

	Note	2017 (Rupees)	2016 (Rupees)
Cash flows from operating activities			
Surplus / (Deficit) for the year		31,751,134	(16,416,605)
Adjustments for non cash items:			
Depreciation	4	1,360,472	1,233,759
Provision for gratuity		833,679	2,850,993
Loss on disposal of property and equipment		1,211,050	377,975
Grant amortization		(11,715,003)	(4,881,765)
Amortisation of intangible assets		140,812	102,635
Operating surplus / (deficit) before working capital changes		23,582,144	(16,733,008)
Working capital changes:			
Change in advances, prepayments, other receivables and grant receivable		(31,994,555)	(2,266,027)
Change in trade and other payables		3,816,599	(4,673,218)
		(28,177,956)	(6,939,245)
Cash used in operations		(4,595,812)	(23,672,253)
Gratuity paid during the year		(899,711)	(1,951,283)
Deferred grant received		22,258,468	5,412,519
Net cash from / (used in) operating activities		16,762,945	(20,211,017)
Cash flows from investing activities			
Proceeds from disposal of property and equipment		1,035,291	-
Purchase of property and equipment		(2,560,836)	(93,906)
Purchase of intangible assets		(58,288)	(563,246)
(Increase) / decrease in long term security deposits		(198,000)	101,223
Investment made in term deposit certificates - net		2,000,000	10,000,000
Net cash generated from investing activities		218,167	9,444,071
Increase / (decrease) in cash and cash equivalents		16,981,112	(10,766,946)
Cash and cash equivalents at the beginning of year		735,887	11,502,833
Cash and cash equivalents at the end of year	9	17,716,999	735,887

The annexed notes 1 to 27 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



Kaarvan Crafts Foundation
Crafting Livelihoods

**LET'S COLLABORATE AND BRING
ABOUT POSITIVE CHANGE TOGETHER**



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