

DIRECTORS' REPORT 2012.

On behalf of the Board of Directors of the Company, I am pleased to present the operational performance and audited financial statements of the Company for the year ended June 30, 2012.

GENERAL:

During the financial year 2011- 2012, Punjab Skills Development Fund successfully achieved its operational targets in the four districts of South Punjab in which the fund is operating.

During the current financial year, PSDF operated two schemes, Model Villages Project and Skills for Employability, in Bahawalpur, Bahawalnagar, Lodhran & Muzaffargarh, which are amongst the poorest ten districts of the province.

PERFORMANCE:

More than one year into its operation, PSDF has been able to show that skills trainings can be delivered without heavy investments in capital infrastructure using a per trainee cost basis model. PSDF has based its operations on the principles of information use, transparency, robust monitoring & evaluation and outsourcing of non-core functions.

PSDF designed two schemes, namely Skills for Job and Skills for Market, after incorporating the design inputs inferred from household survey carried out by Centre for Economic Research (CERP). The former scheme focuses on certified training using standardised training packages, whereas the latter provides bespoke training in rural areas with an aim to develop market linkages. .

PSDF's open call for expressions of interest attracted 124 organizations in Skills for Job product. Majority of them were non-governmental organizations and formal training institutes. PSDF used a transparent procurement process developed according to the training market and vetted by its Board of Directors to assess the proposals. To encourage local service providers, PSDF management also organised capacity building sessions for local providers and extended guidance to them prior to submission of bids. Networking opportunities arranged by PSDF encouraged partnerships between local providers and those from outside the districts.

For Skills for Job, 124 entities submitted 711 proposals for 170 different trades; 311 proposals in 113 different trades qualified in technical evaluation. After combined technical and financial evaluation, 21% of submitted proposals were approved by the

