



PROJECT COMPLETION REPORT

PROJECT NAME: "HAMQADAM"



PROJECT DURATION:

Nov 15TH, 2018 TO MAY 31ST, 2019

FUNDED BY:

ENGRO FERTILIZERS LTD

IMPLEMENTED BY:

FARMERS DEVELOPMENT ORGANIZATION

House #11, Danish Street, Ahbab Colony, Bahadur pur Chowk Bosan Road, Multan

www.fdopk.org



Contents

| | |
|--|----|
| ABBREVIATIONS | 3 |
| Preamble: | 4 |
| Vision: | 4 |
| Mission: | 4 |
| Back Ground of the Project: | 4 |
| Project Details: | 5 |
| Project Activities: | 6 |
| Process Flow for “Hamqadam” | 7 |
| TARGETS VS Achievements | 8 |
| Comments from Community: | 9 |
| Challenges: | 11 |
| Suggestions: | 12 |



ABBREVIATIONS

| | |
|-------------|-------------------------------------|
| FDO | Farmers Development Organization |
| EFERT | Engro Fertilizers |
| PO | Partner Organization |
| Agri Inputs | Agriculture inputs |
| MFI | Micro Finance Institution |
| CIB | |
| ECIB | |
| CNIC | Computerized National Identity Card |
| UC | Union Council |



Preamble:

Farmers Development Organization was established in 1996 as a not for profit and non-governmental public interest organization and "A company setup under section 42 of companies' ordinance 1984". Farmers Development Organization [FDO] is working in southern Punjab, through participatory principles since December 1996, benefiting thousands of peasants, women and general communities. FDO strongly believes in community participation/ involvement and it is the major approach of FDO while working in the marginalized communities. As stated in its mission statement to develop and strengthen the disadvantaged and vulnerable segments of society for the realization of their rights by means of collective action through social mobilization, capacity building, facilitating provision of basic amenities, livelihood support and evidence-based advocacy. FDO works with the disadvantaged communities, and selects the areas where basic social facilities are non-prevalent, lack of community involvement in the development activities. As FDO believes in Sustainable Development and it is directly linked with the sustainable livelihood, that's why FDO has the strategic priority regarding livelihood interventions "Enterprise Development for the poor", with the strategic objective of "Improving access of marginalized sections to the socio-economic opportunities for decent livelihood and realization of basic rights" in its Strategic Plan.

Vision:

A just, prosperous and peaceful society where people are able to identify their problems and have the capacity to resolve them.

Mission:

To develop and strengthen the disadvantaged and vulnerable segments of society for the realization of their rights by means of collective actions through social mobilization, capacity building, facilitating provision of basic amenities, livelihood support and evidence-based advocacy.

Back Ground of the Project:

Engro Fertilizers Limited is a subsidiary of Engro Corporation and a renowned name in Pakistan's fertilizer industry. It is traded on the stock market under the symbol 'EFERT. Engro holds a vast, nationwide production and marketing infrastructure and produces leading fertilizer brands optimized for local cultivation needs and demand. Engro is also a leading importer and seller of Phosphate products, which are marketed extensively across Pakistan as prostatic fertilizers.

Extensive market development activities have ensured a sustained pull for primary and secondary fertilizer products and sellout productions since launch. Engro Fertilizers Limited



enjoys loyal customer base across Pakistan owing to its trusted fertilizer brands and continual farmer assistance in training and education.

Engro Fertilizers Limited was incorporated in June 2009, following a decision to demerge fertilizer concern from its parent company Engro Chemical Pakistan Limited. The continual expansions and diversifications in its enterprises necessitated a broad restructuring in Engro Chemical operations and company named Engro Corporation, and its fertilizer business was subsequently demerged to a newly formed Engro subsidiary –Engro Fertilizers Limited.

Engro is a dynamic company driven by a vision to improve productivity and lifestyle for thousands of farmers across Pakistan. Engro Fertilizers Limited has earned itself a distinguished name by continually striving to uphold its tradition and trust of its loyal consumer base.

Project Details:

| ITEM | DETAIL |
|---|--|
| Objective | To support subsistence-holding farmers by providing them interest-free loans in the form of crop inputs |
| Target | Market Farmers with landholding of up to 12.5 acres |
| Target number of Farmers | 50 Farmers for the wheat cycle (Estimated loan requirement: Rs. 50m on EFERT's B/S) To be scaled up to 1,000 Farmers in the next crop cycle |
| Avg. Loan Size Per Acre For Wheat / Oil Seeds Crop (PKR) | Crop Input Crop Services Seed 2,400 Laser Levelling 8,000 Pesticide 1,000 Urea (2 bags) 3,400 DAP (1 bag) 3,600 Total 10,500 |
| Target Area | District Lodhran Union Council 386 WB, Dehi Duniyapur and 342 WB |



Project Activities:

- a. Identification and meeting with farmers
- b. Selection of Farmers and group formation for interest free lending (in-kind)
- c. Documentation of farmers to compile their demand and assessing their need.
- d. Collection of security documents from farmers
- e. Disbursement of interest free loan (in-kind) Agri-inputs products to the farmers
- f. Monthly follow up meetings with farmers groups
- g. Recovery of Loan

In start an orientation session was organized for POs in which detail of Project was shared as project is designed to support subsistence-holding farmers by providing them interest free loans in form of crop inputs. The terms and conditions along with policy and procedures with staff was shared in detailed. Agri inputs of PKR 5 Million Rupees were specified for FDO to disburse to farmers. The farmers holding the agricultural land from 01 Acre to 12.5 Acres was targeted to provide interest free loans in form of agri inputs with the ratio at least 70% farmers holding the land up to 7 acres and 30% farmers holding the land up to maximum 12.5 acres. The average loan size per acre land was PKR 10,500 rupees (in kind). All the products were provided to the farmers as per their need by EFERT Ltd from warehouse and as per company rate which was less than market rate. Beneficiary selection criteria was already defined as:

- Landholding up to 12.5 acres including Tenants
- About 70% loans to farmers owning up to 7 acres & 30% <7 acres up to 12.5 acres
- Women farmers can be included
- The selected farmers will not be the current borrower of Partner/MFIs during the same crop cycle. ECIB and CIB can be used to check the status of farmers in this regards.

Engro Fertilizer delivered cost associated agriculture inputs to farmer. For this process, FDO team identified and selected farmers who were interested to avail this facility and prepared all documentation (Paper work and need assessment) in this regard and record was shared with Engro Fertilizers for onward processing. After approval from Engro Fertilizer, FDO staff organized Registration Ceremony on two different locations to register the selected farmers in coordination with Engro Fertilizer Ltd.

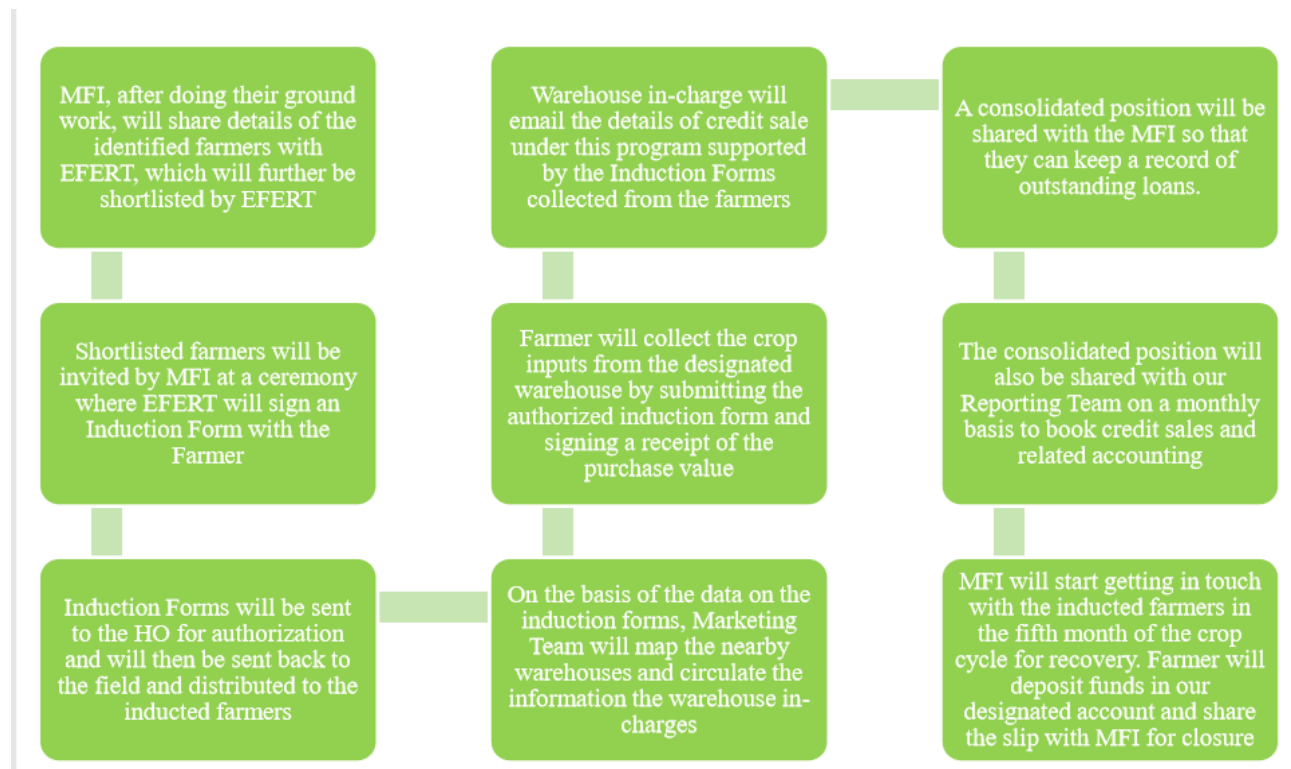
Based upon the need assessment of selected farmers, Engro Fertilizer issued stock receipts/token to the registered farmers. The farmers visited the nearby warehouses of EFERT Ltd for receiving agri inputs with their original CNICs and receipt issued by EFERT Ltd during registration ceremony. After delivery Engro Fertilizer shared the final list of project beneficiaries along with detail of agri input costs with FDO so that they established and maintained regular contact with project



beneficiaries on monthly basis. Bank account detailed was shared by Engro Fertilizer with project beneficiaries for depositing recoveries/loan amount.

Finally team facilitated Engro Fertilizer and recovered the 100% amount from clients in cash and deposit in its own account as no branch of EFERT’s designated bank exists in the targeted area. The said recovered amount will be transferred later in EFERT Ltd bank account because at the time of disbursement of loan, the due date was clearly mentioned to the client and up to that date the repayment of loan was totally interest free while after due date, certain amount of penalty may be charged from client.

Process Flow for “Hamqadam”



TARGETS VS Achievements

| Indicator | Target | Achievement | Variance |
|--|--------|-------------|----------|
| Meetings with Farmers for groups formation | 15 | 15 | 0 |
| Selection of farmers for HAMQADAM Project | 50 | 50 | 0 |
| Documentation and Registration of Farmers | 50 | 50 | 0 |
| Disburse of Fertilizer products to the farmers | 50 | 45 | 5 |

Pictorial View



Meeting with Farmers For Group Formation






Registration Ceremony /Orientation with Farmers about HAMKADAM Project






Comments from Community:

Community understanding the importance of interest free agri inputs because they got benefits and shared their opinions as

| <p>UC Dehi Dunyapur:</p> | |
|--|---|
| <p>Muhammad Afzal: He shared that by agri scheme we got rid of from taking these inputs on very high interest rate from market but through Hamqadam Project we availed good quality fertilizer on lowest rates as compared market.</p> |  |
| <p>Muhammad Saleem Kamboh: Fertilizer was of very good quality which benefitted a lot to our cultivated land. Also due to provision of interest free agri inputs, it is positively in support of farmers for doing good production and becoming strengthened.</p> |  |
| <p>Muhammad Ramzan: Hamqadam was very good initiative by EFERT and FDO. I suggest to provide the agri inputs on time to farmers to get benefitted accordingly as in this cycle the fertilizer was provided very late.</p> |  |



| | |
|--|---|
| <p>Muhammad Nadeem: It was a good opportunity for the farmers as we got quality fertilizer on easy terms and with fair price.</p> |  |
| <p>UC 342 WB</p> | |
| <p>Kushi Muhammad: Previously when we purchased fertilizer through local brokers, he used to sell fertilizer on his own rates (with very high interest rate) but through this project we got fertilizer on lowest rates due to which per acre income has been increased.</p> |  |
| <p>Ali Muhammad: This project was really for the farmers because farmers could easily got quality production/crops in an easy/better way by provision of agri inputs on easy terms and fair prices.</p> |  |
| <p>Maqbool Ahmad: It was a good effort by FDO and Engro Fertilizer teams due to this farmer got relief in real words as he was grabbed by local brokers.</p> |  |
| <p>Muhammad Saleem: We are very thankful for organization and staff who provided us fertilizer on subsidized rates which enhanced our production and profit.</p> |  |
| <p>Abdul Rasheed: I want to request from FDO please start again this project for farmers because it is very much in favor of farmers and In future farmers want to purchase fertilizer for cotton and next crop cycles. At this time this program from FDO and Engro was lesson for me to avoid local market brokers who provide agri inputs on very high rates to farmers.</p> |  |

| UC 386 WB | |
|---|--|
| <p>Muhammad Faheem: It was very helpful for us. On behalf of other member of my group I want to pay my thanks to EFERT and the organization and request in future if they want to start such kind of scheme please ensure timely provision of loans (in-kind).</p> |  |
| <p>Muhammad Ameen I got quality fertilizer on installments on fair rates as compared to local market.</p> |  |
| <p>Muhammad Javed: It is a good initiative of FDO and Engro fertilizer. We suggest to start this program again for other agri inputs like cotton seed and pesticides. After a long time it happened that someone has thought about farmer problems.</p> |  |

Challenges:

Implementation team faced some challenges during implementation and managing of Hamqadam project activities which are inline below:

- Project activities were started very late due to communication gap among partners and delayed which directly affected the farmers.
- The timeframe for client identification and delivery of agri inputs was very short.
- Project time duration for implementation was very short.
- Agri Inputs were not provided to farmers timely so a number of farmers were not much interested as they already purchased fertilizer from other sources.
- Group formation, completion of documentation and verification of farmers were big challenges for team in very short time.
- One Group Refuse to receive fertilizer products due delay in delivery of agri inputs from EFERT warehouse.



- Late disbursement of operational cost from donor to PO creates hurdles in smooth implementation of project activities.
- Communication gap effected the efficiency of project.

Suggestions:

Some suggestions and recommendations seem very important and dare need to improve the quality of Project. The key suggestions are given below:

1. Engro management should be very clear about the project targets and all activities should be well planned with strong communication throughout the project.
2. There should be capacity building sessions for project implementation staff.
3. Fertilizer should be provided to farmers on time as earlier fertilizer was provided to farmers very late due to which they were not benefited accordingly.
4. There should be enough/reasonable time for client identification/selection, documentation of farmers, verification and delivery of agri inputs to farmers to get better results.
5. All stakeholders involved in the project should be well informed about each activity along with timeline so that farmers may not suffer to get inputs and to use it in better way.