

At a glance

Certificate No: PCP-2005/0045

Registration

The Societies Registration Act, 1860 (Registration No. RP/5655/L/S/96) on 08 October, 1996 in Islamabad

Major Programmes

Provision of micro-credit

Human Resource

Governing Body: 10 members

Chairperson: Mr. Khawar Ansari

Staff Strength: 281 (172 Males, 109 Females)

Area of Operation

Lahore, Gujranwala, Sheikhupura and Kasur

Banks

Soneri Bank Ltd. Lahore

Auditors

Ford Rhodes Sidat Hyder & Co. Chartered Accountants, Lahore

Tax Status

Exempt U/S 2(36) & Clause (58) of the 2nd schedule of the Income Tax Ordinance, 2001

For Information and Donations

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Email: info@kashf.org.pk, Web: www.kashf.org.pk

Mission

To alleviate poverty by providing quality and cost effective micro-finance services to low income households, especially women, to enhance their economic role and decision making capacity



Background

Kashf Foundation is one of the fastest-growing micro-finance service providers targeting the poor women of Pakistan. Its programme has attempted to fill a large, unfulfilled and growing need of credit for women in Pakistan, through a pro-poor and women friendly credit organisation. Established in 1996, Kashf is the brainchild of Roshaneh Zafar. A Yale graduate in International Development Economics, Ms Roshaneh has extensive experience in the field of gender and development. Her experience with and exposure to the local communities derives from her work in the United Nations Development Programme (UNDP) and the World Bank as a Community Participation Specialist.

Using the Grameen Model, KF tailored the model in Pakistan after extensive research, study visits to Bangladesh and a thorough baseline study and field visits undertaken over two years. The services are delivered through a solidarity-lending programme and small organised groups of women are formed through social mobilisation. KF only operates in urban and peri-urban areas which are first surveyed through participatory rapid appraisal. Credit is provided to clients on a 'social collateral' basis which means that every member of a group is responsible for the repayment of credit.

Currently, Kashf has set up 32 branches and six area offices in four districts. Every branch has a portfolio of approximately 2400 clients. At Kashf the loan officers look after 600 clients- a very high ratio compared to other local MFIs.

What They Offer

For Kashf's loan products, the main credit line comes from the Pakistan Poverty Alleviation Fund (PPAF) given at 4-6%. Kashf on-lends the amount to the community with a 20% service charge on a flat rate basis which eventually goes up to 36% effective rate. Kashf has so far disbursed credit to 72,000 customers. The 'General Loan' is offered solely for productive purposes, and starts from Rs. 8,000, extendable for a maximum of one year. Regular repayment of a loan allows the client to reapply for an increased amount.

The loan amount then increases with every repayment cycle and can reach a maximum limit of Rs. 20,000. On the other hand, a delay in repayments would result in a decreased loan amount for future loans or even a refusal. The 'Consumption Loan' is used for emergency purposes (sickness, marriage, house repairs etc) and is otherwise known as the 'credit card for the poor'. This emergency loan can go up to Rs. 4,000 and can be provided to applicants within a day. Every client can apply for this loan but only once in a year with a maximum duration of 6 months. In addition to the General loan and the Consumption loan, Kashf has planned a new loan product i.e. The Enterprise Development Loan. This product has been designed to meet the needs of those clients who have crossed the poverty line but now need a push to go further in their businesses. The minimum loan amount is Rs. 25,000 with a ceiling of Rs. 50,000.

In addition to loan products, Kashf also offers saving and insurance facilities. In their voluntary saving programme, clients can save their surplus earnings in Kashf's bank account and withdraw their savings as and when required. This gives them an additional opportunity to save their earnings for emergency purposes or for long term plans. The insurance policy is compulsory for every client. They pay Rs. 100 as a one-time premium and if the client or the head of the family dies during the loan period, the remaining instalments are waived and Kashf pays Rs. 7,000 for burial expenses.

Exhaustive reporting between the head office and regional branches ensures that the programmes are constantly monitored. In addition to regular reporting and monitoring, Kashf has a special Quality Assurance (QA) department for standardising systems. The quality assurance is based on the McDonalds approach; that is, the quality assurance team aims to ensure that services provided by Kashf are standardised across its branches. The team is made up of QA associates who work under the Chief Operating Officer and each of the associates is responsible for quality assurance in a pre-designated area of operations. This is a very effective double check on branch managers and area managers.

In 1998, Kashf initiated the Dastkari programme and began marketing handmade embroidered cards made by its clients. It later started a programme named Karvaan and began marketing these items. The programme flourished and last year Karvaan was registered under the Companies Ordinance 1984 as a separate organisation.

Recently, the Gender Empowerment Social Advocacy (GESA) programme, which creates awareness among clients on reproductive health and imparts, training to staff members on leadership and gender balance, has also been launched.

“ We have combined social development with the business approach - that's our vision ”



Roshaneh Zafar, CEO, Kashf Foundation

Income and Sources of Funding (Rs.)

Sources of funds	2003	2004	2005
Self Generated Income	19,430,855	46,938,109	12,772,657
National (Grants/ Donations)	4,208,820	9,320,092	12,999,426
International (Grants/ Donations)	20,676,641	35,005,883	62,868,241
Total	44,316,316	91,264,084	88,640,324