



DIRECTORS REPORT 2021-2022

MTTI

OUR PURPOSE

Shape the future and well-being of our **poor** and **vulnerable youth** by giving them access to **skills training** of the **highest standard** so they can find **sustainable employment** and **income-generating opportunities** in Pakistan and beyond.





600+ TRAINING SERVICE PROVIDERS







190+

EMPLOYERS TRAINING YOUTH IN MARKET RELEVANT TRADES

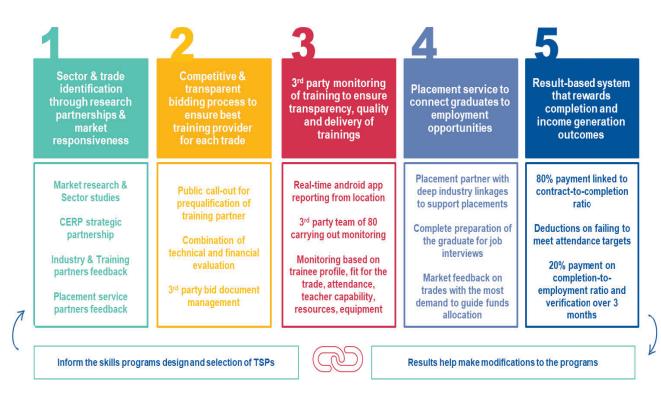






OPERATING MODEL

PSDF's operating model is constructed on result-based funding to its Training Service Providers, who are selected through a competitive & transparent procurement process. Training allocations follow a three-pronged approach: **geographic, sector, programme** and training contracts are awarded through a competitive and transparent bidding process.



TRAINING PARTNERS



Formal training institutes





Communitybased



Online learning platforms

Year in review July 2021 to June 2022 Performance and Results

FUNDING ARRANGEMENTS

1

Skills Youth for Income Generation ("SYIG") has been approved by government of Punjab (Planning and Development), which is sponsored by the Government of the Punjab ("GoPb"). Duration of the project is 5 years i-e 2021-2026. Total cost of this program is PKR 9,900 million for training of **180,000** individuals to receive skills training (40% women). Trainings under the project was started from January 2022. The Company has received 463.757 million on May 20, 2022 against total allocation of PKR 1500 million in ADP 2021-22.



FUNDING ARRANGEMENTS



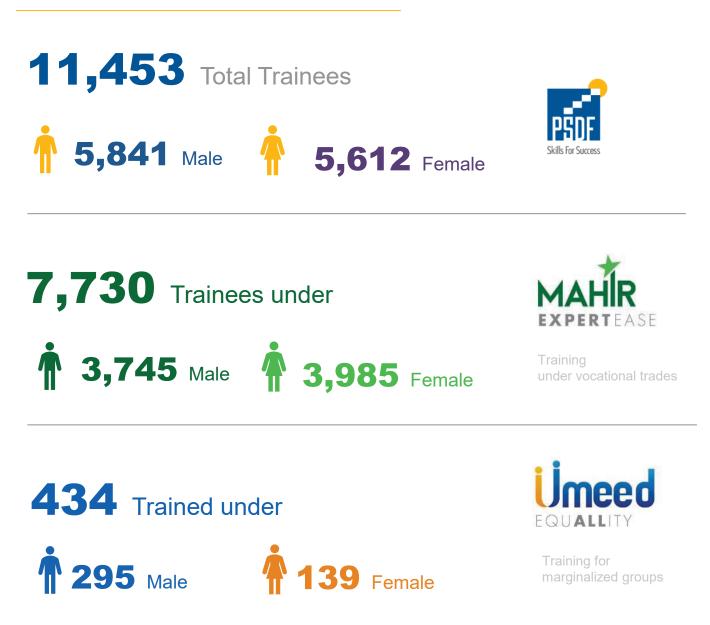
Evidence Generation and Design of 'Non-Formal Education to Job Placement' for Adolescents of Punjab ("EGDP") was launched through Programme Cooperation Agreement between The Company and United Nations International Children's Emergency Fund ("UNICEF") on 30 November 2020. The Company in partnership with UNICEF will develop and design a costeffective pilot programme for Out of School adolescents. Collecting data of 12,500 households with out of school adolescents across six districts followed by 9,500 registered out of school adolescents with parental consent to register in the programme and subsequently enroll in the Accelerated Learning and Skills Development programmes and eventually for job placement. This evidence generation phase also aims to develop and design a labour market linkage plan to link beneficiaries with employment and self-employment opportunities. Cost of the Project is Rs. 122.078 million, out of which UNICEF will contribute Rs. 103.350 million and the Company will contribute Rs. 18.728 million in term of time-based allocation of senior management involvement in the project. The Company has received Rs. 29.584 million from UNICEF.

FUNDING ARRANGEMENTS



Koh-e-Suleman Improvement Project ("KSIP") aims at provision of skills to youth of Koh-e-Suleman tribal Region. PSDF, in collaboration with KSIP, aims to train 2000 applicants till Dec 2023. With a fund of Rs. 150 million, demand driven trades will be offered to the residents of Koh-e-Suleman. Vocational institutes will be established in the tribal belt to encourage and ease out the training dissemination. To ensure women participation in the program, 20% seats have been dedicated for them under community programs. Further, PSDF is offering virtual trades namely Amazon Virtual Assistant and Virtual Accounting and Bookkeeping to promote E-lancing activities thereby promoting our efforts of selfemployment. The Company has received 30.00 million till reporting date.

TRAINED FY 2021-22







Training under ICT sector

Particulars	2016	2017	2018	2019	2020	2021	2022
	PKR in Millions						
Fixed Assets	22.81	50.79	57.23	59.93	52.69	39.01	24.16
Intangible Assets	1.31	1.74	10.64	12.80	21.70	88.46	100.34
Short term Investment	-	-	-	-	75.00	85.00	100.00
Advances, Deposits and Prepayments	336.50	75.69	62.94	69.12	56.55	53.75	59.05
Tax Refunds due from Tax Authorities	11.57	16.01	19.87	20.20	20.51	21.14	24.31
Cash and Bank Balances	301.67	1,563.86	1,431.79	677.22	868.26	1,682.48	1,111.55
Total Assets	673.85	1,708.10	1,582.47	839.27	1,094.72	1,969.84	1,419.41
Capital Fund	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Accumulated Fund	10.45	32.44	61.86	82.10	124.62	206.25	241.96
Deferred Contribution / Grant	46.56	1,012.82	463.90	(310.20)	(90.76)	-	(61.65)
Deferred Contribution - Capital Assets	22.23	52.54	67.87	72.73	74.39	371.19	67.20
Deferred Liability	11.89	18.20	26.69	2.12	6.20	-	9.75
Creditors, Accrued and Other Liabilities	610.93	590.31	960.36	990.72	978.47	1,390.60	1,160.35
Total Funds and Liabilities	703.85	1,708.10	1,582.47	839.27	1,094.72	1,969.84	1,419.41
Training Cost	2,983.60	1,630.80	3,301.94	3,034.45	2,879.03	2,212.70	415.26
Monitoring Cost	52.70	67.45	88.77	113.85	100.70	102.26	58.88
Advertisement Cost	6.31	22.01	27.18	39.28	35.97	23.31	13.70
Total Program related Cost	3,042.61	1,720.26	3,417.89	3,187.58	3,015.69	2,338.28	487.84
Non-Program Cost	100.05	128.10	222.89	262.49	301.18	335.77	292.10
Surplus of Income over Expenses	11.05	24.20	29.91	23.36	42.60	80.68	41.19

During the financial year, the company received PKR 516.743 million (FY2021: PKR 3,386.593 million) for the projects mentioned in the below table. All costs directly related to the program activities have been classified and accounted for as program-related costs. Costs pertaining to non-program activities include management costs, operating costs, and capital expenditures.

Particulars	GOPb	UNICEF	KSIP	Total	
	PKR in Millions				
SYIG	463.76			463.757	
EGDP		22.99		22.986	
KSIP			30.00	30.000	
TOTAL	463.757	22.986	30.000	516.743	

Following are the operating results for the financial year 2021-22 and its reasons of variance are explained as follows:

SUMMARY - BUDGET VS ACTUAL COMPARISON FY 2021-22					ACTUAL VS ACTUAL COMPARISON		
Description	Budget	Actual	Variance	% Variance	Actual 2020-21	Variance	% Variance
Completed Trainees (No. of trainees)	28,250	11,453	16,797	59%	53,625	(42,172)	-79%
Average Headcount (Count)	92	73	19	21%	94	(21)	-22%
	Pk	R in Millio	ns				
Revenue:							
Management Fee	-	13.42	(13.42)	-	9.32	4.10	44%
Income from Digital programs	-	5.39	(5.39)	-	8.05	(2.66)	-33%
Cost:							
Program Activities	1,321.40	461.11	860.29	65%	2,207.59	1,746.47	79%
Management Cost	227.04	185.56	41.48	18%	233.08	47.53	20%
Operating Expenditure	88.72	75.67	13.06	15%	70.84	(4.82)	-7%
Management fee	-	13.42	(13.42)	0%	9.32	(4.10)	-44%
Capital Expenditure	35.65	20.69	14.96	42%	78.11	57.42	74%
Total Training	1,672.81	756.44	916.37	55%	2,598.94	1,842.50	71%
Technical Assistance	180.92	16.07	164.86	91%	136.72	120.65	88%
Research (UNICEF)	94.74	23.36	71.38	75%	-	(23.36)	0%
Research and Sector Studies SYIG	50.00	-	50.00	100%	-	-	0%
Total Cost	1,998.47	795.86	1,202.61	60%	2,735.66	1,939.80	71%



- Revenue of PKR 2.2 million pertains to the management fee earned from World Bank Project (PSDP) which is computed @ 7.5% of utilized amount during the period. Whereas PKR 11.25 million pertains to management fee earned from Koh-e-Suleman Improvement Project (KSIP) which is computed @ 7.5% of amount of the project.
- PSDF has charged nominal fee to students for digital programs ranging from PKR 499 ~ 2000 per trainee. A total of PKR 2.39 million is received from students during the period.
- PKR 3 million is received from ZONG as Corporate Social Responsibility for "How to e-Lance" training programme wherein 10,000 youth will be trained with skills to become free lancers and equipped with knowledge on how to set up their profiles on Fiverr and Upwork, the two largest freelancing platforms in the world and be successful freelance providers to a global clientele.



Programme Activities

As per plan, trainings under Skilling Youth for Income Generation (SYIG) were scheduled from January 2022 but due to the late release of funds (i.e., in May 2022 about 5 months delay), only one training scheme "Skills for Jobs 2021-22 (SFJ)" for approx. 13,000 trainees is initiated in the first quarter of 2022. Skills for Differently-able Persons for approx. 150 trainees and Skills for Non-Muslim Youth for approx. 3,400 trainees were started in the second quarter of 2022. The remaining four budgeted schemes (i.e., Industrial Training Program 2022 for approx. 1300 trainees, Women Training Livestock Management for approx. 9,000 trainees, Scheme for Self-Employment-2021 for approx. 2,500 trainees and Hybrid Training pilot for 500 trainees were rescheduled to FY 2022-23.

Total programme variance of PKR 784.821 million, comprised of:

Description	Budget FY 2020-21	Actual FY 2019-20	Total Variance	Net Impanct PKR in (M)	Variance (%)
Number of Trainees (Vol. Variance)	28,250	11,453	16,797	552.684	48%
Average CTM (Rate Variance)	10,280	7,983	2,297	259.557	22%
Average Duration (Duration Variance)	4.00	4.12	(0.12)	(27.421)	-2%
Net Variance in Program Cost	1,161.668	376.847		784.821	68%

Management Cost

Management cost incurred during the year 2021-22 was PKR 185.56 million against the budget of PKR 227.04 million leaving us with a savings of PKR 41.48 million, as the company did not hire the vacant positions during the year due to the late releases of funds. Further CEO-PSDF resigned during the year and CEO's hiring is under process.



Operating Expenditures

Operating cost incurred during the year 2021-22 was PKR 75.67 million against the approved budget of PKR 88.72 million. This mainly includes the cost for premises rentals, communication, utilities, printing & stationery, traveling, and legal & professional charges.



Management Fee

PKR 2.2 million pertains to the management fee earned from the World Bank Project (PSDP) which is computed @ 7.5% of the utilized amount during the period. Whereas PKR 11.25 million pertains to the management fee earned from the Koh-e-Suleman Improvement Project (KSIP) which is computed @ 7.5% of the amount of the project.



Capital Expenditures

During the year capital expenditure incurred amounting to PKR 20.686 million against the approved budget of PKR 35.649 million.

Sr. No	Description	Budget	Actual	Variance	Variance %			
	PKR Million							
1	Leasehold Improvements	0.25	-	0.25	100%			
2	Computer Equipments	11.52	4.49	7.03	61%			
3	Furniture & Fixtures	0.25	-	0.25	100%			
4	Intangible Asset	23.63	16.20	7.43	31%			
	Sub-Total	35.65	20.69	14.96	42%			

- 03 printers amounting to PKR 1.4 million which were part of the paperless initiative.
- 21 Biometric devices amounting to PKR 1.3 million were required to implement the pilot project of DVV.
- PKR 16.2 million for the remaining amount of development of the Business Support System (BSS).
- PKR 1.7 million for Blade Server

8

Technical Assistance

Activities under the Technical Assistance Component of PKR 16.07 million related to the remaining amounts of the contracts signed in the previous years, but executed during FY 2021-22.The planned activities of PKR 157.26 as mentioned below did not execute under FCDO's assisted Technical Assistance Component, as the donor did not permit PSDF to fund these activities post SDP closure period.

TA Activities that have been dropped	PKR in million
Coursera (3,667 license cost)	109.34
E-Tendering Solution for Procurement (Two Years commitment)	45.49
Annual Maintenance of Website	2.43
Total	157.26

INITIATIVES TAKEN BY BSDF

COURSERA BY PSDF

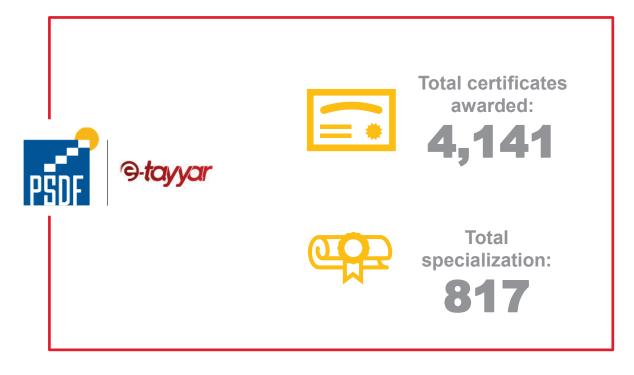
PSDF partnered with Coursera, the leading platform in digital education. Coursera offers a wide selection of specializations from 200 plus universities, teaching 70 million learners in the past decade. Coursera by PSDF is offering 13 specializations in the fields of Digital Marketing, Finance & Information Technology.



International Case Study

By Coursera

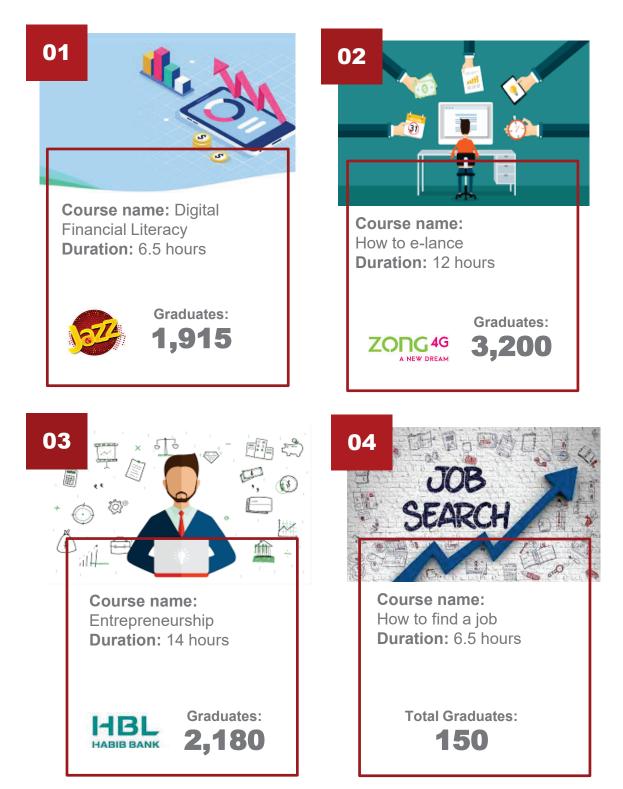
The only organization in Pakistan to be featured in an international case study published by Coursera



GNOWBE RESULTS

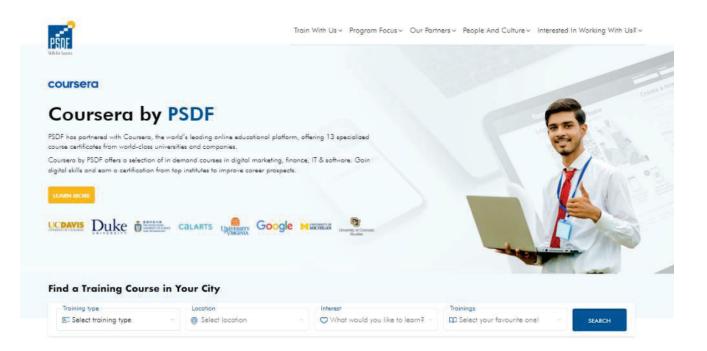


7,445 Graduates



WEBSITE LAUNCH

A state-of-the-art website is being developed, PSDF's website will be the first of its kind in Pakistan's TVET sector with a comprehensive **search engine**. The website features detailed overview of the **250+** trainings funded by PSDF. It is user-friendly, and trainee focused. Website is functional in both Urdu and English, providing real time updated information PSDF target trainees.



ZONG & HUAWEI PARTNERSHIP



n a collective effort to narrow the digital divide in Pakistan, Pakistan's cellular and digital services frontrunner, Zong 4G has joined forces with PSDF (Punjab Skills Development Fund) and the global technology leader, Huawei.

As part of the partnership, PSDF has received 300 smart Huawei tablets from Zong and Huawei Pakistan, with both partners working collaboratively to digitally empower the Pakistani youth by providing critical digital resources and tools to support their skill development.

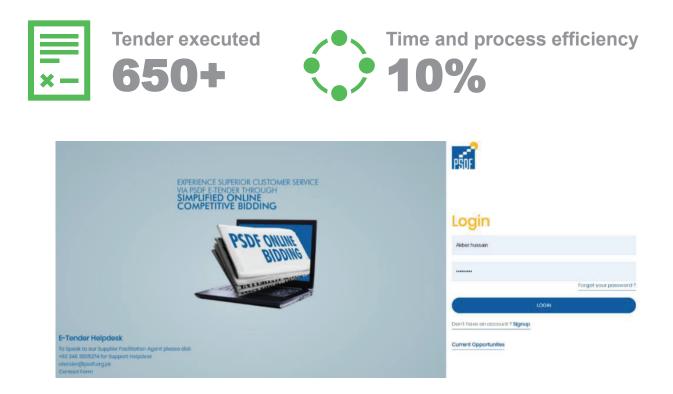
As part of its digital training program PSDF | e-tayayr, PSDF will train the trainees in How to e-lance- a revolutionary course that equips learners' essential skills to be successful on Fiverr and Upwork.



E-TENDER LAUNCH

PSDF launched its e-tender portal in March 2021 with an aim to increase transparency, bring efficiency and promote paper less environment. It goes without saying PSDF is the pioneer in the Development / Skill sector who has successfully launched the e-Tender to run the bidding process and achieve greater compliance.

The digitalization of the entire process allows archival, retrieval and storage of all the records electronically which has not only improved the record management but has also reduced the burden on storage cost in result enhancing user experience. In addition to above, PSDF has managed to shift the ecosystem of suppliers to participate in competitive bidding process through the e-tender.



BUSINESS SUPPORT SYSTEM

The Business Support System has integrated all the existing system in to one window operation for the stakeholders. M&E has played an integral role to fully operationalize Business Support System (BSS). Presently all the schemes are executed through BSS. BSS supported to create a paperless environment and all M&E processes are automated.

The salient features of BSS are as under.

- BSS provides one window operations to all stakeholders
- 100% automated stipend recommendation note for all trainees and invoice generation synchronized with third party field monitoring reports
- Systematic employment reporting and its verification
- Quick access for training service providers to update data of trainees, trainer, center location and classes etc. through change request module with timely alerts to all stakeholders
- Robust monitoring by displaying statistics of KPIs through Tableau BI interactive dashboards.



DATA VALIDATION & VERIFICATION

PSDF is implementing biometric registration and attendance system which provides end-to-end digital verification of data from NADRA through portable biometric devices.

DVV is being piloted on 3 schemes that includes, Industrial Training Program 2022 (MAHIR), Skills for Non-Muslim Youth (UMEED) and Hybrid Training Program (e-TAYYAR).

The salient features of DVV are as under.

- Trainee registration and CNIC verification is carried out through biometric devices
- All trainees are verified at the time of registration through DVV from NADRA in real time.
- DVV not only eliminates the chances of getting fake and ghost trainees but also ensures that trainees with valid CNICs are registered.
- Biometric attendance of the trainees/trainers across all the mentioned schemes is carried out through DVV devices
- Receiving of contractual deliverables (i.e. Uniform & Bags etc.) through biometric handheld device.

SKILLS SCHOLARSHIP INITIATIVE MODEL

PSDF has started training youth under Government of Punjab funded SYIG programme. Due to change in procurement rule it has become difficult to administer training across Punjab in all trades with multiple training service providers to achieve training targets assigned in the project document. Therefore, PSDF has introduced new training model "Skills Scholarship Initiative Model" to save the ecosystem and extend the training access to all remote areas specially for females and underprivileged youth.

During this year PSDF initiated the pilot project for 500 trainees with formal training institutes in four (4) trades.

Trade Name	No. of Associates	Completed
Dress Design & Tailoring	4	56
Fabric Printing	3	33
Industrial Stitching Machine Operator	6	177
Pattern Making and Cutting	4	88
Total	17	354



Accelerated Learning

Provide young people outside the formal education system with the opportunity to enroll in Accelerated Learning



Skills Training

Equip Accelerated Learning graduates, with age-appropriate Skills Training including entrepreneurial skills to enhance access to nonhazardous income generational opportunities



Employment Linkage

Link Accelerated Learning & Skills Training graduates to the Labour Market

unicef



Sponsoring Body: Planning & Development Board, Government of the Punjab



Location: All 36 districts of Punjab

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Execution Body: Punjab Skills Development Fund



Project Timeline: July 2021- June 2026

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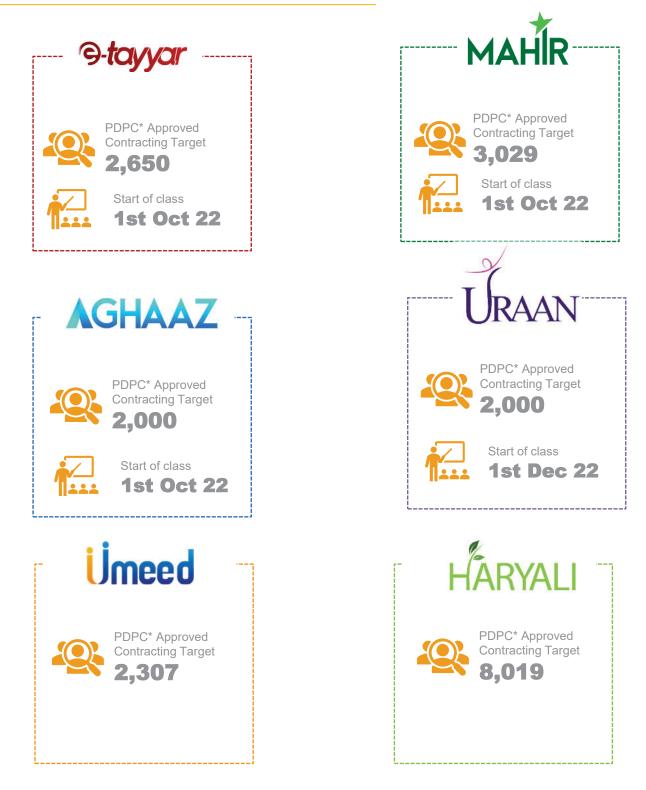
Plan Provision: PKR 9.9 Billion in total PKR 2.0 Billion/Year Trainee Target 180,000 (40% female)

Skilling



NEXT YEAR PLANS

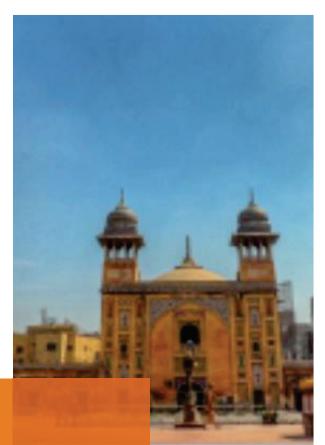




*PDPC - Program Design and Procurement Committee of the Board

PUNJAB TOURISM PARTNERSHIP

Punjab Tourism for Economic Growth Project (PTEGP) is an initiative under the Government of Punjab (Planning Development Board) & in collaboration with the World Bank Group. The purpose is the skills development of the workforce in the tourism industry/sector to cover the gap between demand and supply of workforce skilled and provide economic opportunities.





Tentative Project: 550 Million



Target: 10,000 Trainees 20% will be females

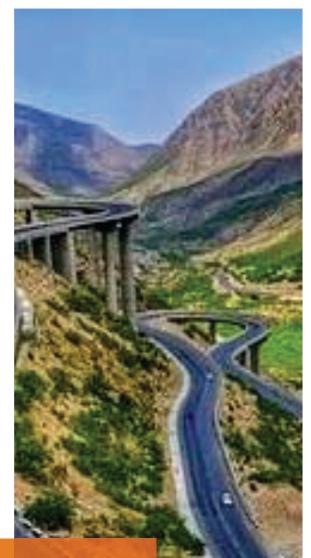


Project Timeline: 2 Year

KOH E SULEMAN IMPROVEMENT PROJECT

Agreement of PKR 150 million with Koh e Suleman Improvement project (KSIP) to lead its skill trainings for residents of Tehsil Koh e Suleman, DG Khan and De-excluded area of Rajanpur.

PSDF in these first of kind training will use its skill expertise to equip residents with market-relevant professional knowledge to commence their skill development. To mobilize this project, training centers will be established in the tribal areas of Koh e Suleman, DG Khan and the deexcluded area of Rajanpur. A monthly stipend of Rs 3,500 will also be provided to trainees.



The residents will gain trainings across four key industries:





PSDF Directors' Report 2022

GIZ PARTNERSHIP



This intervention is part of a special initiative introduced by the BMZ to promote selfemployment opportunities for vulnerable groups e.g., LGBTQI, persons with disability, minorities including the local population and returnees.

This specific intervention focuses on domestic tailoring and fashion designing leading to in-kind support. The skill enhancement measures are complemented with entrepreneurship & business start-up education. Upon the successful completion of the training, beneficiaries will be provided with relevant equipment / toolkit to secure selfemployment in the field of commercial cloth stitching or employment opportunities.



IMPLEMENTATION OF NEW POLICIES

Effective AML/CFT measures help stop criminals laundering the proceeds of fraud, drugs, tax evasion and other crimes through legitimate businesses.

AML/CFT Policy was adopted by PSDF to comply with good governance practices, rules and regulation. Audit, Risk and Compliance (ARC) department has planned to implemented AML/CFT policy in the FY 2022-23. ARC has devised an Implementation Plan and Checklist for implementation of the plan.



Governance, Risk and Compliance

WHISTLE BLOW POLICY AND HOTLINE

PSDF Whistleblow Policy provides a mechanism for internal and external Whistle-blowers on reporting of suspicious activities and provides an assurance about secrecy and protection of their legitimate personal interest. This Policy also delineates mechanism for handling complaints and responsibilities of Whistleblow team, management and those charged with governance.

PSDF Whistleblowing Policy requires that" Communication channels for lodging complaints shall be publicly available at website and shall be clearly displayed at all training centers through flexes or placards etc". ARC has displayed Whistleblow posters in-house at PSDF and at TSP premises to educate employees and outside parties about communication channels for registering complaints.



Corporate & Financial REPORTING

CORPORATE FINANCIAL & REPORTING

- As required by Public Sector Companies (Corporate Governance Rule 2013 we are pleased to report the following
- The Board has complied with the relevant principles of corporate governance and has identified the rules that have not been complied with the period in which such non-compliance continued, and reasons for such non-compliance
- The Financial Statements, prepared by the management of the company present fairly the result of its operations, cashflow and changes in equity
- Proper books of account of the Company have been maintained
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable prudent judgement
- Board recognize their responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored

CORPORATE FINANCIAL & REPORTING

- Appointment of Chairman and other members of the board and the terms of their appointment are in the best interest of the company as well as in line with the best practices
- Detail of remuneration of Directors, Chief Executive and Executives are disclosed in the note 25 of the financial statements of the Company
- The value of investments of Punjab Skills Development Fund Staff Gratuity Fund Trust and staff Provident Fund Trust as at June 30 2022 are PKR 56.332 million and PKR 28.930 million, respectively
- No material changes or commitments affecting the financial position of the company have taken place between the end of the financial year and the date of the Report

CORPORATE FINANCIAL & REPORTING

Board of Directors The Board of Directors as of June 30, 2022, Consists of Following Twelve (12) Directors:

Category	Count	Name
	1	Shehryar Ahmed Buksh
Independent Directors	2	Zahra Hasan Zaidi
independent Directors	3	Rabia Zia
	4	Monis Ur Rahmaan
	1	Dr. ljaz Nabi
	2	Ms. Khawar Mumtaz
	3	Ms. Aqueela Mumtaz
Government Nominated / Non- Executive	4	Dr. Naved Hamid
Directors	5	Secretary Planning & Development Board, GoPb
	6	Additional Finance Secretary (Economic Services), GoPb
	7	Secretary Livestock & Dairy Development Department, GoPb
	8	Secretary Industries, Commerce, Investment & Skills Development Department, GoPb

4 meetings were held during the year. Details of the meetings are as follows:

Sr. No Meeting		Date of Meeting	
1	44th BOD Meeting	05, July, 2021	
2 45th BOD Meeting		13, September, 2021	
3 46th BOD Meeting		06, December, 2021	
4	47th BOD Meeting	18, March, 2022	

CORPORATE FINANCIAL & REPORTING

Attendance of directors are as follows:

Sr.	Board Members	Position	No. of Meetings Attended
1	Dr. Ijaz Nabi	Chairman of the Board	4
2	Mr. Jawad Zahoor Khan	Chief Executive Officer	2
3	Secretary Industries	Director	4
4	Secretary P&D	Director	4
5	Addl. Secretary Finance (ES)	Director	3
6	Secretary Livestock	Director	4
7	Dr. Naved Hamid	Director	4
8	Ms. Khawar Mumtaz	Director	3
9	Ms. Aqueela Mumtaz	Director	3
10	Mr. Sheryar Ahmed Bukhsh	Director	2
11	Ms. Zahra Hasan Zaidi	Director	0
12	Ms. Rabia Zia	Director	3
13	Mr. Monis Ur Rahmaan	Director	3

Auditors

The present auditors, GT Anjum Rehman & Co. Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board of Directors recommends the appointment of GT Anjum Rehman & Co. Chartered Accountants, as auditors of the company for FY2022-23, as suggested by the Audit Committee.



Acknowledgement:

The Board wishes to place on record its appreciation for the untiring efforts of all PSDF employees in taking the company forward. On Behalf of the Board

WY

Ali Akbar Bosan Chief Execitive Officer, PSDF

Lahore: October 05, 2022