



This Report was produced by an Editorial Team consisting of Virginia Appell, Agha Ali Javad and Dr Rashid Bajwa, with contributions from the NRSP Regions.

design\_mohsin jamal

Printed at PanGraphics (Pvt) Ltd.

**Parts of this Report may be reproduced for professional purposes, provided that the source is acknowledged and the material is not sold.**

Published in April 2002 by National Rural Support Programme [NRSP], Islamabad, Pakistan.

© NRSP 2002

# **Social Mobilisation**

... tool for empowerment

# Contents

Preface	ii
NRSP Programme Area Map	1
1. Overview: the philosophy and practice	2
2. Situation analysis and NRSP approaches	4
3. Social mobilisation: the core of NRSP's philosophy	12
4. Women's involvement in NRSP programmes	18
5. Sectoral Reports 2000-2001	24
5.1 Human Resource Development	
5.2 Rural Credit	
5.3 Natural Resource Management	
5.4 Physical Infrastructure and Technology Development	
5.5 Social Sector Services	
5.6 Monitoring, Evaluation and Research	
6. Community development through productive linkages	44
7. The NRSP – PPAF partnership	56
8. NRSP's Role in establishing <i>Khushhalibank</i>	58
9. Participatory development and the devolution of power	60
10. Urban Poverty Alleviation Programme	64
11. Conclusion	70
Statistical Profile	
Audited Accounts	
Board of Directors	



**Tables**

1.	Social Mobilisation, 2000–2001	16
2.	Savings by COs (Rs. million)	16
3a.	Membership since inception, by region and gender	20
3b.	COs formed and No. of members, by region and gender, 2000–2001	21
4.	Gender-disaggregated loan distribution, 2000–2001	22
5.	Health sector training by gender, 2000–2001	23
6.	Community training activities by type and gender, 2000–2001	23
7.	RCED Credit disbursement in 2000–2001	26
8a.	PPAF-funded CPI schemes, March–October 2000–2001	31
8b.	Cost breakdown of PPAF-funded CPI schemes implemented by NRSP	31

**Case Studies**

1.	Moving Towards Self-Reliance in Badin	11
2.	Multiple-Level Micro-Investment Plans	14
3.	Groundnut Thresher in District Chakwal	30
4.	Preventing Water Losses and Increasing Productivity in Khushab District	34
5.	The Karez, the Source of Life in Turbat	34
6.	Conflict Resolution and Increased Productivity Through Water-Delivery CPIs	35
7.	The Benefits of Watercourse Lining in CO 41 MB, Khushab	36
8.	Sustainable Community Schools in Dera Ghazi Khan	39
9.	Health Care in Dera Ghazi Khan	40
10.	2050 Scholarship Holders	48
11.	Community Cotton Specialist Training Programme in Lodhran	49
12.	Overcoming Resistance: A Woman's Experience in UPAP	69

**Graphs**

1.	CPI Schemes completed as of June 2001	31
3.	UPAP Disbursement trends July 2000 - June 2001	67

---

## Preface

This Report describes the current state of NRSP's efforts to reach the rural poor. After nine years of working with the rural and urban poor NRSP is able to demonstrate that its interventions and programmes have been successful in reducing the worst effects of poverty suffered by the poorest of the poor. Simple but profound changes are discernible in the communities that have found new ways to think about and participate in the development of their areas. These changes have the potential to become the basis of a new paradigm of rural development in Pakistan.

NRSP's Eighth Annual Report describes the organisation's ongoing efforts to build effective grassroots community organisations and to work with those organisations to alleviate poverty. The Report describes the situation in rural communities across Pakistan before NRSP began to function, and discusses the specific ways in which NRSP has responded to the development issues identified by rural men and women.

Poverty is often conceptualised and analysed in broad abstractions, such as national-level indicators of income and employment, low literacy rates,

high maternal mortality and morbidity rates, lack of opportunities, inadequate rural infrastructure and so on. Necessary and useful as these are, it is important to keep in mind that poverty and under-development also have a regional character, conditioned by geography, climate, historical trends and cultural factors. This regional specificity requires NRSP to tailor its programmes accordingly. Wherever NRSP operates, it encourages community members to identify the opportunities available to them, and works as a partner to bring those opportunities to life.

Once this happens, communities develop the capacity to gain access to services provided by the Government, other NGOs and the private sector. The methods, achievements and evaluation of these efforts are the theme of this Report.

NRSP's overarching concern is to ensure that more people have better opportunities to meet their needs, and to improve the facilities and services available to them. In addition to sector-specific activities, productive linkages have been established with government agencies and with sector-specific

NGOs. Once the success of a scheme or programme has been thoroughly established, efforts are made to scale it up and to replicate it in other programme areas. NRSP's success has meant that other organisations have emulated its models and methods, thereby extending the reach of the philosophy and methods.

**Dr Rashid Bajwa**  
Chief Executive Officer

### **In this report...**

The [Statistical Profile](#) provides annual and cumulative (since inception) programme-level data for each sector.

The photographs in this Annual Report cover the period from NRSP's inception in 1993 to 2001. They have been selected to convey a sense of the range of activities engaged in by CO members, Social Activists, NRSP field staff and regional staff. Some of the photographs depict sector-specific activities. The Report emphasises the importance of the process of social mobilisation. Thus many of the images show this process in action.

## NRSP Programme Area





## Overview: the philosophy and practice

... there is now a cadre of social activists – rural men and women who lead the entire process of community development.

NRSP is Pakistan's largest social mobilisation organisation, with nearly 303,000 members organised in 14,027 Community Organisations (COs). NRSP strives to provide feasible and sustainable solutions to the specific opportunities identified and prioritised by CO members. The majority of NRSP's activities and interventions take place at the local community level and most are small-scale.

At the broadest level, the means to the end of community development is the **social mobilisation** of the poor **and capacity building** in village-level institutions. By harnessing people's potential through social mobilisation and capacity building, we have learnt that development and poverty-alleviation can be effectively and sustainably implemented, so long as it is done with the active participation of those whose lives are affected by the interventions.

The organisational means to this end are **the activities of the NRSP sectors** – each with its own expertise, experience and interactions with government and private agencies. New irrigation schemes and link roads now exist as a result of NRSP's Physical Infrastructure and Technology

Development sector. New methods of farming are increasing productivity and profits as a result of Natural Resource Management training. Pre and post-harvest agricultural losses have been reduced as a result of linkages between NRSP and Provincial Departments of Agriculture. New schools, health services and sanitation schemes now exist due to the efforts of the Social Services Sector.

Acquiring new knowledge, learning effective managerial skills, and becoming **effective participants in local decision-making** processes are important aspects of community development. In this respect, NRSP's Human Resource Development programme provides an invaluable asset to those who participate in its training sessions. Since NRSP's inception, more than 95,000 Community Organisation members and NRSP staff have been trained in skills including agricultural practices, Community Management Skills and vocational/entrepreneurial skills.

The Rural Credit and Enterprise Development Section works to meet the economic needs identified by CO members through their Micro-investment plans, enabling NRSP to quickly identify projects and schemes



that will respond to those needs. NRSP's monitoring activities show that through utilising credit the economically-marginal are able to invest in income-generating schemes and to gain returns in a relatively short time.

Even more important than the sectoral activities is the fact that there is now a **cadre of social activists** – rural men and women who lead the entire process of community development.

A vital component in the process of poverty alleviation and rural development is **the establishment of linkages** with the government departments responsible for delivering services and information to rural communities, thereby making the government's human, economic and technological resources accessible to the rural poor.

The micro-level activities are complemented by **broad scale initiatives**: the most prominent examples in 2000–2001 were NRSP's contributions to the establishment of the **Khushhalibank** and the ongoing partnership with the **Pakistan Poverty Alleviation Fund**. These initiatives are discussed in

detail in this Report. A number of comprehensive projects including *Barani* Village Development Project (BVDP) and the Model Union Council Project, also operate on the RSP model. Common to all three levels of operation is the **commitment to an integrated approach**: i.e. all NRSP sectors working together to further 'sustainable human development', defined as a means of enabling the rural poor to meet their needs and achieve their aspirations over the long term.

NRSP set in motion a process of **decentralisation** in the year 2000. Financial responsibility, fiscal prudence and operational autonomy provide the main rationale for decentralisation of powers to the regions. This process entailed organisational transformation, in the form of decentralisation of decision-making and autonomy to the regions. Under this system the regions have complete autonomy to run their programmes according to local needs. This process is ongoing and its effects will require some time to become fully evident. However, it could potentially create, in effect, a series of regional RSPs.

Decentralisation is a testimony to the growing maturity of NRSP's

regional set-ups. It has been linked with a **strengthened internal monitoring process**. A process of internal 'social audit' has been started, which aims to maintain the programme's quality and to strengthen capacity at the regional level in the wake of decentralisation. The social audit looks at both the financial and qualitative issues of the programme and has improved our methodology and approach.

The Eighth Annual Report demonstrates that after nine years of continuous work, NRSP's efforts have made **meaningful and measurable contributions** in enabling the rural poor – constituting some 40 percent of the total population<sup>1</sup> – to alleviate some of the worst effects of grinding poverty, lack of access to the most basic entitlements, and lack of opportunity to improve their situation.

<sup>1</sup> "The number of ... those living below a dollar a day has more than doubled in Pakistan during the 1990s to reach 45 million in 1999." Focal Point for Microfinance, December 2001, Vol. 2 No. 4, p.3.



## Situation analysis and NRSP approaches

**NRSP's foundational premise is that the rural men and women who would conventionally be termed poor have the economic and human capacity, as well as the moral right, to actively participate in the development activities that affect them, and to identify their own development priorities.**

### Some common development issues

NRSP's first programme activities took place in its 'core regions' of Rawalakot, Rawalpindi/ICT, Khushab, Turbat and Badin. Work began in these regions in 1993, followed by Mardan in 1995, Vehari and D.G. Khan in 1997, Bahawalpur, Sialkot and Lodhran in 1998, Malakand and Thatta in 1999 and Hyderabad in 2000.

When NRSP first began its work, communities in these regions faced an array of development issues related to the neglect of rural regions in general and the agricultural sector in particular. Some of these issues were common to all regions, others were specific to particular areas, and yet others resulted from intra-regional ecological conditions.

Although agriculture accounts directly for some 24.5 percent<sup>2</sup> of GDP, small and medium scale farmers were faced with low productivity and slow or even negative growth in production. Natural and man-made problems compounded each other, as farmers struggled to earn a living. These included a lack of high quality and affordable agricultural inputs, lack of knowledge about current technologies and natural resource

management, and the lack of improved breeds of livestock and poultry.

The availability of water was, and to a large extent remains, a chronic concern in all the regions. In parts of Turbat and D.G. Khan, for example, entire villages have been forced to migrate because of lack of water. In the *barani* (rainfed) areas such as the Rawalpindi region and parts of Khushab, there was not enough water available to make agriculture a feasible economic activity for the majority of people. Those who depended on agriculture faced the problem of preserving and optimising precious water supplies. In many places, the limited water supply restricted farmers to a single crop. (Case Studies 4-7 describe village-level initiatives to improve water supply delivery.)

In many irrigated areas, farmers contended with water-logging due to overuse of water and lack of drainage. In addition, there were problems with soil salinity, conflicts over water supplies and the loss of irrigation water due to poorly-maintained infrastructure. A great deal of land had been rendered unusable due to poor water-use practices.

<sup>2</sup> 1998-99 Economic Survey, GoP Finance Division, Islamabad



Lack of access to affordable credit for agriculture and for agri-enterprises, as well as for off-farm income-generation, was a chronic problem. These problems were intensified by the inability of government research institutes and extension departments to provide new technologies and products to farmers. Although the government has built a network of rural roads, less attention has been paid to community-level investment in human and physical infrastructure to alleviate rural poverty.

Due to macro economic conditions, unemployment was a major problem. Very few educated youths were able to find gainful and appropriate employment. Those people associated directly or indirectly with agriculture, and who depended on farm income, had little or no access to managerial skills.

The lack of physical village-level infrastructure multiplied the aforementioned problems. Even when farmers were able to produce a marketable surplus, poor roads made it extremely difficult for them to market their produce at appropriate rates. Input costs were also increasing, due in part to the

absence of market to village infrastructure.

While social infrastructure such as Basic Health Units and schools did exist at the village level, these institutions had governance problems. A shortage of qualified medical and teaching staff in rural areas, while critical, was only one factor. Chronic teacher absenteeism, lack of medicines and school supplies, the inability of the poor to afford medicines, and the fact that no-one was accountable to the community for the provision of high quality health and education services, meant that the poor, who could not afford alternatives to public sector facilities, were denied access to these essential services.

### Regional Situation Analyses

When NRSP first established its programme in Rawalakot, there was a lack of interest in collective community action. Although it was recognised that there were multiple impediments to development, people were not interested in joining forces to address common issues. People had become accustomed to depending on the government for any kind of intervention. When none was provided, no action was taken.

This apparent contradiction was based in part on previous attempts by the government and international NGOs to initiate improvements in the agricultural sector in the region. For example, many donor-funded programmes to increase agricultural outputs had operated successfully for a time, but had not been sustained when funding ended.

Many households' economies depended on army pensions or remittances from family members who had migrated outside the region for work. This left women to manage households. For many of the remaining men, there was little or no opportunity for employment. Given the region's high birth rate, family land holdings were subdivided until very little land remained to support a household. Many farmers were eager to diversify their crops, and to raise high-yielding varieties, for subsistence, animal feed and for cash, but no mechanism existed to bring this about.

Rawalakot's hilly terrain meant that people lived in widely-scattered hamlets. Although the soil was rich, land holding were very small (an average of eight *kanals*/1 acre per household in some areas). Many



households had orchards, but these were producing at sub-optimum levels. There was an insufficient supply of drinking water, and women had to travel long distances to collect water for animal and household use. Thus a major need identified was for water harvesting and delivery schemes that would carry water from sources in the valleys up to the villages. Another need was for link roads that would enable farmers to take their produce to market. Given the high levels of unemployment, enterprise development opportunities were in high demand. Many women, for example, were interested in establishing home-based poultry enterprises.

On the positive side, the region had unusually high rates of male and female literacy, and the value attributed to education has remained strong.

In the heavily populated Rawalpindi/ Islamabad Capital Territory (ICT) region, raising livestock was the primary economic activity when NRSP was established. People identified the development of high-yield and nutritious fodder crops as the most useful interventions for asset creation. Reforestation was also

required, since increasing population pressures had reduced the amount of forest. They also identified water conservation measures and infrastructure, for both agriculture and drinking water, as a vitally important means of improving the quality of life. People knew that access to veterinary information and care would improve animal stocks and increase the yield from the livestock on which so many of them depended. They also told NRSP organisers that if they could grow vegetables for consumption, they could save money. Although the line departments responsible for providing these services and information were present, the poor had no access to their services.

In Khushab, agriculture and livestock dominated the economy when NRSP began its operations. Farmers were using labour-intensive and inefficient farming methods, such as sowing crops by hand. Over-use of fertilisers was a widespread problem, as was the lack of information about efficient post-harvest storage and processing. Loss of animals to disease or lack of fodder and water meant that owners were vulnerable to economic shocks.



In some regions, drought, flood and other natural calamities have threatened the sustainability and even survival of communities. This was the case in the Turbat region, with its arid climate and harsh terrain, where agriculture depended on both irrigation and seasonal rains. Over 70 percent of the population depended on agriculture and livestock. Widely dispersed and sparsely populated villages made the delivery of government services difficult. Poor soil quality meant that agriculture was an unreliable means of subsistence, so families invested in livestock as a primary source of income. Here, too, animal husbandry methods were outdated and animals were vulnerable to diseases.

The lack of water was a chronic problem in Turbat, and many of the ancient underground water channels (*karez*) unique to the area had fallen into disrepair. (Case Study 7 describes NRSP's involvement in the rehabilitation of a *karez* in Turbat.)

The problem of under-utilised potential in rural areas had particular relevance for Turbat. The area is rich in date palms and local people are skilled in traditional growing procedures. However, date production, post-

harvest processing and marketing had been severely limited, primarily due to the lack of up-to-date processing methods, lack of input from government agencies and the lack of roads connecting villages to markets. Growers were faced with a problem common to many rural areas, which is that traders were taking advantage of local conditions to pay low prices, and with no means of transporting their goods to market, the growers remained poor.

In coastal Badin, almost 85 percent of the population depended on agriculture, but again, inefficient cropping and harvesting methods meant sometimes minimal outputs, and post-harvest losses were high. Small and scattered communities lacked the most basic facilities and resources. The condition of physical infrastructure in the region was amongst the poorest in the country.

### NRSP Responses to the Situational Analysis

Based on the analysis of regional situations and disparities, NRSP designed a programme package comprising numerous interventions to mitigate the problems identified by the communities. Successful as this package has been, NRSP has

always recognized that the communities and NRSP do not have the financial or organisational resources to solve these problems alone. Acknowledgement of that fact has led NRSP to make every effort to link the communities with relevant government and private agencies. NRSP considers it of the utmost importance to organize rural men and women so that their organisations can function as a platform from which to identify current priorities, devise plans of action to meet their identified needs, and become confident participants in the development of their own communities.

The programme package comprises Social Mobilisation, Rural Credit and Enterprise Development, Human Resource Development, Natural Resource Management and Physical Infrastructure and Technology Development. Although the expertise of these component parts is sector-specific, the sectors interact with each other in addressing the regions' needs and problems. The Rural Credit, NRM and PITD sections, for example, work together to co-ordinate programmes which enhance the agricultural sector.



The following section briefly describes the rationale for each of the NRSP sectors, in relation to the situation analysis. The specific activities of each sector, including the year's activities, are discussed in Chapter 5: Sectoral Reports. Where linkages with other agencies are a major feature of a sector's activities, those are discussed in Chapter 6.

### Social Mobilisation

NRSP's foundational premise is that the rural men and women who would conventionally be termed poor have the economic and human capacity, as well as the moral right, to actively participate in the development activities that affect them, and to identify their own development priorities. Social mobilisation is the means to that end, and the CO is the forum through which social mobilisation functions and develops. (Social mobilisation is the subject of Chapter 3.)

Community Organisations (COs) are a forum which demonstrate the characteristics of good governance. CO management, policies and operations are entirely transparent to the members. Office holders and members are accountable to each

other for decisions taken. The process of decision-making, based on discussion and consensus, encourages co-operation between members. When the CO interacts with other village organisations and with its partners in linkages, the co-operation fostered within the CO is put to effective use. The utilisation of economic resources also fosters both co-operation and discipline: individual CO members save regularly, and the CO as a corporate body invests in infrastructure schemes. CO decisions embody an economy of scale, in that they marshal local resources for locally appropriate projects. Decisions about credit disbursement and responsibility for repayment rest with the CO. The CO is thus a microcosm of a wider responsible and accountable rural community.

### Human Resource Development

The provision of an information and knowledge base is as important an intervention as the physical and material. Knowledge contributes to confidence, enables people to make the best decisions (economic and social) and helps people to deal with change as agents, rather than subjects. HRD provides or arranges relevant training sessions for CO members according to identified needs. For



many of the rural poor, attending an HRD training session is their first exposure to formal knowledge and the first opportunity to discuss development issues with others in similar situations. In the HRD training programmes, rural men and women gain up to date knowledge of agricultural and veterinary practices, and acquire the vocational skills to manufacture products. The managerial and accounting skills necessary for enterprise development are also acquired.

### Rural Credit

A household's access to affordable credit is perhaps the most important of NRSP's sectoral interventions, since credit makes so many other things possible. In NRSP's experience micro-credit is the fastest way to create an economic asset in the form of enhanced incomes for households and communities. For example, credit enables men and women to develop self-employment opportunities, to purchase high quality agricultural inputs, to invest in livestock by purchasing improved breeds and accessing veterinary care, and to initiate and enhance entrepreneurial opportunities. The affordability of the credit provided by NRSP is an important factor, in light of the

usurious rates charged by most informal moneylenders.

### Natural Resource Management

NRSP works to support farmers' efforts to optimise utilization of natural resources so as to enhance productivity and increase incomes. NRM's value to the agricultural sector means that NRM occupies a central role in NRSP's operations. The broad objectives of the NRM section are to:

- prevent natural resource losses
- enhance agricultural and livestock productivity
- promote sustainable resource management and environmental rehabilitation
- develop and manage agricultural, forestry and range areas, and livestock, fisheries and water resources.

### Physical Infrastructure and Technology Development

The PITD section, currently supported by PPAF, provides technical expertise in implementing and monitoring Community Physical Infrastructure (CPI) schemes. The CPI portfolio consists of several kinds of mechanisms to supply drinking water, as well as watercourse lining to minimise irrigation water losses. In Turbat, ancient *karez*s have been

rehabilitated through PITD interventions. The PITD section has also built farm to market link roads.

### Social Sector Services

This Section was established to meet the need, consistently identified by rural women and men, for improved education, health and sanitation services. The requirement is for affordable and accessible services: community-based schools, BHUs that provide curative and preventative care, and measures to protect public health, such as community-based sanitation systems. In dialogues with NRSP organisers, community members indicated that the operation of these services should be integrated into community life, if they were to be sustainable: that is, teachers and health-care practitioners should be accountable to the community in which they operated, for the quality of the services provided. It also meant that communities had to be willing to support the operation of these institutions.

In response to these requirements, NRSP has established a network of community-based schools across the country, and has recently established an innovative pilot project for BHU



management. Sanitation schemes have also been established (See the [Linkages](#) Chapter).

NRSP's education programme addresses the difficulties identified by rural communities in all regions: high teacher absenteeism; lack of teacher accountability, poor maintenance of school buildings, lack of community interest in assisting the public sector in education and weak feedback mechanisms. NRSP addresses these problems by sharing responsibility for its community schools with the COs.

### **Linkages**

Linkages between NRSP communities, line departments, government agencies, NGOs, research institutions and, recently, the private sector, constitute an institutionalised service-delivery infrastructure which would not otherwise exist. They are the primary means by which communities gain access to government and private-sector services and expertise. The development of a linkage between a CO and an external agency, department or company is a productive extension of social mobilisation and the sector-specific interventions described here.



#### Case Study 1

#### Moving Towards Self-Reliance in Badin

Life was difficult for 30 year old Mir Mohammad, a mason by trade, in the mid-1990s. His village, Mohammad Sahato, consisted of 40 households and some 280 residents. Even a highly skilled man had difficulty finding work here. Mir Mohammad could not feed the four members of his family properly. Impressed with NRSP's philosophy of self-help, saving and planning for the future, Mir Mohammad joined the village CO that had been active since 1994.

There was a crisis of leadership in his 18-member CO, in which the president and manager were accused of mis-management by other CO members. The CO members unanimously elected Mir Mohammad and Abdul Jabbar as their new president and manager. They reorganised their CO and motivated the members to save. Within a few months their savings had increased to Rs. 15,000. CO members received a loan of Rs. 114,918 from NRSP and fully repaid it. NRSP also provided a link road, through the CO.

However, Mir Mohammad's household was still living at subsistence level, so he decided to try a different occupation. With his fellow CO member Abu Bakar, he opened a grocery shop in the village as none existed in the vicinity and people had to travel to Talhar for daily consumption commodities. Mir Mohammad provided Rs. 5,000 from his savings. Abu Bakar borrowed Rs. 25,000 from NRSP and invested Rs. 10,000 in the joint venture and the rest in agriculture. It was decided that Mir Mohammad would build a cabin for the shop and that profits would be divided equally between the two men. They worked hard and soon their investment was repaid handsomely.

Abu Bakar had to withdraw his investment from the shop and thus Mir Mohammad became the sole owner. Eventually he expanded it, and the shop's working capital is now Rs. 35,000. His monthly sales total Rs. 40,000 and his net income is Rs. 8,000. During harvesting his daily sales reach Rs. 3,000.

He further extended his enterprise by opening another shop in his house. Exclusively for ladies, the shop is run by his wife. The shop has a working capital of Rs. 5,000 and monthly sales of Rs. 6,000. Mir Mohammad's wife's net monthly profit is about Rs. 1,500. She has bought a buffalo with her own savings. Mir Mohammad's quality of life and that of his family has greatly improved and he and his wife are now able to feed and clothe the family decently. He purchases agri-inputs for his own land and has extended credit amounting to some Rs. 50,000 to his fellow villagers for agri-inputs. He plans to establish a Rice Mill in the village, in a co-operative enterprise with other CO members. It will cost close to Rs. 100,000, of which he is able to raise close to Rs. 40,000. He estimates that installing the Rice Mill will increase his monthly income by up to Rs. 3,000.

As Mir Mohammad himself has no formal education, his greatest desire is to educate his two children in the best private schools in the area. In view of his present status, there is every reason to think he will be able to fulfil this aspiration. Now not only is he economically self-reliant; he extends valuable help to those of his fellow villagers who are interested in self-reliance and economic prosperity.

Source: NRSP Badin



## Social mobilisation: the core of NRSP's philosophy

**NRSP has always worked on the assumption that the rural poor can and should participate in the entire development process – identifying problems, implementing programmes and maintaining projects.**

Social mobilisation is based on acknowledging that the community is the centre of all development activities. It is only informed and engaged community members who can plan and undertake sustainable grassroots development.

The first step in taking the NRSP programme into a new area is to begin a series of dialogues with community members, explaining the purpose of the organisation and the mutual obligations which CO formation entails. These dialogues help to establish rapport and build trust between the NRSP Social Organisers and the villagers. They also enable potential CO members to identify the socio-economic and infrastructural opportunities available in their communities. Every effort is made to include both men's and women's perspectives as the dialogues proceed.

The dialogues also identify potential areas of effective intervention, as defined by the men and women of the community. It is worth noting that women and men often identify different priorities in the course of these discussions. When opportunities have been identified, they are grouped into sector-specific categories.

As part of the entry process the Social Organiser completes a 'situation analysis', which provides a thorough profile of the Union Council's ecology and villages. A situation analysis covers demographic trends, economic data (household income, agricultural and other earnings etc.), employment data, the institutions (schools, hospitals etc.) found in the area, the amount and condition of land, health and education facilities and physical infrastructure and the state of the agricultural economy. The situation analysis utilises primary and secondary sources (interviews, census data, etc.) and is valuable as a benchmark, as a tool for entry level planning and for eventual programme expansion.

An integral part of the situation analysis is the 'poverty profile', a process in which villagers are identified according to their own definitions of economic well being. This gives NRSP a good idea of the scale of the poverty in the area and enables NRSP to match its intended interventions with local needs. The poorest of the poor are also identified through this method. The categories are:



*kushhal*

(well to do/rich)

*guzara accha ho jata hai*

(better off)

*guzara mushkil se hota hai*

(poor)

*guzara bohot mushkil se hota hai*

(very poor)

*dusroon ke sahare zinda rehte hain*

(‘getting along with the help of others’/destitute)

When a CO has been formed, the Social Organisers help the members to draw up micro-investment plans (MIPs). These help the CO members to identify their economic needs in concrete terms and to plan ways to improve their economic standing. There are three levels of micro-investment plan: that of the household, the group, and the village. (See [Case Study 2](#).) The Social Organisers stress the need for CO members to accumulate savings, as a pre-requisite for credit and for asset building.

### Community participation in, and contributions to, development

It has often been the case that even when development/poverty-alleviation and infrastructure programmes are implemented, the rural poor, who are the intended ‘beneficiaries’ of these programmes, are left out of the planning and implementation processes. NRSP has always worked on the assumption that the rural poor can and should participate in the entire development process, beginning with the identification of problems, carrying through the implementation process and culminating in the ongoing maintenance of the projects identified in the MIP. The Community Organisation (CO) is the means of implementing this continual participation.

The CO is a source of ideas and decisions about village-level development issues and priorities, as well as being a platform for discussing issues that affect the community. CO members are participants in and contributors to programmes, rather than ‘beneficiaries’ in a passive sense.

COs contribute substantially to the capital costs of development

projects. Sometimes this contribution is formalised, as is the case with the Community Physical Infrastructure (CPI) schemes. Some COs pay the salary of the teachers in the community schools they sponsor. CO members also form Village Education Committees which monitor the quality of education services in community-owned schools.

The CO is also the focal point for the dissemination of information. This is the case with any agriculture-related activity, especially those involving new technologies, seed varieties and improved methods. ([Case study 11](#) describes the process of training community cotton specialists in Lodhran). When a CO endorses a demonstration plot of high-yield wheat or cotton, or when it participates in a farmer’s field day, its leadership is evident to others.

New ideas mean new opportunities for income-generation. NRSP’s training sessions, devised and carried out by the HRD section, are one means to this end. Again, the CO is the focal point, as it nominates people for training, and then ensures that those who have been trained convey what they have learned, to others.



## Case Study 2

### Multiple-Level Micro-Investment Plans

The 25 members of an all-male CO in a village in the Rawalpindi region have developed household, group and village level micro-investment plans (MIPs). These plans are described here briefly to indicate how CO members perceive the opportunities available to them, and how these opportunities are related to each other.

The area is a *barani* area, dependent on scarce rainfall for agriculture, livestock and human needs. The soil quality is poor and most subsistence farmers depend on livestock for the majority of their income. For some crops, production is barely enough for subsistence.

The Micro-investment plan, which serves as an economic profile, identifies each CO member by name and age, and lists educational levels (or illiteracy, if relevant), the number of household members and the household's current monthly income. If there is income from sources other than the land (for example, livestock) it is also listed. Each CO member ranks himself/herself according to the 'poverty ranking' noted above. Any land owned is listed in the micro-investment plan. CO members are asked to identify their plans for increasing their income, as well as the resources required to make that increase possible, and the expected increase in income after the intervention. The micro-investment plans are matched with the Village Profile, to give social organisers and regional managers a complete picture of the area.

- A 36 year old man with no formal education heads a five-member household, which he ranks as 'poor'. He owns 13 *kanals* (approximately 1.5 acres) of land, from which he and his family earn Rs. 1500 per month. He wants to install a tubewell (i.e., to install an engine and pump on an existing well) and requires financial support from NRSP for this purpose. He hopes that having a well will enable him to increase his income by Rs. 2,000 per month.

- A 19 year old man, one of 10 members of a household, has 8 years of education and earns Rs. 2,500 per month as an agricultural labourer. He ranks his household as 'poor'. He

identifies a well as his first priority. He hopes that a well will make it possible to increase his income by Rs. 1,500 per month, by increasing the number of animals he is able to raise.

- Three of the CO members have a monthly income of Rs. 1,000. One is 27 years old, another 28, and the third 61. Two of these three CO members have some education (8 years and five years, respectively) while the third, the 61 year old man, is formally illiterate. Their average household size is 7. All classify their households as 'poor'. One owns no land and works as an agricultural labourer; another owns 10 *kanals* (just over one acre), and the 61 year old man owns 70 *kanals* of land that is only minimally productive because of lack of water. The two men who own land have asked for funding for a well, while the landless labourer has identified tailoring training as the means of livelihood he hopes to pursue. All three expect to increase their families' income by Rs. 2,000 to Rs. 2,500 per month.

Group level micro-investment plans are devised by a subsection of the CO, although in some cases every member may be involved. In this CO, rainwater collection and conservation dominate the group micro-investment plans. The group has identified three kinds of schemes: mini-dams (i.e. a reservoir, which would cost approximately Rs. 500,000), a pond (smaller and less costly than a reservoir) and wells (costing approximately Rs. 100,000 each). It is important to note that these costs are relatively low as the CO members and other village residents provide the labour.

Village level micro-investment plans usually include more than one CO, and sometimes include non-CO members as well. In this case, a number of small river channels flow close to the village. The CO members have proposed that the water in these channels be diverted to flow closer to the village, and that a link road be built to connect the village to the river. A bridge would also be built across the river, if the finances for the village-level plan can be found.

Source: NRSP Rawalpindi / MER Section



13 ►►

CO members have seen that their own efforts to bring about change have been successful, and are now willing to initiate and manage projects themselves, and to work collectively to solve the problems that they have identified. In Rawalakot, to cite only one example, there are cases of COs bearing 50 percent of the costs of projects, and in some cases COs have borrowed funds from NRSP to construct projects on their own.

### Social Activists

NRSP's experience reaffirms the belief that the programme's achievements should properly be attributed to its cadre of village-level activists. It is these men and women who identify local human and material resources, and motivate other community members to participate in development activities.

Social Activists are volunteers who fully understand local wisdom and experiences. These are the keen, progressive, honest and selfless CO members who want to do something for the people around them. Without these activists NRSP would need an army of staff to deliver the services required by the CO and community members. Through a number of

interactive dialogues, the SOs succeed in identifying those community members who have leadership qualities, and are trusted by others. Once a Social Activist is identified, NRSP works to enhance his or her skills and knowledge.

In the year 2000–2001 the Activists' role expanded as NRSP responded to the COs' plans for PPAF-funded community infrastructure projects (CPIs). The activities of the Social Activists made it possible for NRSP to successfully implement some 300 CPI schemes, as noted in the PITD section of this Report. The Activists took a leading role in establishing the necessary managerial and logistical structures for CPI implementation. They also assisted the COs in arranging community contributions of material and labour. In many cases, the Activists also mobilised funds from non-members.

### Social Organisers and the quality of COs

Dr. Akhter Hameed Khan rightly said that the Social Organiser is a guide, a philosopher and a teacher. NRSP experience indicates that the quality of a CO depends on the Social Organiser's capabilities and skills. Other factors having a direct effect

on the quality of the COs are (a) the SOs' capacity to identify, train and interact with Activists and COs and (b) the matching of NRSP's human and economic resources with community expectations. When sustained interaction between the SO and the CO is not possible, or if the SO is unable to meet expectations due to resource constraints, there is a risk that the CO will become dormant.

### Programme Achievements, 2000–2001

Programme expansion has continued at a steady pace over the past year, with a total of 4,038 COs formed, consisting of 81,216 members. Programme coverage increased by 28.1 percent in total, over the year. Male COs increased by 28.5 percent, female COs by 33 percent and mixed COs by 15.5 percent. A summary of the figures is given in Table 1.

### CO Savings

The savings generated by the COs form an essential component of the capital generation process that is critical to the sustainability of the COs. The programme-level figures for savings are given in Table 2. With their savings, COs have been able to contribute to CPI schemes, to pay



teachers' salaries and to engage in lending within the CO.

### New Directions for Social Mobilisation

Efforts are underway to increase the depth and scale of social mobilisation. This entails increasing the training programmes, so that more CO members can engage in income-generating activities, as well as linking the COs with other Development Finance Institutions (DFIs) so that the higher demand for credit can be met.

Since NRSP's inception, 7,246 COs have benefited from NRSP's micro credit and training programmes. NRSP will proactively ensure that these mature COs now move towards:

**Accessing technical packages and services in order to increase opportunities for further development.** COs should be able to access a wide range of government services and facilities, in technical expertise, agricultural information and technologies and education and health facilities.

**Graduating from subsistence to commercial level.** As local potential is being harnessed and new technologies introduced, increased emphasis must be placed on utilising resources to enable communities to move beyond the subsistence level. The generation of a surplus through commercialisation of activities is essential for the alleviation of poverty through capital formation based on productive commercial activity.

Table 1: Social Mobilisation, 2000-2001

<b>COs formed</b>	<b>4,038</b>
Male	2,293
Female	1,299
Mixed	121
Water Users Associations Formed	325
<b>Membership</b>	<b>81,216</b>
Male	55,811
Female	25,405
Average	20
<b>Programme Introductions:</b>	<b>7,782</b>

Table 2: Savings by COs (Rs. million)

	Annual 2000-2001	Cummulative (as of June 2001)
<b>Total</b>	<b>6642</b>	<b>196.07</b>
<b>Male</b>	52.07	15766
<b>Female</b>	14.35	3841

Source: NRSP MER Section



**Corporate ventures by pooling individual resources.** The benefits of co-operation go beyond simple economies of scale, as individuals and communities working together can also share knowledge and skills. More importantly, co-operation can increase bargaining power and improve access to markets. The promotion of this kind of co-operation will provide communities with an advantage when faced by market forces which may pose a threat to individual producers and consumers.

**Achieving financial sustainability at the CO level.** Achieving financial sustainability will enable the COs to be independent, thereby freeing human and economic resources so that NRSP can continue to expand its programme coverage.

**COs as a mechanism for accountability of line departments at the grassroots level.** The COs have the potential to press for accountability at the local level. The CO can provide people with a strong voice so that their demands can be heard and their needs met, by government departments. NRSP considers it essential that newly-elected Local

Government bodies and the COs work together closely, as both sides have resources which can be put to mutually beneficial use.

When prosperity comes into a house, women are the first to benefit. When poverty comes, women are the first to be affected.

جب خوشحالی گھر میں آتی ہے ،  
عورتوں کو سب سے پہلے اس کا فائدہ ملتا ہے  
جب غربت آتی ہے ،  
تو عورتیں ہی سب سے پہلے اس سے متاثر ہوتی ہیں۔

## Women's involvement in NRSP programmes

**Forming a women-only or a mixed CO is often the first opportunity that a rural woman has to identify her priorities and to contribute ideas for improvements.**

Gender — the socially-constructed aspects of male and female behaviour and action — has important implications for NRSP's work. Development, whether defined as economic activity, improved access to basic health and education, environmental improvement or improved physical infrastructure, cannot be said to exist if women are not actively involved in the process, and if they are not the beneficiaries of the activities undertaken.

A 'traditional' view of rural Pakistan would assume that women were silent and submissive members of households, dependent on male household members for their economic well-being. While this perception may be valid for some women, it is also incorrect on a number of counts. Research and NRSP's experience have shown conclusively that women's contributions to household economies and the well-being of household members are vitally important, even though much of their labour is not acknowledged, and most of it is unpaid.

NRSP's integrated approach to the inclusion of women in its activities means that its efforts to create a

social safety net are gender-specific on at least four fronts:

**Reducing poverty** — many of the very poorest households are headed by women. Even when they are not, poverty has gender-specific outcomes, in that girls and women are often the most disadvantaged members of a poor household. Credit delivery and income-generating programmes aimed at women are a vital part of NRSP's poverty-alleviation programmes.

**Reducing vulnerability** — when livelihoods are made more secure, and when women and men both earn, families are better able to cope with economic stresses, and are much less likely to be rendered destitute by the loss of a wage-earner's income or by illness.

**Increasing capacity** — this begins with training women in CO formation and management and extends to enabling women to assess and respond to issues, to make decisions, to be able to approach government officials and to sit on Village Education Committees where these exist.



**Increasing opportunity** — this involves enabling women to earn a living, to pursue vocations not traditionally open to them, to gain access to decent and affordable health care (including reproductive health) and to enable girl children to go to school, so that the cycle of poverty is broken.

Previously, NRSP had treated the involvement of women in its programmes as a discrete activity; presently, however, gender concerns — primarily efforts to include women in all of NRSP's programmes, and to ensure that women's concerns are addressed — are integrated into the mainstream of the programme. The maintenance of gender-specific data is an integral part of NRSP's programme monitoring and assessment.

### NRSP Female Staff

NRSP encourages women to apply for positions in the organisation, and, if necessary, relaxes the formal entrance requirements to encourage women applicants. 50 percent of the Social Organisers are women, and with only two exceptions, there is a woman Social Organiser in each NRSP Field Unit. Many female SOs now hold the position of 'Field Unit Incharge'.

Maternity leave is available to women staff members. Women and men have the same opportunities for study and training. In those parts of the country where prevailing norms mean that women are unable to travel unaccompanied, NRSP makes every effort to arrange suitable travel and accommodation for its female employees. Some 1,087 women staff members (and 3,740 male staff members) have been trained by NRSP since 1992. In the year under review, 302 female and 724 male staff members received some form of training.

### Social Mobilisation: Women COs

In the broadest terms, the formation of a CO is the most significant step in the social mobilisation of women. NRSP actively encourages its field staff to ensure that women are included in all of its development activities.

Forming a women-only or a mixed (female and male) CO is often the first opportunity that a rural woman has to identify her priorities and to contribute ideas for improvements. Since NRSP's inception 85,794 women have formed 3,911 women-only COs and joined 779 mixed<sup>3</sup> COs. In the

year 2000, 1,299 women-only COs and 121 mixed COs were formed.

The majority of members in a mixed CO are women, although the president and the manager are usually men.

Table 3a shows the male and female membership numbers since the inception of NRSP, by region. Table 3b shows the number of male and female COs formed during the year 2000–2001, and their membership numbers. In 2000–2001, 34 percent of the COs were women-only, and 31 percent of the members were women.

It is worth noting that, since inception, Turbat has had more female members than male members. In 2000–2001, there were more women COs formed in Mardan and Sialkot, with Turbat achieving close to half the number of male COs. In Sialkot the percentage of female members was higher than that of males, and again, the figure in Turbat is almost equal to that of male membership. In Bahawalpur, only 10 percent of the CO members are women, but women-only COs constitute 33 percent of the number of COs formed in the year.

<sup>3</sup> A mixed CO usually consists of women members with one or two men who hold the position of President and Manager, if there is no literate woman in the CO. The men are responsible for record keeping and for some activities that require public activity, such as banking.



The reasons for the disparities in male and female numbers are complex. In some extremely poor areas, male migration has resulted in a preponderance of female headed households, leading women to become involved in community development activities. In Lodhran and Vehari, the NRSP programmes have until recently concentrated on agricultural production, which is dominated by men. These regions have now adopted the holistic approach typical of the other NRSP regions, and it is expected that a more gender-balanced membership will result. The figures for the long-established regions show an incremental increase over time, which NRSP is committed to maintaining.

Women manage almost all of the affairs of the female COs, including

organising regular meetings, identifying priorities, planning future actions, keeping records, and monitoring on-going activities. In some cases, men travel to the Field Unit office to repay credit, and it is typically men who purchase goods and supplies for women's enterprises.

Women-only COs operate on the same terms as male or mixed COs: that is, they are eligible for credit and enterprise development; they can request Social Sector Services and attend Human Resource Development training, and they can take advantage of Natural Resource Management schemes. Although existing social values determine that male COs predominate in deciding on physical infrastructure schemes, requests from female COs are given preference. Social Organisers report

**Table 3a: Membership since inception, by region and gender**

Region	Date of Formation	Male	Female	Total	Female %
Turbat	February 1993	10,196	11,823	22,019	53.7
Sialkot	January 1999	11,554	9,683	21,237	45.6
Rawalakot	January 1993	16,382	11,221	27,603	40.7
Bagh	January 2001	476	258	734	35.1
Rawalpindi	February 1993	31,968	17,020	48,988	34.7
Khushab	February 1993	23,131	10,194	33,325	30.6
Hyderabad	January 2000	16,377	6,576	22,953	28.6
Malakand	April 2000	1,903	736	2,639	27.9
Thatta	May 2000	1,824	649	2,473	26.2
D. G. Khan	January 1997	10,072	3,209	13,281	24.2
Badin	January 1993	15,219	4,416	19,635	22.5
Bahawalpur	October 1998	22,169	4,185	26,354	15.9
Mardan	May 1995	29,613	4,990	34,603	14.4
Vehari	July 1997	15,391	567	15,958	3.6
Lodhran	June 1998	11,144	267	11,411	2.3
<b>Total</b>		<b>217,419</b>	<b>85,794</b>	<b>303,213</b>	

Source: NRSP MER Section



that women participate in household decision-making regarding Community Physical Infrastructure projects, usually contributing to decisions about the need for drinking water supply schemes, schools and BHUs.

In 2000–2001, women CO members accumulated a total of Rs. 14,349,813 in savings, as against Rs. 52,069,831 saved by male CO members (women's savings were 21.60 percent of those of men.) The average savings amount for a women-only CO was Rs. 11,046; that for men-only COs was Rs. 22,708.

### Sector-specific involvement of women

#### Monitoring, Evaluation and Research

The quantitative data reported through the Management Information System (MIS) for quarterly and annual reports, is disaggregated by gender. Every effort is made in qualitative studies to incorporate the perspectives of women.

#### Rural Credit and Enterprise Development

Of the Rs 2,739,524,988 credit disbursed under the RCED sector since NRSP's inception, Rs. 304,611,610 has gone to women. In 2000–2001, Rs. 70,571,020 (39.28 percent of the total) was disbursed to women, with the average loan

size for women being Rs. 7,958 as against the average loan size for men, which was Rs. 12,297. Table 4 shows the gender-disaggregated distribution of loans in 2000–2001, in the four sub-sectors of RCED.

#### Social Sector Services

The majority of teachers – 258 of 442 – trained by and employed in the NRSP-supported community-based schools are women. Of a total of 10, 121 students in these schools, 4,694 are girls. In two of the seven Regions, there are more girl students than boys: in Badin, for instance, there are 718 female students and 565 male students; in Turbat, there are 539 female students and 728 males; in Lodhran 192 girls and 276 boys are enrolled and in the schools in Rawalakot there are 817 girls and

Table 3b: COs formed and No. of members by region and gender, 2000–2001

Region	Number of COs Formed				Female %	Number of Members			
	Male	Female	Mixed	Total		Male	Female	Total	Female %
Mardan	39	115	0	154	75	4,402	2,397	6,799	35
Sialkot	140	276	0	419	66	2,224	4,330	6,554	66
Turbat	101	95	5	201	47	2,829	2,472	5,301	47
Vehari	25	16	0	41	39	352	193	545	35
D.G. Khan	27	22	15	64	34	509	202	711	28
Rawalpindi	287	170	38	495	34	6,305	3,840	10,145	38
Bahawalpur	105	53	4	162	33	8,192	941	9,133	10
Hyderabad	673	303	42	1,018	30	16,377	6,576	22,953	29
Rawalakot	119	50	5	174	29	1,500	951	2,451	39
Malakand	49	20	0	69	29	1,207	514	1,721	30
Badin	99	32	2	133	24	2,275	573	2,848	20
Thatta	94	29	3	126	23	1,824	649	2,473	26
Khushab	326	89	5	420	21	4,537	1,242	5,779	21
Bagh	35	10	2	47	21	476	258	734	35
Lodhran	174	19	0	193	10	2,802	267	3,069	9
<b>Total</b>	<b>2,293</b>	<b>1,229</b>	<b>121</b>	<b>3,716</b>		<b>55,811</b>	<b>25,405</b>	<b>81,216</b>	



822 boys<sup>4</sup>. Five of the regions have a school Monitor; of these, four are women.

Women sit on School Management Committees and on Village Education Committees, where these exist. A total of 96 School Management Committees were formed under the Northern Education Project in Rawalakot in the year 2000–2001. Women and men sit on all these Committees. Of the total number of SMC members, 192 are women and 480 are men.

The Rawalpindi region administers a scholarship funded by a Japanese NGO, 2050, which is awarded annually to four female students. Each scholarship totals \$250 per year, and covers the cost of tuition, uniforms, books and supplies, and transportation.

(Case study 10 discusses the situation of two of the current scholarship holders.)

#### **Institute of Rural Management/ Human Resource Development**

Women CO members and NRSP staff took advantage of the IRM training sessions listed in Table 6, in 2000–2001.

#### **UPAP**

98.7 percent of UPAP borrowers are women, although it is understood that male family members sometimes share in the credit or use it themselves. In terms of credit usage, UPAP figures show that, of the businesses operated on UPAP loans, 39 percent are run by women, and 61 percent by men.

UPAP has the highest ratio of female to male staff. Of the 33 UPAP staff

**Table 4: Gender-disaggregated loan distribution, 2000–2001**

	Number of Loans		Amount of Loans (Rs.)		Female %
	Women	Men	Women	Men	
Agricultural Inputs	2,139	25,357	12,711,020	328,635,150	3.7
Livestock Development	5,110	6,644	40,534,000	66,537,000	3.8
Enterprise Development	1,475	3,941	15,175,000	43,024,500	3.4
Small Infrastructure Individual Enterprise	144	850	2,151,000	14,223,000	13.1

Source: NRSP RCED Section

<sup>4</sup> The figures are accurate, but do not reflect the total number of students. The actual figures are higher, but some of the NRSP - supported schools do not report to NRSP.



whose focus is credit, 17 are women. Nine women are "in-charge field officers" (i.e. office managers), and the remainder are fieldworkers, assistants and interns. (See [Case Study 12](#).)

### Barani Village Development Project

In acknowledgement of the importance of incorporating women into every sector of a multi-sectoral development project, BVDP has stipulated that at least 40 percent of all COs formed must be women's COs. The project requires that CPI schemes be awarded to Village Organisations (a village-level cluster of COs) and at least one CO in each VO must be a women's CO. BVDP project organisers recruited women agricultural extension workers to work with women farmers, to

redress the gender imbalance. 18 high school age women have been trained as livestock Extension Workers, specialising in small livestock and poultry, under the supervision of a female veterinarian. It is expected that these women will eventually train a further 1,100 women CO members in sheep/goat and poultry farming.

### NRSP – PPAF Partnership

Women are included in all three sectors of PPAF intervention – CPIs, training and credit disbursement. (Details of women's involvement in the partnership's savings and credit component are found in Chapter 7.) In total, 1,677 women were trained under the capacity-building component of the partnership during the year: 123 women in Community Management Skills, 728 in Natural

Resource Management and 526 in Vocational Skills.

Women's public involvement in CPIs tends to be less visible, because the men of the community are involved in the public aspects of these schemes. However, women are undoubtedly the direct beneficiaries of the drinking water supply schemes that communities and PPAF have created. When clean drinking water is available close to home, women are spared the effort of carrying water over long distances. This leaves them more time to devote to other activities, including caring for family members, and for productive and income-generating activities. Similarly, when a sanitation CPI is built, women find it easier to ensure that the health of household members is protected.

Table 5: Health sector training by gender, 2000-2001

Training Activity	Women	Men	Female %
First Aid	5	8	38.5
Epidemic Prevention	26	78	25.0
Family Planning Orientation	34	12	74.0
Flood Rescue	0	12	0.0
Health and Sanitation	0	32	0.0
Traditional Birth Attendant *	506	0	100.0

\* The significance of training Traditional Birth Attendants in maternal and infant care is described in some detail in Case Study 9.

Source: NRSP MER Section

Table 6: Community training activities by type and gender, 2000-2001

Training Activity	Women	Men	Female %
Managerial	819	1,909	30.02
NRM	818	1,819	31.02
Vocational	2,477	1,471	62.74
PITD	-	16	0.00
SSS	157	141	52.68
Activists workshops	295	2,377	11.04
Refresher Courses	115	449	20.39
Subject Specific Workshops	3,022	6,243	32.62
<b>Total</b>	<b>7,703</b>	<b>14,425</b>	

Source: NRSP HRD Section



## Sectoral Reports 2000–2001

*"The only way to bridge the gap between the available resources and the desired level of services is through social mobilisation and community involvement based on human development".*

Shoaib Sultan Khan

### 1. Human Resource Development

#### Social Guidance and Training

The development of human resources, i.e. acquiring skills, gaining access to knowledge and information and developing confidence — is critically important in the development process and a vitally important means of poverty reduction.

NRSP's Human Resource Development (HRD) programme, implemented through its Institute of Rural Management (IRM), focuses on harnessing peoples' potential in solving their problems. The provision of social guidance, in the form of formal training events, on-the-job technical advice and experience-sharing workshops and seminars, is a pre-requisite to harnessing this potential and to bringing about social change. The HRD program enhances human capital and skills, by developing the capacities of NRSP staff members and the members of organised communities. This helps to ensure the sustainability of NRSP as a support mechanism and the CO as a viable entity.

#### Institute of Rural Management

The HRD section has recently been renamed the Institute of Rural Management (IRM) and its role altered accordingly. The establishment of IRM indicates a greater degree of autonomy for the section, although it still forms an essential component of NRSP. This change in structure has resulted in a shift to a new location in Islamabad and the establishment of a computer lab. IRM combines a flexible organisational structure with integrated managerial control, which provides support to NRSP and the other RSPs.

IRM is already the leading training facility for the RSPs, NGOs and other development institutions. The increasingly wide range of staff and community training programs, and training programs for other organisations, has meant an increasing workload, which can best be handled through an integrated body like the IRM.

In keeping with the on going decentralisation occurring in NRSP, and due to increasing costs, the training programmes initially developed by IRM have also been decentralised.

The NRSP Regions conduct over 70 percent of the training programmes for community members. IRM's role



is now primarily to help the regions implement and maintain quality in these programs. The training of staff members and master trainers' (those who receive training and then train others) will continue to be a function of IRM at Head Office.

IRM has developed a number of training modules in conjunction with government and private institutions, thus acting as a bridge between these institutions and rural men and women. IRM has also developed a number of training modules for use by government institutions. By leveraging existing facilities IRM maintains a time and cost-effective operation without needing to invest in expensive hardware. In most cases vocational training courses have been condensed from six months to 45 days. NRSP pays half of the tuition cost and the full cost of the trainees' boarding and lodging. Full details of the kinds of training, the number of courses (since inception and for the year 2000–2001) and the number of participants, are found in the [Statistical Profile](#)

#### Needs of the communities and IRM's niche

IRM prides itself on being responsive to the needs of community

members. Its combination of innovation and flexibility provides the necessary synergies to keep the program dynamic.

While there are a number of government and private organizations active in Human Resource Development in Pakistan, very few focus on building the capacities of the poor, or the master trainer. The NRSP IRM takes the lead in (a) developing a cadre of master trainers who can train community members (b) developing and designing community training programs and (c) increasing the capacity of government and private institutions to respond to community needs.

IRM's primary focus is vocational and NRM training for CO members. Details concerning the Vocational, Managerial and NRM training sessions carried out by IRM (including training sessions carried out for PPAF) are located in the [Statistical Profile](#). Through IRM's Community Management and Skills Training (CMST) programme, social activists receive formal training in communication, planning, monitoring, accounting and CO management. Some activists are also identified

during NRSP's Vocational Training and Natural Resource Management programmes. In addition to the staff and community training programmes, IRM focuses on:

- increasing the training capacity of partner RSPs and other NGOs.
- undertaking specialized training programs
- providing technical assistance to partners.

#### External training

Since 1994, the HRD sector has been involved in training the staff of government agencies, national and international NGOs, private-sector organisations and banks. This initiative has now shifted from being demand-driven, to constituting a core component of IRM's strategy for expansion.

IRM has conducted training in management and communication skills for UNDP and the World Bank in Pakistan and other countries. Some training courses for UNDP staff have been held in Nepal, China and Iran. In the year 2000–2001, external training sessions generated Rs. 8 million, which amounts to 30 percent of IRM's programme budget.



IRM's Micro Finance Training Programme has focussed on the commercial banking and NGO sectors specifically working to deliver micro-credit. The Muslim Commercial Bank, the First Women Bank, *Khushhalibank* the Agricultural Development Bank and the National Bank of Pakistan are amongst the clients who have participated in these training sessions to date. The training includes accounting and managerial skills, but more importantly, covers the principles of social mobilisation and the practice of community-level development.

IRM currently supports all the Rural Support Programmes in meeting their training needs. IRM has the capacity to undertake training for District Governments and for Local Government bodies.

The Human Resource Development Network (HRDN), established in 1999 under the umbrella of IRM, began its training, capacity-building and research activities in March 2000. HRDN now has 17 member organisations, and has offices in Nepal, Bhutan and Sri Lanka. The Network Secretariat was based at IRM in Islamabad for the year 2000–2001.

## 2. Rural Credit

The Rural Credit and Enterprise Development (RCED) Section has worked since NRSP's inception to establish the systems required to mobilise savings and to make affordable credit available to the poor, the majority of whom have no collateral. The initial process of establishing credit delivery systems took almost three years, from the founding of NRSP. From a modest

Table 7: RCED Credit disbursement in 2000–2001

Funding Agency	Disbursement (Rs.)	No. of Loans	Average Loan Size (Rs.)
PPAF	131,252,580	13,817	9499.35
Habib Bank Limited	391,738,090	31,843	12,302.17
<b>Total</b>	<b>522,990,670</b>	<b>45,660</b>	<b>11,454.02</b>

Source: NRSP RCED Section



beginning, NRSP moved to address the problem of scaling up the system so as to reach a wider clientele. A credit line from Habib Bank Limited and a computerised loan-tracking system, locally designed and implemented at the field level, solved the problems of scaling up. The NRSP field teams were confident that they would meet the communities' demand for credit if the communities proved their credit-worthiness. This scaling up had become a routine activity by the end of the fiscal year 1999-2000 in terms of systems and availability of funds for credit disbursement.

However, the ever-increasing demand for credit kept the NRSP staff under tremendous pressure and it was felt that unless the NRSP Rural Credit programme became self-financing, NRSP would not be able to meet this demand. At the same time, those who now had access to financial capital in the form of savings and credit also wanted to increase their incomes by having access to advanced technologies, information and marketing strategies.

NRSP has always acknowledged the primacy and urgency of the communities' need to enhance

agricultural productivity and profitability. Since NRSP's inception, 83 percent of NRSP's total credit portfolio has been used for agriculture and livestock related purposes. In 2000-2001, the figure was 86 percent. In those regions where agriculture is the dominant economic activity, the figures for the year under review are even higher: Badin, 92 percent; Lodhran, 99.5 percent; Vehari and D.G. Khan, 99 percent<sup>5</sup>.

NRSP's Rural Credit programme continues to be the country's largest micro finance programme. According to the June 2001 Report of the Pakistan Microfinance Network, NRSP's share in the total loans disbursed by the MFN members was 69 percent, while NRSP's outstanding portfolio of rural credit was 65 percent of the total portfolio of all MFN members. Despite this large loan portfolio, NRSP was able to maintain a repayment rate of over 93 percent. An analysis of disbursement by PPAF to its Partner Organisations (POs) also confirms NRSP's position as the largest PO dealing in micro credit.

In the year 2000-2001, NRSP worked towards making the Rural Credit section self financing and to link

communities with financial and technical packages that help to increase incomes and link small farmers with marketing ventures.

Despite the difficulties of costing the delivery of rural credit in multi-sectoral programmes, the NRSP field teams defined cost allocation formulas based on the time spent on rural credit. Some of the well-established NRSP Regions succeeded in achieving the required level of financial self-sufficiency. However, many of the Regions established in 1999-2000 and 2000-2001 were investing in the communities to create a client base. Along with monitoring NRSP trends in self-sufficiency and loan-portfolio quality, the Rural Credit section continued to monitor the utilisation of micro credit, resource mobilisation through savings and the impacts of micro-credit in terms of income enhancement.

The focus on program quality resulted in more precise identification of the poor in the rural credit programme. This is also evident from the reduced loan size that has been implemented in new loans during the current financial year. In a period of increasing unemployment, the NRSP

All figures are from NRSP's MER Section.



Rural Credit programme, along with the Vocational Training Programme, offered greater self-employment opportunities to those who were striving to increase their earning capacity. The precise figures, disaggregated according to loan size, purpose and gender, are provided in the [Statistical Profile](#)

While most of the world's Micro-Finance institutions prefer to deal in loans that are repayable in monthly or weekly instalments, loans for agricultural inputs and livestock are considered to be high-risk and hence are called "bullet" loans. Since Pakistan's economy is predominantly agrarian, most of the demand for credit is related to agriculture and livestock. Usually, these loans are repayable in a lump sum, and are therefore risky. However, only these loans will enhance agricultural productivity. Since our focus is on improving productivity and asset creation, NRSP continues to provide "risky" loans. Focusing on outcomes has enabled NRSP to maintain a large, high-quality portfolio.

This policy of funding agricultural and livestock activities put NRSP in a difficult position when drought occurred in many districts of its

programme area. However, NRSP was able to recover the major part of its loans on time, as it had assisted the communities in setting aside savings to meet such contingencies. In some areas, such as Lodhran, the COs had problems repaying their loans due to unfavourable market conditions.

The successful implementation of a rural credit programme through funding from Pakistan Poverty Alleviation Fund (PPAF) encouraged both NRSP and PPAF to expand the programme's outreach.

The holistic nature of the NRSP programme greatly assisted the NRSP rural credit clients. Those without the required business management skills were able to enhance their skills through the Vocational Training Programme (VTP) and Natural Resource Management programme. This integration of training, technical assistance and micro credit attracted the attention of the International Fund for Agricultural Development (IFAD) and the Punjab Government: these agencies agreed to award a contract to NRSP in October 2,000 for the implementation of the Rural Finance, Institutional Support and Community Development components of the Barani Village Development



Project (BVDP). Under the BVDP, NRSP will facilitate the COs in carrying out integrated rural development: the rural credit programme will play a vital role in that process.

### 3. Natural Resource Management

The NRM section works to help farming households improve soil conditions, and to increase the amount and productivity of arable land. New information and new technologies, disseminated through farmers' training in partnership with the provincial Agriculture Departments, help increase agricultural productivity and reduce losses.

In agriculture, horticulture and orchard enterprises, for example, farmers now have access to high quality seeds, fertilisers and pesticides, and fruit and forestry plants. Farmers in many regions have diversified their activities to include growing vegetables with high market value and growing non-traditional crops. In Rawalakot, for instance, farmers now grow wheat for human and animal consumption. In Rawalpindi, better fodder crops are available and CO members now have access to improved breeds of cows and buffaloes. Orchard crops in Rawalakot have also been

diversified, resulting in higher yields, from existing and newly-introduced trees. In Murree, CO members now grow vegetable crops for sale in the upscale markets in Islamabad and Rawalpindi, and for their own consumption. Thousands of saplings have been planted in social forestry projects in the Rawalakot region.

On the communities' part, CO members borrow to purchase agricultural inputs and implements. They invest in watercourse lining and drinking water supply schemes. COs also borrow to build or repair link roads that will enable them to take their produce to market. Many CO members borrow to set up small businesses related to agriculture.

NRM-section activities can be divided broadly into three categories: capacity-building, demonstration and dissemination and the development of linkages (Linkages are discussed in Chapter 6).

#### Capacity Building

NRM's multi-faceted approach to capacity building includes building infrastructure, providing credit to facilitate the purchase of inputs at the time of sowing or for purchase of livestock and skill enhancement through training. Training in these

subjects is offered in collaboration with government and private training institutes.

In addition to these regular activities, NRSP also arranges farmers' field days before each crop season begins. In these workshops the farmers, agricultural specialists hired by NRSP and line department staff share their knowledge and experiences.

#### Demonstration and Dissemination

NRSP disseminates both new and proven technologies which can be easily grafted onto existing agricultural patterns.

The technologies which have been introduced include:

- Demonstration of cotton sowing on beds and furrows
- Improvement of water-use efficiency through precision land leveling and improving farm layout, leading to increased yields. Precision land-leveling was done on fifty one-acre units in Lodhran district.
- Introduction of improved breeds of cow & buffalo bulls. A total of nine bulls were delivered to communities last year.
- Fruit tree plantation: As a result of research conducted at NARC (Islamabad) and Barani Agricultural Research Institute (Chakwal), NRM



### Case Study 3 Groundnut Thresher in District Chakwal

District Chakwal produces almost 80 percent of all the groundnuts produced in Pakistan, as the district is blessed with the best climate and soil composition for this crop. However, the outmoded and labour-intensive harvesting process meant that large amounts of time and resources were wasted in threshing groundnuts. Post-harvest threshing used to take many weeks, as no proper harvesting equipment was available in the market. Keeping in view our approach of building upon local technological talent, NRSP approached a local manufacturer of agriculture equipment in village Dhudhial, District Chakwal. He agreed to design and construct a threshing machine. When tested, it showed positive results: it can thresh more than 20 *maunds* of groundnuts in 2 hours. Manual threshing of this amount would require 2 or 3 days' labour.

The thresher was then demonstrated during a farmer's day in Talagang. Area farmers have bought many threshers and more and more farmers are adopting the method, saving time and money.

Source: NRSP Rawalpindi

arranged for the purchase of 11,000 fruit tree saplings for CO members, to demonstrate that plants such as olives and almonds can be grown successfully in the Potohar region.

- Off-season vegetable cultivation to increase farmers' incomes by producing better returns for their produce.

## 4. Physical Infrastructure and Technology Development

NRSP considers physical infrastructure schemes to be an investment in the CO. Hence NRSP works on the premise that local people understand their problems better than outsiders do, and are willing to address those problems. It is also understood that they are willing and able to contribute financially to the schemes.

The PITD section supports rural communities in identifying, designing, constructing, operating and maintaining village-level physical infrastructure. The CO identifies and prioritises specific schemes, the most urgent of which are forwarded to NRSP through a CO resolution. The PITD section then develops a "portfolio of opportunities", a list of



those projects which have been surveyed by NRSP's technical experts and deemed to be technically and economically feasible. The CO agrees to share the costs of the scheme (in cash and labour) and to manage its implementation. The CO also assumes responsibility for the post implementation operation and management.

Approximately 90 percent of NRSP's CPI portfolio is funded by PPAF. NRSP has been able to use the portfolio of opportunities to access funding for 293 schemes in the five core regions. An additional 650 projects will be implemented over the course of the NRSP-PPAF partnership

agreement: 500 in the core regions and 150 in its newly-established offices.

#### Making a Difference

The PITD section works to develop local and appropriate technologies and skills. Project Portfolios combine current expertise and high quality designs that are based on local knowledge and are affordable in terms of cost, operation and maintenance. Substantial benefits have been observed as a result of this approach: smaller schemes require lower capital costs; the community contributes to the capital cost and the need for contractors is reduced or eliminated, as

community members provide the labour and manage the construction. Most importantly, a sense of ownership is created.

There is a substantial saving in costs by following the RSP approach as compared to using contractors. For example, NRSP's Drinking Water Supply Schemes cost Rs. 1,971 per household, vs Rs. 5,288 per household in schemes implemented by the PHED. PITD drainage schemes average Rs. 736 per household vs. Rs. 1,200.

NRSP also develops innovative models of CPI delivery. For example, the Lodhran rural sanitation programme described in detail in the [Linkages](#)

Table 8a: PPAF-funded CPI schemes, March-October, 2000-2001

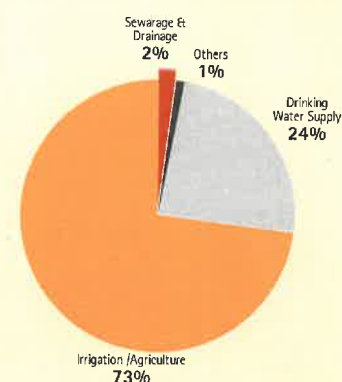
Type of Scheme	District					Total
	Rawalpindi	Khushab	Badin	Turbat	Rawalakot	
DWSS	28	0	64	17	20	129
Irrigation	10	40	8	20	2	80
Link roads	20	0	28	1	9	58
Bridge/Culvert/Causeway	4	2	22	0	0	28
Land/Soil Protection	1	0	1	3	0	5
<b>Total</b>	<b>63</b>	<b>42</b>	<b>123</b>	<b>41</b>	<b>31</b>	<b>300</b>

Table 8b: Cost breakdown of PPAF-funded CPI schemes implemented by NRSP

Type of Scheme	District					Total
	Rawalpindi	Khushab	Badin	Turbat	Rawalakot	
Number of schemes	63	42	123	41	31	300
Contributing households	6,653	2,399	5,762	3,615	1,788	20,217
PPAF share	14,020,462	9,005,948	2,248,290	6,161,555	5,839,360	57,510,227
Community share	5,720,868	4,227,894	1,004,224	3,032,734	2,692,239	25,715,959
<b>Total</b>	<b>19,741,330</b>	<b>13,233,842</b>	<b>3,252,516</b>	<b>9,194,289</b>	<b>8,531,599</b>	<b>83,226,186</b>

Source: NRSP-PPAF Annual Report

Graph 1: CPI Schemes completed as of June 2001





section of this Report provides a new paradigm of rural sanitation, shifting from a rudimentary 'open drain' system to a modern sewage system.

Physical Infrastructure schemes have assumed added importance in the light of the strong support from PPAF and the intended government support through the *Khushhal Pakistan Programme*. During the year under review, some 300 schemes were initiated, benefiting 11,000 households<sup>6</sup>. Table 8a identifies the kinds of CPI schemes implemented and Table 8b indicates the cost-sharing breakdowns by scheme type.

#### **Schemes Completed Since NRSP's Inception**

As of June 2001, NRSP's PITD section had completed a total of 2,732 schemes, benefitting some 72,695 households. The financial outlay totalled Rs. 248.5 million. Financial support for the CPIs came from donors and government departments, including PPAF, UNDP, the Overseas Pakistanis Foundation (OPF), SAP/PDP, Islamic Relief, Local government Departments and District Administration offices.

#### **Lessons Learnt**

Experience shows that NRSP has the capacity to deliver projects which are small and appropriate in scale,

productive in nature and directly meet the real and pressing needs of the poor. Government departments would normally overlook these projects in their development plans, because of their small size and low cost. When the community has identified its most pressing needs, the COs take an active interest in the execution, operation and maintenance of the scheme.

Compared to large-scale projects implemented by government departments, small schemes identified and maintained by communities are easier to implement, simpler in design and provide for a financial contribution from the community.

- PITD will continue to demonstrate the utility of infrastructure schemes so as to demonstrate the viability and sustainability of community involvement in infrastructure projects. PITD has demonstrated to donor agencies and to government that rural communities are capable of implementing and maintaining village level infrastructure schemes, thereby offsetting the conventional perception that the communities are unable to handle such responsibilities.

<sup>6</sup> These schemes pertain to Phase I of the NRSP - PPAF Partnership, April 2000 to March 2001.



PITD will continue to help COs to identify their needs and to address those needs through village level infrastructure.

- The PITD section will also facilitate linkage of the community with government departments and other relevant agencies in rural areas. We believe that most of the rural physical infrastructure can be maintained, managed and executed by rural communities themselves, and that they can do it more efficiently than outside agencies. If the job of service delivery is transferred to local communities it will be cost effective and efficient.
- PITD will continue its efforts to find funding for the COs to implement small-scale and appropriate projects. It will continue to support only those schemes that are within the capacity and capability of local communities and for which the community agrees to provide inputs towards the design, construction, operation and maintenance.

### Emerging Challenges

- With the increase in workload the resources of PITD have been stretched to the limit. There is

a need to augment technical capacities at the Regional and Field Unit levels.

- PITD is committed to finding new ways of including women at all stages of the project cycle. Women are the primary managers of water within the household, and therefore have the most to gain from a successful drinking water project. Women are also primarily responsible for health and hygiene, so their meaningful involvement in water supply and sanitation projects is vital.

**Case studies 4-7** describe the process of problem-identification and community and funding-agency involvement, in PITD CPI schemes. The case studies demonstrate the effectiveness of collaboration between NRSP and the communities. They also demonstrate that the COs/communities are able to raise relatively large sums of money as their share of project costs. The studies also demonstrate the effectiveness of implementing CPI schemes that are appropriate in scale and meet the communities' needs.



#### Case Study 4

### Preventing Water Losses and Increasing Productivity in Khushab District

#### Problem Definition

In the Khushab and Bhakkar Districts of Punjab, the loss of irrigation water in the sandy soil is a pressing problem. Water pumped from tubewells seeps from unlined watercourses before it reaches the fields. Some estimates place the loss at close to 40% of the total. Time and money are lost as fuel and electricity costs increase, and returns diminish as cultivation areas are reduced and per acre yields decline.

In order to overcome this problem, PITD devised a scheme for brick-lining watercourses, and providing prefabricated concrete water outlets at designated points. Although it was stipulated by PPAF that at least 15 households should benefit from each scheme, in practice over 45 households have benefited from each scheme. The schemes have been a boon for this area: farmers are now able to cultivate more land with the same amount of water and the savings have meant increased incomes and more ecologically sustainable agricultural practices. There are many other direct benefits of these schemes:

- the farmers save diesel or electricity (in case of tubewell irrigation) costs.
- the command area of a minor canal or tube well has increased. It is estimated that the 35 brick-lining projects have brought an additional 700 acres under irrigation.
- the water carrying capacity of the channels has increased
- soil productivity has increased due to the timely availability of water
- late sowing has been eliminated, since farmers do not have to wait their turn to receive water.
- social cohesion is increased among those who contribute to the project and share its benefits.

Source: NRSP PITD Section

#### Case Study 5

### The Karez, the Source of Life in Turbat

A physical infrastructure scheme in village Peerani Lomb in Union Council Kunchhali, District Turbat, is a good example of the benefits that can accrue when people's potential is harnessed through social mobilisation.

The villagers of Sari Kahan entered into agreement with NRSP regarding the rehabilitation of an old *karez* (underground water channel) that had been non-functional for fifteen years. The lack of water meant that the village's agricultural system was suffering, with thousands of date trees withering. Most of the rehabilitation work undertaken previously had been damaged beyond repair in the 1998 floods. Only a few well-to-do people in the village could afford to irrigate their land through tube wells, but this was very expensive and it resulted in lowering of the water table.

The villagers formed a CO to work with NRSP. Its first priority was the rehabilitation of the *karez*. The problem was assessed jointly by NRSP and the community and the cost was estimated to be Rs. 418,000. NRSP facilitated the project by getting a UNDP grant of Rs. 182,000 and the villagers contributed the remainder of the cost. They also contributed their labour to the construction work and were completely responsible for supervising the work. Their personal supervision ensured that the work was of the highest quality.

Since the successful completion of the *karez*, an additional 85 acres of land has come under cultivation, greatly increasing the productivity and value of economic activity. In absolute terms the amount involved is quite small but it has helped to solve the problems of an entire village.

Source: NRSP PITD Section



#### Case Study 6

#### **Conflict Resolution and Increased Productivity Through Water-Delivery CPIs**

Village Katha and village Misral are neighbouring villages located at the foot of the Katha Range in District Khushab, some 25 Km from Khushab city. Both villages access water from a stream emanating from natural springs in the Katha Mountains. Over the years the villagers had adopted a system of conveying water to a central point and sharing it according to elaborately laid down water/riparian rights. However, on more than one occasion there was a disruption of water due to flood or drought. Since the channel was essentially a temporary one, constant repairs requiring resources from both villages were required to keep it operational. Needless to say, water sharing was a source of tension between the villages.

In April 1993 a CO named Katha Misral was formed with a membership of 23 persons. The CO approached NRSP for assistance in finding a permanent solution to this problem. NRSP's technical team proposed that a channel be built for the stream. This channel would convey the water from its source in an aqueduct and divide the water equally for the two villages. Realising the importance of the project, the villagers immediately agreed to its construction, and committed themselves to contributing approximately 30 percent of the costs.

The watercourse was constructed in two phases. In the first, NRSP provided technical support in preparing project estimates and technical drawings. Funding was provided by TVO. The second phase was fully supported by NRSP and PPAF both technically and financially.

The total length of the watercourse/aqueduct is close to 6400 feet. The CO members have contributed approximately Rs. 400,000 out of the total cost of Rs. 14 million.

This project has shown the villagers the strength of joint action. It has resulted in social cohesion amongst the villagers and is providing direct benefits to over 280 families with a population of nearly 2,000 persons. Due to the constant availability of water there has been a steady increase in agriculture production, especially of vegetables, increasing the income of the families living in the village.

Source: NRSP-PPAF Project Support Unit



### Case Study 7

#### The Benefits of Watercourse Lining in CO 41 MB, Khushab

In 1994, the members of CO 41 MB (in Village 41 MB) Union Council Botala formed a CO. These farmers had been allotted land by the government after Partition. This area is semi-arid but a canal called Mahajar Branch (MB) was constructed in 1955. A minor (small canal) called Belum Shaheed emanates from this canal, irrigating the lands of all the CO members.

This minor flows almost 4 feet higher than the adjoining fields. Because of its height and the lack of lining, water was seeping into adjacent fields. This caused local waterlogging, destruction of standing crops and loss of water to farmers far from the tube well. Occasionally wild animals and grazing buffaloes also disrupted the irrigation channel. CO members sometimes had to wait for their turn (*warah*) for weeks. Crops could not be sown in time, and yields were reduced.

Repairing the damaged watercourse was a complex, time-consuming and expensive task for the farmers to manage on their own and sometimes resulted in conflict between them. The lack of water and its erratic supply forced the farmers to stop cultivating sugarcane, which had been their primary cash crop.

The CO 41 MB began the process of rehabilitating the watercourse in 1999. UNDP provided an initial grant of Rs 80,000 and NRSP provided technical support. The total length of the constructed watercourse was 1,100 feet. The CO contributed Rs.93,000 of the cost since this was their priority need. In 2000-2001, the watercourse was extended by 2,000 feet, with financial support of Rs 218,140 from PPAF. The CO members contributed Rs. 110,600 towards the cost of the extension.

CO President Faqeer Muhammad says that all the CO members are now cultivating sugarcane again. The command area of the watercourse has been increased by 15 acres due to sufficient and timely availability of water. All the farmers, including the ones at the tail end, have enough water throughout the season. Social conflicts/disputes arising out of *warah* (turn) of water have disappeared. Faqeer Muhammad says this watercourse has changed the mindset of the farmers. Farmers are now thinking collectively about how to bring about further improvements in their village.

Source: NRSP PITD Section



## 5. Social Sector Services

This section is responsible for NRSP's education, primary health, preventive health, reproductive health and public health (sanitation) programmes.

The requirement is for affordable and accessible community services: community-based schools, BHUs that provide curative and preventative care, and measures to protect public health. In dialogues with NRSP organisers, community members indicated that the operation of these services should be integrated into community life: that is, teachers and health-care practitioners should be accountable to the community in which they operated, for the quality of the services provided. In response, NRSP has trained a cadre of village-level service providers, including TBAs and teachers. NRSP SSS attempts to develop innovative, low-cost and replicable models for this purpose, including a management system for BHUs and community schools.

### Community Schools Model

The education model aims to provide a solution to the problems of accessibility and quality. Through active community participation, these community-based schools also help reduce high teacher absenteeism;

make the teachers accountable, improve school conditions with local capital and above all improve community participation in school management.

NRSP fosters Pakistan's largest network of community schools in the NGO sector, spread over 14 districts of Pakistan and Azad Kashmir. At present, 227 schools, with an enrolment of 10,121 students, are functioning with NRSP financial support.

NRSP pays an honorarium of Rs. 1,000 per month for one teacher, who resides in the community. The communities and the schools sign a Terms of Partnership agreement which establishes mutual accountability between the partners. Village Education Committees (VECs) are created to oversee the ongoing operation of the school, while the COs provide the physical space. NRSP pays for the teacher training and salary, and for VEC training and school monitoring.

To create access to a number of social sector activities, NRSP has established formal linkages with agencies including district level health offices, UNICEF and various private

agencies. A number of health camps and awareness camps are launched regularly through these linkages to provide a host of services. NRSP has also assisted the government-run schools through formation of school management committees under the Northern Education Project.

### Emerging Challenges

In the short and medium term, the Section faces a number of challenges in its efforts to maintain the quality and scope of its health and education programmes.

### Financial Sustainability of

community schools is one such challenge. With Learning for Life's community school project ending in September 2002, there is a risk that some of these schools could close due to financial constraints. NRSP is presently exploring a number of options to address the issue of financial sustainability. The options include (i) providing an endowment in the form of a matching grant, and (ii) intensifying advocacy with the government to take over the community schools. At present 32 NRSP-supported schools have been merged with the government schools.



One possibility being explored is encouraging 'education entrepreneurs' in rural areas to establish schools. There are presently five schools operating on this basis. Another option is to encourage communities to operate the schools themselves by strengthening their managerial and financial capacities.

**Maintaining School Quality.** LfL and NRSP's Social Sector Services staff have developed a set of indicators to assess the quality of the schools. These include: the number of students attending, maintenance of an equitable male to female student ratio; community involvement in school management, and the involvement of the VEC in school management issues. The issue of mobility for the school monitors, most of them women, remains to be resolved, and is attributed mainly to resource constraints.

**Teacher training.** In order to improve teaching skills, NRSP conducts teacher training workshops focusing on child-oriented, activity-based learning.

#### Future Directions

Social Sector Services recognises the need to improve the working capacity of government institutions, and to

scale up the successful aspects of its own pilot projects. The Sector aims to share the experiences and best practices of the RSPs with government institutions, by designing and organizing training programmes and workshops for their staff. There is also a need to develop a comprehensive SSS package for a single Union Council. If successful, this comprehensive package could then be offered to all Union Council Nazims within NRSP regions.

The SSS sanitation and public health initiatives are described in detail in the [Linkages](#) chapter.

Initiated in 1994, NRSP's programme of community-based schools has been funded by **Learning for Life (LfL)** a British NGO, since 1997. LfL provides financial and technical support to enable NRSP to ensure that the schools operate successfully. This means utilising "joyful learning" methods, and maintaining a comprehensive monitoring programme so that local teachers maintain their skills and the schools remain accountable to the communities of which they are a part.



## Case Study 8

**Sustainable Community Schools in Dera Ghazi Khan**

D.G. Khan, in southern Punjab, is a part of Pakistan that typifies the geographical and administrative 'remoteness' described earlier. Government schools, and social service in general, are constrained by the lack of finances, the lack of dedicated teachers and the fact that many of the development initiatives made in the area have been appropriated by local influential people.

Many families depend on livestock for subsistence, which requires them to move in search of pasture. Periodic droughts make conditions extremely difficult and sometimes entire communities are forced to migrate, which makes it difficult for children to maintain their studies.

The urban male literacy rate for the region is 42.1 percent; that for women is 18.1 percent. In rural areas 32.7 percent of men and 11.6 percent of women are literate, according to the 1998 National Census. In some villages there are no literate women.

Many families are unwilling to send their daughters to the few government schools that do exist, because they would either have to go to school with boys, or travel long distances on foot every day to attend school, since in many areas there is no public transportation available.

Even when these constraints are overcome, and children enter school, poverty, unemployment and minimal means of subsistence cause many students to drop out of school, as the following Table shows.

	Total Enrollment	Dropouts	Current Enrollment	Percentage Dropouts
Boys	1077	397	680	36.9
Girls	725	246	479	33.9
<b>Total</b>	<b>1,802</b>	<b>643</b>	<b>1,159</b>	<b>35.6</b>

Despite these enormous impediments, parents are becoming aware that education has the potential to improve their children's future. Since NRSP began to work in D.G. Khan in 1997, the demand for education has risen greatly. Since the inception of the programme, NRSP has facilitated the establishment of 61 schools to meet the burgeoning demand.

As of June 2000, 40 schools were operating, 39 funded through a partnership with Learning for Life (a British NGO) and one funded by Action Aid Pakistan. The first school in the area opened with 18 girls. The schools run from Class 1 to Class 5. The quality of the schools is such that children are able to move into Government schools for 6th Class. 12 students have been able to appear in the Department of Education primary-level examinations: every one has passed with flying colours.

The schools are run on the model described elsewhere in this Report: COs indicate their willingness to participate in the schools' operation and their ability to contribute financially to the cost of running the school. They also agree to support the school through a VEC. NRSP pays the teacher's salary, and employs school monitors who visit each school once every month to ensure that physical and teaching standards are met and that children are attending.

Unfortunately, some schools have been forced to close, for various reasons: when successive years of drought have forced families to migrate, for example, the school cannot be sustained. Sometimes a CO defaults on its credit repayment, and NRSP is forced to withdraw its support until the situation normalises.

The purpose of the combined efforts of NRSP and the education-based NGOs is to create a supportive and positive educational environment in which children's abilities are nurtured and their love of learning is enhanced. The *rationale* remains the attainment of the highest quality education, in an area otherwise defined as 'backward' and remote.

Source: NRSP D.G. Khan / MER Section



### Case Study 9

#### Health Care in Dera Ghazi Khan

For the rural men and women of D.G. Khan, government-funded health care was almost impossible to get before NRSP began its work. The problems were, unfortunately, all too familiar: Health Centres and Dispensaries working at sub-optimal levels, and medical and para-medical staff unavailable for much of the time. There were some private practitioners, but many of these were unqualified to diagnose and treat illnesses. These practitioners also overcharged patients, who had little idea of the legitimate costs of health care. The quality of available medicines was very low, sometimes resulting in health conditions worsening, instead of improving. Epidemics of influenza, malaria, diarrhoea, jaundice and bronchitis swept through the villages, whose undernourished residents had little resistance. Tuberculosis was also common, and treatment for it would have been unaffordable even if it was available. Transportation to clinics was costly, and families often waited too long to transport patients to hospitals in towns.

Health care facilities for women-specific problems were also lacking. There were no Lady Health Workers, for example, and infant and maternal mortality rates were very high. Social norms prevented women from using the facilities available to men.

Based on its long experience in other areas, NRSP considered that community participation in health care was vitally important. Accordingly, it began a series of training sessions.

**Traditional Birth Attendant Training** conducted in collaboration with the Health Department, takes 30 days, the first 15 in a classroom, and the last 15 accompanying a Lady Health Worker in her rounds. To date, 33 women from D.G. Khan have been trained as TBAs. They are all CO members, are married, and have expressed a desire to participate in this activity. Many were already functioning as TBAs, and wished to upgrade their skills. It is hoped that maternal and infant mortality rates will decrease, as these women put their skills to work. Each trained TBA receives a kit containing medicines for pre and post partum care. She also is able to charge a small sum for each delivery, thus increasing her income.

**Health Workers' Training** is intended to enable women and men to practice preventive medicine and to deal with common minor ailments. The training session is lengthy: 15 days in the classroom at the District Health Development Centre, and 60 days' attachment in the nearest Basic Health Unit. The trained Health Workers are able to deal with first aid, personal hygiene, nutrition and sanitation issues, thus providing an extremely valuable service.

Source: NRSP D.G. Khan / MER Section



## 6. Monitoring, Evaluation and Research

NRSP's Monitoring, Evaluation and Research (MER)<sup>7</sup> section plays an important role in measuring the performance of activities and analysing their effectiveness and efficiency. This contributes to optimising and streamlining the planning process. In the year under review, MER met a number of challenges resulting from the program's rapid expansion and from administrative decentralisation. MER has also become responsible for assisting NRSP's management in reviewing the programme's overall performance quality.

In the year under review, the section trained M and E Regional staff in research methodologies. The section has also taken a greater role in promoting the RSPs in the media. The Head Office MER section also undertook bi-annual programme-planning workshops in all the NRSP regions, accompanied by a senior member of each head-office based section. These workshops were a forum for analysing the programme packages in depth and resolving relevant issues with the regional staff.

### Social Audit

MER devised a social audit system to enhance the quality of the existing programme and to ensure that its quality is maintained as the programme expands. The social audit teams were composed of experts in the areas of finance, social mobilisation and physical infrastructure. The main responsibilities of these teams were:

- checking the quality of COs. The indicators of quality include formation and attendance data, chronological credit-disbursement and savings data, information about CPI involvement and data concerning training sessions attended. CO quality is categorised from A to D. A is assigned to those COs that meet regularly, save regularly, have a 95 percent or higher credit recovery rate, and are ready to take initiatives independently. D is assigned to those COs that do not meet, or save, and are inactive.
- ensuring complete and accurate record keeping at the CO, field unit and regional levels, and monitoring compliance with NRSP's financial rules and procedures. In the year under review, extensive financial audit

exercises were undertaken in Rawalakot, Turbat, Badin and Khushab. Teams reviewed the performance of all the COs in the regions. A general finding was that while 30 percent of the COs could be assigned to category A, a similar number were found to be inactive. The respective regions, in collaboration with the head office management, are following up the audit results.

### Situation Analyses

MER regional staff developed and carried out a number of Union Council level situational analyses, in collaboration with Social Organisers. A standardised situation analysis format was created, although region-specific revisions were made. The Situation Analysis provides comprehensive, gender-disaggregated baseline data on all villages within those Union Councils to which NRSP intends to expand in the near future. The study covers demographic data, economic data (employment, agricultural income, etc.), the institutions and services available (schools, hospitals, BHUs, post offices, *madrassas*, etc.), the presence and activities of NGOs, land-use patterns, and so on.

<sup>7</sup> Formerly Monitoring, Assessment and Planning (MAP)



### Impact Assessments & Evaluation Studies

A micro-credit impact assessment of Sialkot residents who had formerly made footballs for a living was conducted. The study had a number of related purposes:

- to assess the transparency of credit-appraisal procedures and to determine the sustainability of activities started through NRSP credit disbursement.
- to enumerate the impact of micro-credit and to ascertain the level of satisfaction with the present credit policy.
- to assess the effectiveness of micro-credit in the initiation and expansion of economic activities, and to assess whether micro-credit loans were sufficient to replace the lost incomes.

MER staff carried out a social assessment study of women's empowerment in Turbat, which assessed changes in women's practical and strategic positions resulting from NRSP's programme activities.

MER commissioned a study assessing training programmes in Mardan.

Carried out by an independent consultant, the study focussed on the role of CMST and record keeping in effective CO management. A paper titled '*Poverty Assessment in RSPs*' was written and NRSP's poverty-assessment methodology was shared with the RSPs and with research institutions in Islamabad.

Reporting formats were streamlined in all the regions. The Head Office MER staff provided technical support in the preparation of a number of regional reports. The section also collaborated with an external consultant in conducting a cost benefit analysis of NRSP's core programme regions<sup>8</sup>.

Under an RSPN initiative, a gender policy workshop was held in collaboration with noted activist Kamla Bhasin, in which the M and E section analysed the gender wise performance of all the RSPs. The outcome was NRSP's gender policy.

### CO-tracking System.

MER developed a computerised CO-tracking system which will optimise the monitoring and analysis of programme activities. When its usefulness has been fully established it will be tested in the twelve field

<sup>8</sup> A.R. Kemal, *Cost-Benefit Analysis of NRSP*. Pakistan Institute of Development Economics, Islamabad.



units of the Rawalpindi region. NRSP then plans to install the tracking system in all the regions.

#### **Other Activities**

Three workshops on 'documenting and strengthening community initiatives' and 'cost-benefit skills' were conducted in collaboration with an independent consultant.

Participants included the NRSP & PRSP monitoring sections and Social Organisers from Mardan, Rawalpindi, Sialkot and GBTI. Field assignments followed the workshops.

An experience-sharing workshop was held for the NRSP/PRSP monitoring sections with an in-house training session on the tools and techniques of PRA. Under an RSPN initiative, ten NRSP M and E professionals attended six M and E modules organised by AKRSP in collaboration with the university of East Anglia, England.

The MER section wrote proposals for PPAF funding for the Baluchistan Rural Support Programme (BRSP). The proposal was accepted by PPAF, which then released operating funds for two Union Councils for the first year. MER also supported BRSP staff by conducting situation analyses and transferring other M and E skills.

A proposal was submitted to UNDP for undertaking a gender-sensitive assessment of NRSP activities.

MER carried out three cost-effectiveness measurement exercises. The studies were titled '*The Cost of Reaching the Poor of NRSP*', '*Operational and Financial Self-Sufficiency of NRSP*' and '*Subsidy Dependence of NRSP*'



## Community development through productive linkages

**The importance of linkages between NRSP, communities, line departments, government agencies, NGOs, research institutions and, recently, the private sector, cannot be overstated. These linkages constitute an institutionalised service-delivery infrastructure.**

Linkages are the primary means by which communities gain access to government services and expertise. They differ in the scale and scope of their coverage, the timeframe of the agreements made, and the degree of formality on which they operate, as the following discussion shows.

Before NRSP's inception, linkages between rural communities and government line departments were only remotely institutionalised. In some cases, line departments were providing services, information and infrastructure, but in many places the absence of institutionalised linkages between villages and line departments meant that rural areas were administratively, as well as geographically, 'remote'. This was especially critical for the poor and marginalised, who had no viable means of meeting their needs. It also meant that decision-making rested in the hands of bureaucrats who had little or no village-level experience of problems.

As a result of NRSP's efforts, access to and information about the line departments has been greatly improved. Some of those departments

now approach the COs with information and programmes, and some COs regularly interact with government officials. For example, some COs in the Rawalakot region have approached the Education Department for funds and infrastructure.

Effective linkages are responsible for the good beginning made in addressing the problems faced by COs in Turbat, in enhancing the value of their date crops. With funding from UNDP, NRSP has established three Date Processing Units which function as demonstration units. Using simple and easily maintained equipment, villagers now use up-to-date processing and packing techniques. This has had the dual benefit of increasing profitability and raising awareness amongst other potential participants.

In the Rawalpindi region, one of the most 'visible' outcomes of the benefits of strong institutional linkages has been the Barani Village Development Project (BVDP), the mandate of which is to reduce rural poverty.



### NRM linkages

In response to the tremendous need for agricultural, livestock and forestry inputs, the Natural Resource Management section has established a number of formal and informal linkages between farmers, communities, government departments and agri-business corporations. In Rawalakot, for example, in order to meet the pressing need for soil and water conservation, NRSP and the Forest Department made 3.7 million saplings available to CO members, with the Forest Department providing support and technical expertise. To enhance outputs in the agriculture, orchard and livestock sectors, the Rawalpindi region's NRM experts have worked closely with NRSP's NRM section, and with national-level bodies of experts – including the Pakistan Agricultural Research Centre, the National Agriculture Research Centre, and the Institute of Barani Agriculture – to improve yields and to increase the amount and fertility of available land.

The Livestock and Dairy Development Department holds vaccination programmes every Friday in the Islamabad Capital Territory Field Unit, to help meet the need for livestock

protection and improvement. CO members also encourage non-CO members to take part in the programme.

NRSP encourages well-known national and multi-national corporations to reach farmers directly through the COs. These organisations provide advice on the use of their products. For example, ICI and Wellcome (multi-national agro-chemical firms) participate in the livestock vaccination and de-worming programmes.

At farmers' request, high quality crop seeds such as wheat, maize and groundnut are made available through the Punjab Seed Corporation, the Sindh Agricultural Supplies Corporation, research institutes and private sector agencies. Agri-inputs from these organisations are guaranteed to be of high quality, and farmers are able to purchase items directly through the CO, rather than from middlemen who inflate prices and sometimes adulterate products. In inter-CO linkages, the COs identify progressive farmers who are trained in seed multiplication and provided with good quality seed.

The Forest Department and COs in the Rawalpindi region have

collaborated to reduce deforestation. The Ministry of the Environment awarded NRSP a grant of Rs. 400,000 for improvement of pasturelands, trees and ground cover, and for check-dam construction on community lands in District Chakwal. Ten check dams were constructed and a model for rotational grazing was established on 200 acres of land. In Lodhran, NRSP worked closely with the Punjab Food department to enable CO members to sell their wheat at a time of high yields and low government procurement targets. (This is discussed in detail in [Linkage Feature 2.](#))

### IRM Linkages

In 2000–2001, NRSP's Institute of Rural Management worked closely on organisational linkages with PPAF and *Khushhalibank*. The partnership with PPAF began in 2000 and will continue under Phases II and III of the PPAF program. IRM's involvement in *Khushhalibank* consisted of developing training plans for the regions, and training Bank staff. Details of the training process are contained in Chapter 8.

IRM was also intensively involved in building the *Khushhalibank's* institutional and professional



capacities. IRM recruited and trained Regional Managers, 'Master Trainers' (those who train other trainers), Social Organisers and other staff for the Bank's countrywide programme. NRSP's extensive, country-wide organisational set-up acts as a field laboratory for *Khushhalibank's* trainees and interns. The interns have benefited from spending considerable time in the NRSP field units.

Other training activities initiated towards the end of the year under review are (i) a "training needs" assessment for the World Wildlife Fund (Pakistan), with training programmes to be implemented by IRM, and (ii) a partnership with the Global Environmental Fund (GEF) to facilitate GEF's awareness-raising and linkage-formation activities with communities and the government.

### PITD Linkages

The Physical Infrastructure and Technology Development section operates with three kinds of linkages, to deliver village level drinking water, irrigation, sanitation and transportation schemes:

**NRSP direct input.** Funds are channelled through NRSP from government and private agencies

and donors, such as PPAF, UNICEF, Provincial PHEDs and Local Government and Rural Development departments, and the Agency for Barani Agriculture Development. NRSP is accountable to the donors for these funds.

**Technical support.** In this case, PITD provides only technical support (drawings and project costing) for many of the agencies and departments listed above.

**Small Infrastructure as Individual Enterprise (SIIE).** This linkage provides credit to individuals wishing to enhance their agricultural efficiency. Typical enterprises include 'Peter' engines for existing wells, and land-levelling.

### Social Sector Services Linkages

To meet the education, health and rural sanitation needs identified by communities, the Social Services Sector has established productive linkages with government and private experts and with sector-specific NGOs. For example, NRSP has collaborated with the Canadian International Development Agency, UNICEF, the World Bank, Learning for Life and 2050 (a Japanese NGO) to address educational requirements.



The financial sustainability of the community schools is an ongoing concern. The section is working to find endowment funding to make the schools financially sustainable. In the year 2000, endowment proposals were made to UNICEF, the World Bank, Learning for Life and 2050.

It is proposed that donors provide an endowment of Rs. 250,000 per school, with a corresponding amount of Rs. 50,000 per school from the community. The sum of Rs. 300,000 would generate enough revenue to make the schools sustainable. In D.G. Khan, for example, 35 schools have indicated their willingness to contribute the required amount.

NRSP is linked to the Northern Education Project (NEP), which established 96 School Management Committees (SMCs) in Azad Kashmir during the year. NRSP will facilitate the formation of a further 150 SMCs and strengthen the capacity of these committees, to ensure effective school management and to strengthen the working relationship between the SMCs, District Education Officers and parents.

Under the 2050 Scholarship Programme, described earlier, NRSP

administered scholarships worth US \$250.00 each to four poor female students in community schools in the Rawalpindi region. (Case Study 10 provides some details about current scholarship holders.) The scholarship is paid as long as the student remains in school.

#### Community Health Linkages

When community members in the Lodhran region identified primary health care as their priority need, NRSP established a public-private partnership with the Punjab Health Department for BHU management as part of its action research programme. NRSP assumed responsibility for managing three BHUs and appointed a doctor to administer all three. The doctor's salary is borne by NRSP while the Punjab government pays the rest of the staff. Patients are provided with consultations, clinical diagnoses, and basic tests free of charge. They pay for medicines if they are able. NRSP ensures the proper maintenance of the building and the medical equipment. NRSP hopes to replicate the BHU-management programme in other areas if it proves successful.

#### Sanitation Linkages

The Lodhran Pilot Project (LPP), a rural sanitation project modelled on the Orangi Pilot Project, is another example of a linkage between NRSP and an international development agency. Funded by the Canadian International Development Agency and initiated in 1999, this project was begun in response to the need expressed by COs in Jugoowala Et Lahori. In 2000, approximately 3,119 households, organised into 13 schemes, constructed drains linking their homes with the village drainage system. Three more rural schemes are presently being completed, and similar services are being provided to urban households in Lodhran. In the coming year, the project staff plan to conduct a training course for associate engineers on 'Community Owned Sanitation'.

The Sanitation, Water, Environmental Education and Technology (SWEET) Project links NRSP with UNICEF in a sanitation awareness and implementation scheme. Initiated in four districts of Sindh in March 2001, the project's components are advocacy, capacity building and service delivery. SWEET's focal points are education and the provision of hand pumps and latrines for schools.



### Case Study 10

#### 2050 Scholarship Holders

The 2050 scholarship has made it possible for its recipients to remain in school. The scholarship money, disbursed quarterly, provide shoes, transportation fees, books, uniforms and 'tuition' (subject coaching) fees. Each recipient receives approximately Rs. 1,000 per month, paid quarterly when receipts are presented. The money is administered jointly by NRSP and the VEC of the schools. The academic criterion is that the student must achieve marks of at least 75 percent.

Gulshan Bibi is presently in 9th. Class at an NRSP-supported Community school on the outskirts of Rawalpindi. The school provides an accelerated programme, so that children do five years' studies in 3½ years. Children from the school have won prizes for their debating skills. Gulshan Bibi is a member of a school-based *quawwali* group which writes and sings songs about social issues such as the need for girls to be educated.

She intends to specialise in Arts and is also taking computer courses in the evening. In the future, she hopes to teach children in her own home, and eventually hopes to become a teacher 'like Miss Rukhsana', who is a powerful role model.

Gulshan Bibi is one of seven children. Her father is a daily-wage labourer, and the family often has trouble making ends meet. There is no electricity in her home; and she sometimes helps her mother collect firewood for cooking. Many children in the school, including some of her siblings, are unable to pay any fees, but are allowed to attend free of charge.

Her teacher, whose salary of Rs. 1,000 per month is paid by NRSP, provides Gulshan Bibi with extra lessons without charge.

Kiran Nisa's situation is different in many respects, except for the fact that the scholarship means that she too can stay in school. She lives in a village called Dhok Bhumleri, some 20 Km from Rawalpindi and attends a private school some two miles away, where her fees come to Rs. 200 per month. She travels by bus to and from her school, at a cost of Rs. 200 per month. Before she received the scholarship she would walk back and forth to school. She also takes 'tuition' after the regular school day. When she returns home at 4:30, she does homework, prepares for examinations and helps with housework.

She regularly achieves marks above 90 percent, and wants eventually to do a Master's degree in English literature. Her role models are her teacher and Miss Mamoon, the Social Organiser for the village.

Her mother is a CO member and is educated to 8th Class. Kiran Nisa's father is a mason and often has no work. Her sister is also in school, in an NRSP supported school in the village, where the fees are Rs. 10 per month. The family is extremely poor and landless. Before Kiran Nisa received the scholarship, other people provided her with her school uniform and books. Her parents, especially her mother, are intent on Kiran Nisa completing her education. This is somewhat unusual, since most families in the village send their boys to school, rather than girls. There are only three educated women in the village, including Kiran Nisa's mother.

Source: NRSP MER Section



#### Case Study 11

#### Community Cotton Specialist Training Programme in Lodhran

At one time the area around Vehari and Lodhran was known as the Cotton King because of its record cotton production. Unfortunately, cotton yields are declining, even while production expenses increase. As cotton production decreases, farmers and the entire cotton industry are suffering. NRSP's experience shows that the major factor in reduced yields is a lack of awareness regarding modern cotton growing techniques. To overcome this hurdle NRSP, in collaboration with the Department of Agriculture, has launched an initiative for capacity-building, which will lead to the development of a trained cadre of cotton technicians skilled in the art of cotton growing. PPAF provided the financial support for the initiative.

The primary objective was to disseminate new agricultural technology to farmers and to produce at least one cotton technician in every village. It was expected that increased yields and the 'demonstration effect' would encourage farmers to adopt the new technologies.

#### Training Design

A team of professionals in NRSP and the Agriculture Department Lodhran designed the twelve-day intensive training on Cotton Agronomy and Pest Management for the small

farmers of the area. The training had been designed in light of the job description of an 'ideal' socially and technically equipped Community Cotton Specialist. The whole life cycle of the cotton crop was mapped, and training was designed to cover all areas of concern, such as social mobilization, soil preparation, seed arrangement and treatment, sowing methods, weed control and the use of herbicides, initial fertilizer management, irrigation management, integrated pest management, pest scouting, pesticide selection and use, fertilizer management and post-harvest crop management.

The training was conducted in the classroom, in field visits to farms, and through the use of documentary films. As a result of this programme there is now a trained cadre of 68 community cotton specialists/pest scouts. It is hoped that these technicians will encourage others to adopt scientific techniques of agriculture, for better use of quality inputs such as irrigation water, fertilizer and pesticides. As a result, cotton crop yields will increase, which will in turn encourage many more farmers to adopt modern techniques.

Source: NRSP Lodhran



### Linkage Feature 1 The Sugarcane Productivity Enhancement Project, Jamal Din Wali, Rahim Yar Khan

In response to a crisis experienced by farmers in southern Punjab, NRSP implemented a Sugarcane Productivity Enhancement Project (SPEP) in Rahim Yar Khan (Sadiqabad) in 2000. The programme will run for three years. SPEP is administered from the Lodhran region and covers 19 Union Councils. As of June 1st, 2001, the programme had been introduced in 230 locations: the membership of its 156 COs was 3,552. Its 'target' participant is the small farmer who has less than 15 acres of land.

The project is unique in a number of respects, primarily in establishing a link between COs, and a private sector sugar mill. NRSP links CO members to the project, and monitors its processes and progress. The link is beneficial to all three parties, as the following discussion makes clear.

Area farmers formerly grew wheat, cotton and sugarcane. Of these, sugarcane is the major cash crop. Farmers were dependent on the sugarcane crop for a large proportion

of their annual income, but were experiencing delays of up to two years in receiving payment. This left them dependent on expensive credit from *aarthis* for crop inputs, leaving some farmers in a permanent state of indebtedness.

Sugarcane production was low, with yields per acre and sucrose content both far below optimal levels. This was a problem for the sugar mills, in that the quantity and quality of their product was less profitable than it could have been. The goal was to enhance sugarcane productivity by 100 percent over three crop cycles.

In essence, the establishment of SPEP involved a symbiotic relationship between the CO members and the sugar mill. NRSP's role was that of intermediary, ensuring that the terms were mutually beneficial to both parties and that CO members understood the terms of the agreement. NRSP was also responsible for monitoring the ongoing progress of the project. Social organisers arranged for the Punjab Department of Agriculture Extension Department to provide cropping and harvesting information to farmers. With the inception of SPEP, farmers received Rs two million



which had been owed to them for three years.

Farmers received credit in the form of fertilisers, seed, pesticides and subsidies for agricultural implements. Credit for implements totalled Rs. 1,506,375; credit for fertiliser totalled Rs. 3,416,408 as of June 1st., 2000. The Mill provided implements to CO members, loaning them 25% of the total cost, repayable after harvesting. Credit on implements is interest-free. Members of some 70 COs have purchased almost 100 high quality implements this way.

Demonstration plots set up by the Mill provided crop-related training and technical advice, benefiting both the farmers and the Mill. To complement this 1,402 farmers were trained in land preparation and seed selection methods. 1,694 programme participants were trained in herbicide control and fertiliser selection.

The Mill is sure of a supply of high quality sugarcane when advanced methods are used. NRSP is certain of credit recovery, because the Mill repays the credit directly to NRSP. This was the case in the first year of the SPE Project, although in succeeding years the credit has gone

directly to participating CO members. Farmers increased their yields and profits; they were paid on time and at rates that reflected the cost of their inputs for that year. They also increased their knowledge about growing and harvesting sugarcane, as they were made aware of modern farming methods and technologies.

There was a great deal of mistrust when NRSP first introduced SPEP, with farmers unsure whether NRSP was acting as an arm of government, or working on behalf of the sugar mill to exploit them. After numerous dialogues between Social Organisers and farmers, NRSP was able to convince farmers of its legitimacy and credibility. Now farmers have embraced SPEP and the package of services contained in the programme.

There are plans to scale up the Sugarcane Productivity Enhancement Project, to meet both increasing demand and arising contingencies.

Source: SPEP Office, Jamal Din Wali

### Linkage Feature 2 Wheat procurement scheme in Lodhran: A new dimension in community development

In the year 2000, farmers in southern Punjab faced an economic crisis that threatened their livelihood. This was a cruel reversal of their hopes for a prosperous year in which they produced more than 80 percent of the country's wheat<sup>9</sup>. Farmers had produced a bumper crop, hoping for a profitable season. The official support price for wheat in the year 2000 had been Rs. 300 per *maund* (40 Kg.).

However, this high productivity worked to their disadvantage rather than to their benefit when the government changed its price-support policy and reduced the procurement target from the previous year's 6.3 million tons<sup>10</sup> to 1.5 million tons. With some of the surplus from the previous year's crop still in storage, and sufficient crops in the other provinces (i.e. that usually purchased wheat from Punjab), the price of wheat on the open market fell to a low of Rs. 200 per *maund*. Middlemen and some officials had hijacked the official support price, profiting from their links with the government purchase centres.

<sup>9</sup> Of the national total of 19 million tons, Punjab produces 15.2 million tons.

<sup>10</sup> The government had purchased an average of 3 million tons in the previous three years.



Farmers were forced to trade wheat for fuel, seed and fertiliser for their cotton crop. Many had no cash for other needs. Individual farmers were unable to sell their wheat to the purchase centres, because of the prohibitive transportation costs (the distance to the wheat purchase centres ranged from 10 Km to 54 Km). Nor could they interact with the Food Department on their own.

In response to the crisis, NRSP and the COs created a plan of action based on a combination of social mobilisation and linkages with provincial government agencies. The essence of the plan was that the COs would pool their resources to transport their wheat to the Government's wheat purchase centres, and thereby receive the official support price.

A Memorandum of Understanding was signed between the District Administration, the Food Department and NRSP (as the participating COs' representative). As the scheme got under way, the Food Department monitored and reported its progress to the Deputy Commissioner.

The COs pooled their savings and deposited Rs 50,000 as a security

deposit for 1,000 sacks of approved size and quality. NRSP decided that only those COs which had been formed before April 2001, and which had a bank account, would be eligible to participate. In all, 54 COs (523 members) participated. Of these, only 66 had land-holdings greater than 12.5 acres.

The project was intended to benefit participating COs as equitably as possible. Thus a participant could have a maximum of 8 acres of land under wheat cultivation.

The participation cost to farmers was approximately Rs. 12 per *maund*, on average. This cost resulted from the lengthy delays at the wheat purchasing centres, which ranged from 10 to 48 hours.

There were numerous direct advantages to the farmers. Participating COs earned Rs. 3 million for their wheat. The COs were able to pool their economic and organisational resources to take advantage of the official purchase price. Less directly but perhaps more importantly, they were able to optimise the level and effectiveness of CO actions. This experience will be useful if and when another crisis arises. It



will also serve as a model for improving ongoing situations.

The CO members, the NRSP staff and the Government departments who jointly implemented and monitored the wheat procurement scheme have learned a great deal. Should a similar situation arise again, the three parties in the agreement can draw on the practical experience of running a complex project of this kind.

### Challenges encountered

**Transparency.** There was always the possibility that middlemen might attempt to either hijack or discredit the scheme, given its profit potential. Thus transparency at every stage was critically important. The CO required a resolution to utilise CO savings for the deposit. Payment for the wheat was paid into the CO bank accounts. The CO was then responsible for the internal distribution of payments received, logistical details and record-keeping for individual members.

**Institutional maturity.** Of the 175 COs that were potentially eligible to participate, only 54 actually took part. Because this was a unique

initiative it required tremendous dedication and commitment on the part of CO office holders and members.

**Logistics.** The COs were required to hire the means of transporting their wheat from the village to the procurement centres. Some COs found this cost prohibitive.

NRSP is examining the possibility of replicating and enlarging the programme, and engaging the provincial government in this process. We are also investigating the establishment of Designated Wheat Purchase Centres for COs/RSPs.

Source: NRSP/MER Lodhran

### Linkage Feature 3 Model Union Council Project: bridging the productivity gap

In the year 2000, NRSP joined with the Government of Punjab to implement a programme of crop productivity enhancement, soil improvement and agricultural mechanisation. The ultimate goal of the Project is to increase agricultural crop yields by 50 percent over the three years of the initial programme. The idea is to first improve soil conditions, cropping methods and crop yields, using technologies currently in use, and then to increase the mechanisation of cropping, to further enhance yields and quality. When the initial stage of the Project has been completed and evaluated, there are plans to replicate it on a much broader scale.

The Project is a prime example of the importance of linkages between NRSP, participating COs, Government Departments, and the private sector. For example, to help ensure that the project would succeed, an Agriculture Officer was assigned exclusively to each Model Union Council (MUC). He is responsible for the transfer of technology to the farmers, and for the supervision of cultivation practices.



Another linkage is with the Punjab Seed Corporation, through which COs were able to purchase high-yield, disease resistant certified seed.

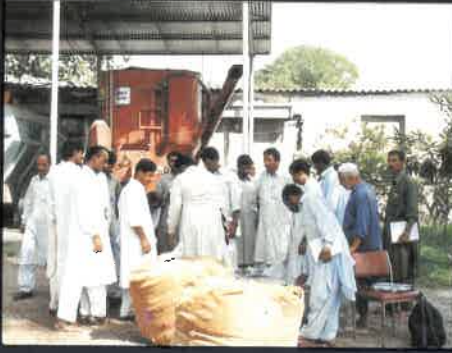
A unique feature of the MUC Project is the designation of three Union Councils as Model Union Councils. The twin aspects of the MUC are intensive focus and complete coverage. The Union Councils selected for inclusion are: Raja Pur (District Lodhran), Mohib Pur (District Khushab) and Peera Fathial (District Rawalpindi). Every village in each MUC is covered by the Project: all four villages in Raja Pur, all thirteen in Mohib Pur and all six in Peera Fathial. At present, there are 29 COs involved in the MUC Programme in Raja Pur (26 male and 3 female), 18 in Mohib Pur (12 male and 6 female) and 14 in Peera Fathial (6 male, 4 female and 4 mixed).

These Union Councils were selected, in part, to cover diverse agro-ecological zones. Raja Pur is located in an irrigated area in the fertile south of Punjab; Mohib Pur has both irrigated and *barani* (rainfed) areas and Peera Fathial is a *barani* area. Each has distinctive patterns of subsistence, and different crops for subsistence, cash, and animal feed.

Each MUC has been exposed to the best agricultural practices for the major crops of the region, up-to-date information about every stage of crop enhancement, and exposure to the benefits of agricultural technologies in improving quality and yields.

Intensive collection and analysis of data is integral to Project management. This was supported by first establishing benchmark data and then closely monitoring and evaluating every aspect of the project. Comprehensive data was gathered on crop yields, soil and water conditions, inter-cropping patterns, the quality of seed, and so on.

NRSP was responsible for the social mobilisation aspects of the Project, co-ordinating the Project's activities and providing logistical support to the Agricultural Officer. This entailed multiple kinds of activity, from informing existing COs about the MUC Project, extending the programme to every village in the Union Council, liaising with the Government of Punjab and the Agriculture Department, and facilitating the Agricultural Officer in reaching community members.



Participating COs received the full array of NRSP's 'package' of interventions: credit for agri-inputs, livestock and enterprise development; vocational training, CPLs and community schools.

NRSP's NRM section has trained farmers in an array of issues specific to the MUCs' agro-ecological zones. These include: crop cultivation, cotton technician/pest scouting, farm mechanisation, nursery raising, first aid and disease prevention measures for livestock management; plant protection techniques, judicious pesticide use (to decrease the cost of crop protection and environmental pollution) weed management, improvement in water use efficiency and precision land-levelling.

Unfortunately, the MUC project has been affected by a country-wide drought, which has limited its measurable effects. Nevertheless, the Project can be credited with many improvements, and there are hopes that with sufficient rains, the gains made so far can be built upon and expanded. These gains include both yields per acre and the amount of land reclaimed for agri-production. In Khushab, for example, the amount of land reclaimed over the first year

of the Project for growing *guara* (a high-protein fodder) was 7 percent, for sugarcane production 8 percent, for *moong* (a pulse) 40 percent and for vegetable production 37 percent. The negative growth in the amount of land available for rice production (20 percent) and other fodder crops (7 percent) is attributable to the lack of water.

In terms of crop yields per acre, solid growth was registered in all MUCs. Again, the figures for Khushab make this evident, where there was a 10 percent increase in *guara*, a 14 percent increase in rice, 19 percent in *moong* and a 4 percent increase in vegetable production. The negative growth in per acre yields for fodders (6 percent) is again attributable to the drought.

Source: NRSP Rawalpindi office



## The NRSP - PPAF partnership

The Pakistan Poverty Alleviation Fund has been established by the Government of Pakistan as an apex national institution in the private sector, with financing from the World Bank. The NRSP - PPAF partnership began in April 2000. It has emerged as the country's leading engine of poverty-reduction and community development. NRSP's long-term involvement, the proven success of its methods, and the scale of its coverage (19 Districts in 40 *tehsils*, country-wide) make it a logical choice for this large scale joint effort. The essential components of the partnership are: (1) micro-credit delivery and enterprise development (2) community-level physical infrastructure schemes and (3) enhancing NRSP's capacity to deliver its programmes to the rural poor.

The partnership affords special consideration to women and relatively less developed regions of the country in training, physical infrastructure projects and microenterprise development.

Within the Capacity Building component, NRSP has established a Project Support Unit at head office, 5 new regional offices with 12 field units, and 8 additional field units in

those regions where NRSP was already in operation. The offices were established to create COs to mobilise the rural poor to identify and act upon their perceived opportunities for development schemes.

During the year 2000-2001, the NRSP - PPAF partnership formed 1,072 COs, of which 818 were male, 244 female and 10 mixed. The total membership of these COs was 19,725 (15,006 men and 4,719 women). During this period, the savings of these 1,072 COs totalled Rs. 11,627,287 with an average of Rs. 10,846 per CO and Rs. 589 per member. These COs contributed more than Rs. 24 million for CPI schemes, with an average contribution of Rs. 1,244 per household.

Under the partnership's credit component, NRSP disbursed Rs. 134,786,580 to 14,420 loanees (12,801 men and 1,419 women) with an average loan size of Rs. 9,478. The credit was for agricultural inputs, livestock, and enterprise development.

During the year a total of Rs. 79,763,980 was disbursed to 7,663 loanees for agricultural inputs; Rs. 39,909,100 to 4,861 loanees for livestock and Rs. 15, 113,500 to 1,696



loanees for enterprise development. Of the amount disbursed for livestock, almost 24 percent went to women. 92 percent of the credit amount due as of June 30, 2001 (Rs. 48,747,822 against the total due of Rs. 59,672,081) was repaid on time.

PPAF provided Rs. 57.50 million for 293 CPI schemes in regions where NRSP was already operating. NRSP initiated all 293 schemes within the year and as of the end of June 2001, 255 schemes had been completed while the remaining ones are near completion.

### Continuity and Expansion

NRSP will further increase its outreach by establishing five new field units and 14 Social Mobilisation Teams (SMTs) with existing field units. NRSP will disburse Rs. 160 million in the field units that were established in the first year of the partnership. Rs. 70 million will be disbursed in those areas where new field units (5) and SMTs (14) are being set up. In Year 2 of Phase I, PPAF will provide Rs. 16 million for 1,001 community training sessions and Rs. 2.7 million for staff training in those field units established during the first year of the partnership. PPAF will also provide Rs. 3.57 million for

community and staff training in the new field units and SMTs.

Phase II of the CPI component began in April 2001 and will run until March 2002. Within this time period, NRSP has agreed to implement 500 CPI schemes: 179 for drinking water supply schemes; 178 for irrigation, 113 for link roads, 20 for bridges/culverts/causeways and 10 for land/soil protection works. These schemes will be initiated in 12 districts (in 26 *tehsils*) of NRSP's core regions: Rawalpindi (149 schemes), Khushab (80 schemes), Rawalakot (103 schemes), Badin (100 schemes) and Turbat (68 schemes). For these 500 CPIs, PPAF will provide Rs. 188 million for operation and execution costs. The community share will be Rs. 45 million, primarily in the form of materials and labour.

In the second year of the partnership, the cost will be shared between the communities and PPAF on a 20:80 ratio basis. The ratio was 30:70 during the year under review. It is estimated that more than 42,000 households (some 336,088 people) will benefit from these schemes.

### Benefits to the Partners

The NRSP – PPAF partnership operates under a transparent monitoring system in order to ensure correct and transparent utilisation of its financial resources. The PPAF sector staff conducts regular field monitoring in addition to analysing the reports provided by NRSP.

The NRSP – PPAF partnership is beneficial to both the institutions. By utilising NRSP's extensive network of COs, PPAF was able to scale up its work in a timely manner. The partnership enhances NRSP's ability to extend the reach of its programme, and to ensure that the philosophy and practices of grassroots mobilisation remain at the heart of poverty-alleviation and rural development efforts.

It is hoped that PPAF will now include operational expenditures and training costs, and that it will help enhance NRSP's managerial capacity, by developing computerised tracking systems; improving monitoring systems; conducting impact studies, and developing new enterprises where micro credit can be utilised to optimum effect. NRSP is proud to be a partner organisation in this initiative.



## NRSP's role in establishing *Khushhalibank*

When the idea of establishing a national level Micro Finance Bank was first conceived, NRSP was well-known as the country's leading micro-credit provider. NRSP's share in loans disbursed by all NGOs in Pakistan was close to 84 percent. The Asian Development Bank Mission, in its report of November 2000, clearly recognised the importance of a holistic package of development as opposed to a single-sector micro-credit programme package. The Mission advised *Khushhalibank* to involve NRSP in the Bank's operations right from the beginning, to give the Bank the best possible start.

NRSP's intensive involvement and sharing of expertise made it possible for *Khushhalibank* to operate independently. NRSP's essential contribution lies in providing *Khushhalibank* with a conceptual model, a Management Information System and a trained field force. The rationale for the Bank's innovative Social Development Fund articulates the motivation for this decision in very clear terms: it is:

*"to mobilise the poor into COs through a participatory process; enhance the capacity of CO members*

*for community mobilisation, social awareness and selection and management of income-generating activities; develop skills and provide basic literacy training for leaders of COs in community management skills; and provide training to women in rural communities to enhance their leadership qualities and participation in social and financial services."*

In accordance with the ADB Mission, the Bank engaged NRSP in the initial stages of its programme. NRSP assisted the bank management by providing the following kinds of support:

- identifying project sites for pilot activities
- establishing regional and field offices for pilot activities
- providing NRSP offices and equipment to start the pilot activities
- preparing an investment plan and orienting the bank management in social mobilisation concepts, methodologies and organisation structure
- recruiting and training the Bank's key management staffs
- inducting a cadre of social organisers and conducting a six



month orientation training programme for them

- facilitating the expansion of the *Kushhalibank* programme beyond the pilot area
- designing tools and developing guidelines for baseline surveys
- establishing a loan tracking system to monitor credit repayment activities

NRSP functioned as a partner, establishing the first hub office for *Kushhalibank* in DG Khan with field offices in Dera Ghazi Khan (Punjab), Dera Ismail Khan (NWFP), Jacobabad (Sindh) and Bhar Khan (Balochistan). As the Bank's operational systems were not functional, initially, NRSP provided logistical support in addition to human resources and monitoring support. As a result more than 10,000 loans were disbursed in the pilot area during the first year of operation. A portfolio of 'productive infrastructure' and 'community training programmes' was also prepared. This region soon became a success story.

When *Kushhalibank* requested NRSP to train its entire 100-member field staff, the Institute of Rural Management (IRM) initiated a comprehensive Human Resource

Development process, covering both the accounting and the social-mobilisation aspects of the training. The process began with composing announcements for Bank positions, and culminated in training the entire cohort of field professionals. IRM screened the applicants, drew up 'short-lists', devised tests for suitability, and trained the successful applicants in the philosophy and the mechanics of field-level operations. To meet the requirement of a gender balance, IRM initiated a proactive process to find qualified women candidates.

NRSP has focussed on building the Bank's capacity to reach its identified population, rather than on delivering the Bank's services. NRSP transferred this technology to the Bank, in keeping with its mandate of harnessing the potential of Pakistan's economically-marginal men and women. NRSP sees *Kushhalibank* as an opportunity to reach out to its 'target' population. It is now the Bank's responsibility to take advantage of this capacity building and expand the programme outreach.



## Participatory development and the devolution of power

### RSPs and the Devolution Process

Devolution is a high priority for the government, with Local Bodies elections having been held in 2001. There are three areas in which the RSPs aim to contribute to the devolution process:

- influencing the Local Government law
- orienting and educating the new public representatives and bureaucrats in the RSP methodology
- continuing to build strong linkages between COs fostered by the RSPs and the new District governments.

The Local Government Ordinance 2001 has set up a new system of decentralised Government. Due to devolution and the concentrating of all Government functions at the District level, both the Districts' Government and NRSP – and its member organisations – stand to benefit. In this context, however, it is important to identify the levels of relationship and linkages between NRSP and the Government. There are two tiers of relationship to reckon

with: one is the linkage between the District Government and the District Office of the concerned Rural Support Programme; the other is at the intra-village level.

In the current situation, it should be possible to strengthen the traditional linkages between NRSP and the line departments. The RSPs would now concentrate all their attention on the District instead of the Divisional or Provincial administrations to facilitate effective linkages with community organisations and to create and enhance access to needed services.

In the context of the village, there is currently a debate in development circles about the fate of the community organisations fostered by NRSP and the other RSPs. The devolution plan contains two areas of possible concern for NRSP and the other RSPs in particular, and for other NGOs in general. One area of concern is the introduction of a village level elected body to be known as a 'Village Council'. The Village Council, by virtue of being an elected body, shall be representative in character. There is a risk that the introduction of an elected body at



the village level would further divide the village community. The communities are already divided along political, ethnic and religious lines and setting up elected Village Councils has the potential to divide them further. Thus there is an apprehension on the part of development professionals that intra-village conflict might be accentuated. This in itself will be a blow to organisations like the RSPs which are trying to create harmony and bring people together in the organised forum of a CO. It is therefore important that the Government revisits this issue and devises viable options that can help reduce this potential area of conflict.

The above system of representation is matched with a grass roots participatory system of Citizens Community Boards (CCBs). Under the new Law, it is mandatory that 50 percent of the entire district development budget be spent through the CCBs.

The fact that the CCBs would be able to access 50% of the District development funds creates a powerful attraction for all and sundry to set up CCBs. There is a danger that we may witness a mushrooming of the

CCBs to access government resources. Pakistan's development history shows that the administrative structure has always worked in favour of the influential and against the interests of the poor. Thus the registration procedure and the legal requisites would be critical for the success of the CCB concept. It is important that an institutional arrangement be set up which fosters true and genuine CCBs as well as registering the existing grass roots civil society institutions. Some of the tasks to be performed by such an institutional arrangement are:

- Social mobilisation to ensure that CCBs are formed as a result of community interest and that they function as participatory organisations. They must also be organised properly and real, rather than existing in name only.
- Capacity building of the CCBs including managerial and skills enhancement training.
- Monitoring the work and progress of CCBs.
- Promoting income generating activities in order to enable CCBs to contribute to development programmes.

The RSPs have learnt that fostering grassroots organisations is an intensive task in terms of human and institutional resources. Our experience shows that effective grassroots organisations can be created only through a process of capacity building which recognises the principles of participatory development: participation open to all, regardless of economic standing, gender, caste, ethnicity, and so on; transparency in operations and decision-making, skills-enhancement and capital formation. Ideally, their focus is on equity, poverty and achieving an effective gender balance.

The RSPs in general and NRSP in particular would be willing to work with the policy makers and assist them in any ways they deem fit to address these issues.

### Training

The RSPs may be involved in training public representatives and bureaucrats in participatory development. For example, the DFID-funded Lachi Poverty Reduction Programme (LPRP) has trained hundreds of local politicians in this methodology. This training will now be undertaken by other RSPs. Orienting local politicians in the RSP approach will facilitate



linkages between COs and government agencies and will enable the COs to access public resources in an organised manner.

Increasingly, the RSPs have taken on a more national character in their physical presence and influence on government policy. Today the RSPs can offer the government (i) a vast network of some 26,000 community organisations (COs) and (ii) their expertise and experience in facilitating linkages between government bodies and people.

Local-level linkages between COs and relevant Line Agencies can be planned and implemented if government agencies commit to institutional linkages with COs and the RSPs. Such linkages, both formal and informal, have been fostered by the RSPs for many years and this work needs to continue with the new District governments, in order to improve public sector delivery to the grassroots.

Whether or not the government accepts the proposed changes in the CCBs law as part of its devolution plan, linkages between government and existing COs are being strengthened. This will mean that

increasing the coverage of RSPs is crucial if there is to be a critical mass of effective social organisations to enable 'bottom up' planning and effective linkages.

Government Plan for Devolution of Power  
**New Political Structure**

نیا سیاسی ڈھانچہ

District ضلع



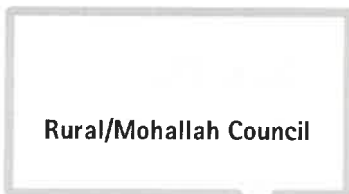
Tehsil تحصیل



Union یونین



Village گاؤں



Public عوام





## Urban Poverty Alleviation Programme

... the challenge for NRSP was to design and implement a scheme that would offer institutionalised, collateral free small loans for productive purposes on a sustainable basis.

UNDP provided funding for the first three years of UPAP's operation. The start-up funding was provided for credit disbursement, technical assistance and operational expenditures. This comprehensive base of support was an important factor in UPAP's ability to achieve self-sufficiency in a short time. Based on this experience, NRSP looks forward to launching a country-wide urban support programme with the assistance of UNDP.

The legendary Akhter Hameed Khan once remarked that *'No business will be run without credit. People are being crushed by the capital and they will be redeemed only if they acquire it'*. In 1996, at the request of the Government of Pakistan, NRSP decided to explore the possibility of providing small loans in the peri-urban areas of Pakistan.

Initial surveys confirmed Dr. Khan's findings that poor people in urban and peri-urban areas were desperate to get small loans for income generating activities, but there were no formal micro credit institutions offering loans for productive purposes. Moneylenders were providing collateralised loans for social needs at exorbitant interest rates, but those with no collateral had limited access to micro credit. Thus the challenge for NRSP was to design and implement a scheme that would offer institutionalised, collateral free small loans for productive purposes on a sustainable basis.

NRSP facilitated the development of an indigenous micro-credit model, which has demonstrated the potential to serve the micro credit needs of the poor. The key features of the UPAP credit model are:

- a rotating savings scheme, initiated before loan disbursement. Each would-be borrower is asked to save the sum of her weekly loan payment (typically about Rs. 250). A new 3-member group would thus accumulate Rs. 750 per week. After three weeks, the members draw lots and one week's savings are drawn by one member. UPAP staff assess the financial situation of the group, and if all is in order, a loan is disbursed to one member. In succeeding weeks, each member in turn receives the group's savings, and her loan.
- an incremental loan plan, which ensures that properly functioning enterprises are assured of on-going credit. When a first loan of Rs. 10,000 has been repaid, the UPAP staff assess the status of the enterprise and the client's loan-repayment history. If both are excellent, the client is eligible for a second loan of Rs. 15,000. A similar process is followed when a third loan is being negotiated for the sum of Rs. 20,000. The maximum amount for a single loan is Rs. 30,000 but there is no limit on the



number of times a client can take a loan, so long as it is financially warranted.

- low cost field operations, consisting of two elements: low-cost offices situated in the localities where clients live, and staff who are not highly educated (in fact some are only semi-literate), but assessed as trainable in field-level accounting and credit recovery. Staff members are paid a modest salary, but receive all the benefits of NRSP employment (paid leave, provident fund and pension fund contributions, etc.).

UPAP has planned to increase its network of branches in Rawalpindi and Islamabad so as to make available the micro finance services at all target locations in Rawalpindi and Islamabad.

### Objectives

UPAP's broad objectives, to improve the quality of life of disadvantaged and low-income people in urban areas and to develop an indigenous model of poverty alleviation in the urban areas of Pakistan, are given specific form as follows:

- To provide the urban poor, focusing on women but not excluding men, with access to credit.
- To alleviate the poverty of low-income households by organizing women and encouraging them to save and by increasing their access to resources through credit.
- To create income generating self-employment opportunities for women.
- To explore the possibility of establishing a specialised bank based on the experience of the pilot project.

### Credit Disbursement Approaches

UPAP disburses credit to 'solidarity groups' of three or more like-minded women with comparable social and economic conditions, and to individuals. In the latter approach, a micro-level manufacturer or entrepreneur who lives outside a UPAP area, is granted credit on the personal guarantee of an honest and competent UPAP client.

### Achievements as of June 30, 2001

UPAP had organised over 1,000 groups and its total membership stood at 3,628. Fifty two million rupees have been disbursed in some 4,996 credit cases. Of the total number of cases, 2,465 are active cases and total receivable stands at Rs. 16 million. The cumulative recovery rate at the end of June 2001 stands at 99.4 percent. UPAP's on-time collection rate is also over 99 percent. The portfolio of risk analysis of UPAP reveals that over 98 percent of its portfolio is of the highest quality. Along with its remarkable recovery rates UPAP has been able to achieve 100 percent operational solvency since February 2001.

Over the years the UPAP model has matured. This maturity remains the major reason for the rapid growth of UPAP. In addition, UPAP's Management Information System (MIS) remains instrumental in apprising the management with timely information that not only helps control delinquency but also facilitates decision making. In addition to the credit monitoring reports, the MIS is also capable of providing information on areas such as the borrowers' gender, income group,



literacy level, business ownership, per person per month income of the family and so on. Some of the analyses are given in the following sections.

Distribution of borrowers, by gender, indicates that 98.7 percent of the borrowers are women. Since UPAP supports family enterprises, it is, however, noteworthy that persons who actually operate the businesses include 39 percent women and 61 percent men. It is worth mentioning that according to the UPAP credit policy it is not mandatory for a borrower to operate the business herself. A borrower's husband or a son who contributes to the family's income can also utilise the credit, so long as it is used for income-generation purposes.

Literacy data shows that 68 percent of the UPAP borrowers are illiterate, 13 percent have literacy either up to primary level or less, 8 percent are educated between 6th class and Matric and two percent have either a college or university education.

Information by income per person per month reveals that 14 percent of borrowers have incomes under Rs. 500; 56 percent have incomes between Rs. 501 and Rs. 1000; 22 percent fall in the range from

Rs. 1001–1500; 6 percent earn between Rs. 1501 and Rs. 1999, and only two percent earn over Rs.2000 per person per month.

### Programme Monitoring

UPAP has developed an extensive monitoring system. Its MIS generates a number of reports revealing both disbursement and recovery positions on a daily and monthly basis. Monthly staff meetings and keeping a daily diary are regular features of UPAP's monitoring system. These help to keep the staff on the same wavelength regarding programme issues. In addition to this computerized monitoring, UPAP is also interested in studying the economic behaviour of its clients, especially the dropouts who do not take credit despite having a good credit history with UPAP.

### Disbursement Trends

In the reporting year there has been an overwhelming increase in the disbursement of UPAP loans. The disbursement trend shows the increase from 1,105 credit cases in June 1999–2000 to a total of 2,504 cases in June 2000–2001. Similarly there has been an increase in the disbursement amount from Rs. 26 million as of June 2000 to Rs. 52 million in the reporting year.



The doubling of cases over a year is primarily attributed to the maturity of the model and the efficiency of the MIS. Other factors include opening new settlement offices; repeat cases; flexible group size of borrowers; replacing manual records with computerised records, and a highly efficient monitoring system.

### Operational Expenses

In order to achieve operational solvency, UPAP is striving to meet its expenditures by keeping its overheads as low as possible, and by charging a 20 percent service charge on its disbursements, on a declining balance. A case processing fee of one percent of the disbursement is also levied. UPAP's ratio of overheads to loan disbursement was 6 percent in 1996-1997 and it became 10 percent in

2000-2001. This ratio stood at 9 percent from July 2000 through June 2001. It is expected to come down further as the programme expands. The ratio of credit income to overheads rose from 43 percent in 1996 to 89 percent in 2000-2001.

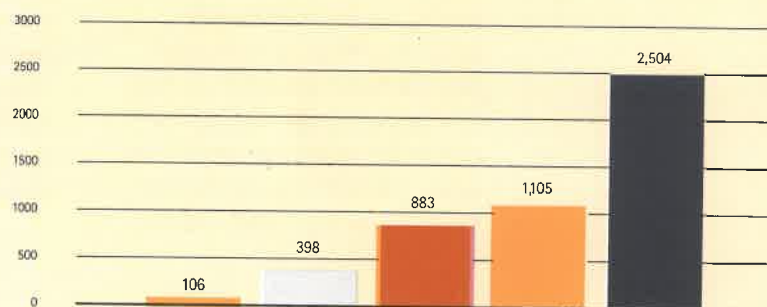
### UPAP's role in initiating the urban credit programme in other areas

In view of the success of the urban programme in Rawalpindi and Islamabad, NRSP decided to replicate the programme in other parts of Pakistan. D.G. Khan and Lodhran were selected for this process. D.G. Khan was selected so as to facilitate the *Khushhalibank's* initial operations there, and Lodhran was selected to complement the Lodhran Pilot Project Sanitation Scheme discussed earlier in this Report.

The UPAP programme in Lodhran was initiated in May 1999 under the direction of late Dr. Akhter Hameed Khan and received an overwhelming response from entrepreneurs there. UPAP's core office team visited Lodhran in the last quarter of the year (April-June 2001) and undertook to train the NRSP regional staff so they could manage the programme independently. For the initial three months the UPAP core office provided monitoring support to the field staff in Lodhran. They are now independently responsible for the running of the programme.

In July 2000, a UPAP team comprising its programme manager and senior area manager commenced micro credit operations in Dera Ghazi Khan city. In the first quarter 35 groups were formed in two colonies, Bhutta Colony and Faisal Colony (also known

Graph 2: Disbursement trends July 2000 - June 2001



Source: UPAP



as Bihari Colony) and 30 women were provided with credit.

### Future vision and emerging challenges

#### Other Micro-Finance Institutions

The success of the UPAP model will attract competitors in the urban micro-finance market. Competition will bring opportunities and challenges, including staff retention and training. This will have to be balanced against the backdrop of the overall and long-term sustainability of the program, since one of the aims is to make the program sustainable on both operational and financial fronts. *Khushhalibank*, for example, has adopted the UPAP methodology and plans to begin its operations in the same areas as UPAP.

#### Programme Expansion

In order to expand its programme coverage to all localities of Rawalpindi & Islamabad, UPAP is presently seeking support from funding agencies. UPAP plans to establish nine new settlement offices in order to effectively cover the targeted localities. Of the proposed nine offices, six are planned for initiation in the financial year 2001–2002. This will

mean that UPAP will be providing micro credit to almost 5,000 families, who will receive over Rs. 50 million. These estimates are modest and the history of UPAP shows that it has the capacity to go beyond the stated figures.

#### Performance Rating by CGAP

Entering into the sixth year of its operation, UPAP considers it appropriate to organise an external evaluation of the programme to determine its efficiency and effectiveness according to international standards. UPAP has initiated the process of contacting internationally known micro finance evaluators M-CRIL (recognised by CGAP, the Consultative Group to Assist the Poorest<sup>11</sup>), to help evaluate the programme. Registration of the programme with CGAP is under consideration.

#### Funding

Since UPAP has developed an efficient and successful mechanism that suits local requirements of providing micro finance services to the poor, it is reasonable to expect that funding agencies will support UPAP in replicating this model in all urban areas of the country.

<sup>11</sup> A World Bank and Women's World Banking initiative that establishes and monitors performance standards in micro-finance.



## Case Study 12

**Overcoming Resistance: A Woman's Experience in UPAP**

Shaista Jabeen, a field worker in the branch office at *basti* Dhok Kalakhan, is one of the twelve women branch managers running UPAP's micro credit programme. Sitting in a one-room office situated in the middle of the *basti*, she meets numerous women every week, and disburses loans to 25 women per month. She explains the entire process to them, defines the obligations, collects the repayments and appraises new cases. As the office is conveniently based within walking distance of their homes, they come in groups as potential borrowers inquiring about the credit policies, while others accompanied by their young children come to repay their monthly instalments.

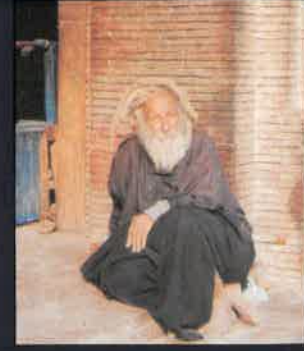
In the corner of the room, Shaista has displayed a shield awarded to her by UPAP for having the highest disbursement of the year 2000–2001. She is proud of this award, and explains that she succeeded in disbursing Rs. 6.97 million to a total of 635 women borrowers.

As the youngest in a family of nine sisters and brothers, Shaista had to struggle to reach her present position. None of this came easily to her, she recalls. It all started back in 1997 when she was in Matric and noticed one of the UPAP field workers who visited her *basti* periodically, introducing the programme and doing follow ups for credit recovery. She used to follow the field worker around to all the houses and later started helping her with the credit recovery. This kind of work held immense appeal for her and she soon confided in her mother that she wanted to take up this work. Her

older brothers were horrified at the prospect of their younger sister doing a job and feared the impression such a job would have on the rest of the *basti* residents. They all told her to finish her education first. This resistance did not weaken her resolve and after a great deal of persuasion she managed to convince her parents and two of her brothers to let her do the job. Her third brother did not agree, but determined as she was, she took a step of starting work without her brother's knowledge. She believed that she would never get this opportunity again. She would leave after her brother left for his work and made it a point to come back before his arrival. She continued this routine for four months till one day her brother found out and she had to give up the work. For four months, she stayed at home until the rest of her family convinced her brother to allow her to work.

Shaista has never regretted her decision and aims to pursue this career. Shaista's main aim is to succeed in becoming an area manager of UPAP's programme. This way she will be able to look after three settlements at the same time. Convincingly she says that she will be able to overcome the hurdles she encounters. She aims to save enough so that she can buy a car of her own and believes that by resolving her mobility problem, she can easily become eligible for the position of an area manager.

Source: UPAP / MER Section



## Conclusion

NRSP's achievements over the last eight years can be evaluated in terms of what NRSP would like to do; what it is realistically able to do with the resources available to it, in collaboration with community members, and what it cannot accomplish, given the scale of the demand for development-related services. NRSP's mandate is to alleviate rural poverty: the measure of its success in this regard is a matter of both internal and external assessments. An external assessment is given below, followed by NRSP's own assessment of the areas in which improvements are necessary.

### External Assessment

Of the small number of external assessments of NRSP's activities, the most recent is Mahmood Hasan Khan's<sup>12</sup> *Community Organizations and Rural Development: Experience in Pakistan*<sup>13</sup>. The author has assessed both the productivity of NRSP resources<sup>14</sup> and the cost-effectiveness of the programme (pp.149-158).

Khan found that the number of CO members per NRSP staff person had risen to 359 by mid-2000, from an initial 100. On the amount of savings relative to the number of staff

members he found that "CO savings doubled by 1995/96 and then tripled in the next five years"(p.150). He also notes that the credit amount per staff member has reached Rs. 1 million.

Analysing staff costs, he finds that these "fell from Rs. 2,006 per CO member in 1993 to Rs. 174 in the middle of 2000, indicating strong economies of scale" (p.150). He adds that "the unit cost of membership seems to have stabilised at around Rs. 180" ... and that "the staff cost of one Rupee of CO savings and disbursed loans fell to around one Rupee and five *paisa*, respectively, during 1998 and 2000" (p.152). Khan concludes that "NRSP support to the rural communities is scalable since the unit cost of the program tends to fall as it expands."

In the first effort of its kind, Khan addresses the economic impact of NRSP activities on rural households, noting that comparisons with other NGOs are not possible, as no comparable NGO exists, and no cost-effectiveness studies of public-sector poverty-alleviation programmes have been carried out.

Khan's study compared household-level data in three villages in the core

<sup>12</sup> M. H. Khan is a Professor of Economics at Simon Fraser University, Canada.

<sup>13</sup> Lahore: Vanguard, 2001

<sup>14</sup> Based on the cumulative number of CO members, CO savings administered per staff member, and the annual value of disbursed loans (p.150).



NRSP regions<sup>15</sup>. It considered numerous indicators of economic status, including per capita monthly income from all sources, assets, household savings, expenditures and amount of debt. Khan concludes that "the economic impact ... on rural households is substantially large and probably makes a significant difference to the households close to the poverty line" (p.189). He considers that " ... the household income in any year would be lower by about 7.5 percent were this program not available to the member household." Khan notes that the economic benefits are particularly evident in households that have been members for an extended period of time. He also stresses the social benefits of CO membership, in particular the "enhancement of the community's physical, human and social capital".

### Internal Assessments

Social mobilisation and CO formation are the foundations of the NRSP programme. The number of COs formed, and the degree of programme coverage, country-wide, are important, but more important is the degree to which the COs have developed and enhanced their capacity to prioritise local

development issues, to act independently and to generate innovative responses to local issues. One example of this institutional maturity is found in a CO cluster in Azad Jammu and Kashmir, which is now registered with the government as an NGO. Many other examples could be cited. On a broader conceptual scale, the proposal made in this Report that the COs are well-placed to become CCBs is evidence of the developing strength of the CO as an institution.

NRSP is not a substitute for Government programmes, nor does it have the resources or the *rationale* of the private sector. However, as this Report has shown, the organisation can serve as a vital link between organised communities, Government Line Departments, Education and Health Departments, Departments of Agriculture, NGOs and the private sector. The Partnerships and productive linkages established to date have enabled NRSP to increase the scale and scope of its programme. NRSP actively seeks more partnerships, both large and small-scale, so as to further extend the scale and depth of the programme and to finance sector-specific activities.

NRSP has fostered a number of development-related organisations, *Kushhalibank* being the largest and most recent, and is receptive to proposals to help establish more programmes which operate with participatory methodologies.

Credit delivery for diverse purposes, but always focussed on income-generation, has been a focal point for NRSP since its inception. Credit lines have been established with commercial banks for this purpose. Now there is a perceived need to take economic interventions in a new direction, with asset creation as the goal. Although most assets created through community – NRSP activities are directly productive (typically material assets such as agricultural equipment, CPLs, sewing machines etc.) some are indirectly productive; i.e. those which conserve resources, reduce losses and help enable sustainability.

Some important assets are social in nature (such as education/literacy, increased knowledge of agricultural methods) and less empirically measurable. The asset-creation initiative will continue to take account of the potential to improve economic well-being and thereby reduce the

<sup>15</sup> The survey covered 360 households in 24 COs, in Badin/Mirpurkhas, Khushab and Rawalpindi. Long-established (average 76 months) and newly-established (average 5 months) COs were compared.



vulnerability of rural men and women. The savings contributed by COs to CPIs constitute a direct investment in community-owned assets. In 2000–2001, COs contributed more than Rs. 24 million for CPI schemes, with an average contribution of Rs. 1,244 per household. Of this amount, Rs. 9.6 million was contributed for drinking water supply schemes, the primary beneficiaries of which are women. In the case of those community schools which will be supported by an endowment in the future, the community contribution of Rs. 50,000 per school will similarly constitute an asset.

### Future Challenges

Strengthening enterprise development, again for the purpose of asset creation, is a related goal. NRSP is now moving to strengthen its enterprise-development activities, seeking opportunities to meet the enormous demand/potential for both agricultural and non-agricultural entrepreneurial activities. This will require, for those COs which engage in it, a shift from subsistence to market-oriented economic activities, and training in up-to-date methods of doing business.

NRSP has an ongoing commitment to improving the efficiency and the quality of its programmes. Efforts are being made to revitalise those COs which have become defunct for one reason or another. The internal assessment procedures (i.e. the social audit) described in the MER section of this Report, identify the strengths and weaknesses of specific regions and will make it possible to focus these efforts in useful directions.

There now exist sophisticated managerial, social, and financial/credit tracking and monitoring systems that enable NRSP to analyse its activities at every stage. In addition to enhancing analytical capabilities, these systems make possible efficient and effective planning, based on accurate and up-to-date information. A comprehensive method of cross-checking data has recently been implemented: this will enhance the accuracy and transparency of data and information.

In addition to these ongoing critical assessments of its operations, NRSP acknowledges that intensified efforts are needed in a number of areas, to reach more of the poorest and the marginal and to include them in NRSP programmes. The complement of



this is the ongoing need to ensure that the programme is not appropriated by the relatively affluent and/or influential local people.

For example, there is a need to integrate women more closely into the mainstream of the programme, and to ensure that the development opportunities (both economic and social) identified by women are implemented. This integration has the potential to both expand and deepen the quality of the programme.

### **NRSP's Commitment to Advocacy**

With its years of experience in Rural Support Programme methods NRSP is well-placed to act as an advocate for socio-economic initiatives that promote participatory development. For example, given the relationship between rural development, environmental degradation and natural resource management, NRSP is committed to ongoing involvement in water resource management and efforts to rehabilitate natural environments. NRSP is also a host institution for the Pakistan Water Partnership, which promotes the agenda of Integrated Water Resource

Management. NRSP expects to be an active partner in the Pakistan Poverty Reduction Programme, which will attempt to improve the economic situation and quality of life indicators for the poor.

RSP will continue its advocacy of COs as Community Citizens' Boards, working to ensure (i) that the COs are recognised as CCBs, and (ii) that they actually function, with all the resources necessary, as vehicles for development activities.

## Statistical Profile

### Social Organisation

	As of June 2000	Annual	As of June 2001
<b>COs formed</b>	<b>9,989</b>	<b>4,038</b>	<b>14,027</b>
Male	5,759	2,293	8,052
Female	2,612	1,299	3,911
Mixed	658	121	779
Water Users' Associations formed	960	325	1,285
<b>Number of CO members</b>	<b>221,997</b>	<b>81,216</b>	<b>303,213</b>
Male	161,608	55,811	217,419
Female	60,389	25,405	85,794
Average membership per CO	22	20	22
<b>Savings of CO members (Rs)</b>	<b>129,649,440</b>	<b>66,419,644</b>	<b>196,069,084</b>
Male (Rs)	105,589,783	52,069,831	157,659,614
Female (Rs)	24,059,657	14,349,813	38,409,470
Average saving per CO (Rs)	12,979	16,449	13,978
Average saving per member (Rs)	584	818	647

## Rural Credit and Enterprise Development

	As of June 2000	Annual	As of June 2001
<b>Total Credit Disbursed (Rs.)</b>	<b>2,216,519,318</b>	<b>522,990,670</b>	<b>2,739,524,988</b>
Disbursement to Males (Rs.)	1,982,493,728	452,419,650	2,434,913,378
Disbursement to Females (Rs.)	234,040,590	70,571,020	304,611,610
Average Disbursement to Males (Rs.)	16,181	12,297	15,284
Average Disbursement to Females (Rs.)	14,354	7,958	12,101
Total Loans	138,825	45,660	184,485
Loans to Males	122,520	36,792	159,312
Loans to Females	16,305	8,868	25,173
Average Loan Size (Rs.)	15,966	11,454	14,850
● <b>Agricultural Inputs (Rs.)</b>	<b>1,321,587,353</b>	<b>341,346,170</b>	<b>1,662,933,523</b>
Disbursement to Males (Rs.)	1,311,728,018	328,635,150	1,640,363,188
Disbursement to Females (Rs.)	9,859,315	12,711,020	22,570,335
Total Loans	86,845	27,496	116,791
Loans to Males	87,572	25,357	112,929
Loans to Females	1,723	2,139	3,862
Average Loan Size (Rs.)	15,218	12,414	14,239
● <b>Livestock Development (Rs.)</b>	<b>504,900,200</b>	<b>107,071,000</b>	<b>611,971,200</b>
Disbursement to Males (Rs.)	329,279,300	66,537,000	395,816,300
Disbursement to Females (Rs.)	175,620,900	40,534,000	216,154,900
Total Loans	31,553	11,754	43,307
Loans to Males	19,927	6,644	26,571
Loans to Females	11,626	5,110	16,736
Average Loan Size (Rs.)	16,002	9,109	14,131
● <b>Enterprise Development (Rs.)</b>	<b>332,921,249</b>	<b>58,199,500</b>	<b>391,120,749</b>
Disbursement to Males (Rs.)	288,866,724	43,024,500	331,891,224
Disbursement to Females (Rs.)	44,054,525	15,175,000	59,229,525
Total Loans	15,456	5,416	20,872
Loans to Males	12,706	3,941	16,647
Loans to Females	2,750	1,475	4,225
Average Loan Size (Rs.)	21,540	10,746	18,739
● <b>SIIE (Rs.)</b>	<b>57,125,516</b>	<b>16,374,000</b>	<b>73,499,516</b>
Disbursement to Males (Rs.)	52,619,666	14,223,000	66,842,666
Disbursement to Females (Rs.)	4,505,850	2,151,000	6,656,850
Total Loans	2,521	994	3,515
Loans to Males	2,315	850	3,165
Loans to Females	206	144	350
Average Loan Size (Rs.)	22,660	16,473	20,910
<b>Cumulative No. of COs Availing Loans</b>	<b>5,705</b>	<b>7,246</b>	<b>7,246</b>
Recovery rate (%)	93	93	93

## Human Resource Development

		As of June 2000	Annual	As of June 2001
Managerial Training		10,569	2,728	13,297
	Male	8,168	1,909	10,077
	Female	2,401	819	3,220
NRM Training		7,739	2,637	10,376
	Male	5,732	1,819	7,551
	Female	2,007	818	2,825
Vocational Training		7,688	3,948	11,636
	Male	3,786	1,471	5,257
	Female	3,902	2,477	6,379
PITD Training		156	16	172
	Male	128	16	144
	Female	28	0	28
SSS Training		1,389	298	1,687
	Male	432	141	573
	Female	957	157	114
Activists Workshops		13,865	2,672	16,537
	Male	11,339	2,377	13,716
	Female	2,526	295	2,821
Refreshers		975	564	1,539
	Male	776	449	1,222
	Female	199	115	314
Subject Specific Workshops		25,724	9,265	34,989
	Male	20,013	6,243	26,256
	Female	5,711	3,022	8,733
Total Community Training		68,105	22,128	90,230
	Male	50,374	14,425	64,796
	Female	17,731	7,703	25,434
Total Staff Training		4,189	988	5,177
	Male	3,318	688	4,006
	Female	871	300	1,171
<b>Grand Total</b>		<b>72,294</b>	<b>23,116</b>	<b>95,407</b>
	Male	53,692	15,113	68,802
	Female	18,602	8,003	26,605

## Natural Resource Management

	As of June 2000	Annual	As of June 2001
Improved seed (kgs)	4,172,023	379,484	4,551,507
Guidance and Demonstration	4,994	2,220	7,214
Tree Plantation	6,831,453	823,496	7,654,949
Nurseries established	199	16	215
Poultry units	105,049	102,055	207,104
Animal/Poultry vaccinated, dewormed and treated	5,489,414	3,007,030	8,496,444
Workshops/Field days	2,135	557	2,692
No. of participants	53,702	10,137	63,839
<b>Households benefited from all NRM activities</b>	<b>725,633</b>	<b>169,085</b>	<b>894,718</b>

## Physical Infrastructure and Technology Development

	As of June 2000	Annual	As of June 2001
Schemes initiated	2,724	238	2,962
<b>Schemes completed</b>	<b>2,534</b>	<b>198</b>	<b>2,732</b>
Drinking water supply schemes	538	85	623
Agriculture schemes	1,834	56	1,890
Communication schemes	92	55	147
Sewerage and drainage schemes	46	1	47
Others	24	1	25
Households benefited	61,646	11,049	72,695
<b>Total Cost (Rs. millions)</b>	<b>194.968</b>	<b>53.605</b>	<b>248.573</b>

## Social Sector Services

	As of June 2000	Annual	As of June 2001
<b>Community schools established</b>	<b>216</b>	<b>11</b>	<b>227</b>
Number of teachers	313	15	328
Male	137	2	139
Female	176	13	189
<b>Number of students</b>	<b>9,289</b>	<b>832</b>	<b>10,121</b>
Male	4,971	456	5,427
Female	4,318	376	4,694

## Urban Poverty Alleviation Programme

	As of June 2000	Annual	As of June 2001
<b>Total No. of Credit Cases</b>	<b>2,492</b>	<b>2,504</b>	<b>4,996</b>
Loans to Males	79	6	85
Loans to Females	2,413	2,498	4,911
<b>Total Amount Due (Rs)</b>	<b>18,970,145</b>	<b>—</b>	<b>36,294,144</b>
<b>Total Amount Recovered (Principal)</b>	<b>18,618,997</b>	<b>—</b>	<b>36,060,237</b>
Recovery Rate (%)	98	—	99
Number of Groups	481	546	1,027
Number of Credit Cases	2,492	2,504	4,996
<b>Total Credit Disbursed (Rs)</b>	<b>26,120,569</b>	<b>26,023,000</b>	<b>52,143,569</b>
<b>Total Amount Recovered (Rs)</b>	<b>20,914,018</b>	<b>19,505,309</b>	<b>40,419,327</b>
Total Principal Recovered	18,619,997	17,441,240	36,060,237
Total Service Charge Recovered	2,289,206	2,060,788	4,349,994
Total Excess Recovered	5,815	3,281	9,096
Principal Balance	7,501,572	8,581,760	16,083,332
Current Cases	1,170	1,295	2,465
Closed Cases	1,322	1,209	2,531
Cumulative Recovery Rate (%)	98	—	99
On Time Collection Rate (%)	95	—	99



---

## Audited Accounts



**Taseer Hadi Khalid & Co.**  
Chartered Accountants

P.O.Box No. 1323  
Islamabad,  
Pakistan

6th Floor  
State Life Building  
Jinnah Avenue  
Islamabad, Pakistan

Telephone +92(51) 282 8815 - 282 5956  
+92(51) 282 6231 - 282 3558  
Fax +92 (51) 282 2671

**AUDITORS REPORT TO THE MEMBERS  
OF NATIONAL RURAL SUPPORT PROGRAMME**

We have audited the annexed balance sheet of National Rural Support Programme as at 30 June 2001, the income and expenditure account and cash flow statement together with the notes forming part thereof, for the year then ended in which are incorporated the unaudited results from all the regions except for six regions which have been audited by us 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 purpose 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 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:

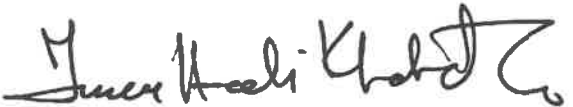
- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and the income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 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 and cash flow statement 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 30 June 2001 and of the surplus and its cash flows for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

ISLAMABAD  
18 JAN 2002

  
TASEER HADI KHALID & CO.  
CHARTERED ACCOUNTANTS

**NATIONAL RURAL SUPPORT PROGRAMME  
BALANCE SHEET AS AT 30 JUNE 2001**

	NOTE	2001 (RUPEES)	2000 (RUPEES)
<b>FIXED ASSETS - AT COST</b>			
LESS ACCUMULATED DEPRECIATION	3	37,055,425	26,103,279
<b>LONG TERM INVESTMENTS</b>	4	607,500,000	607,500,000
<b>CURRENT ASSETS</b>			
Advances, prepayments and receivables	5	60,402,602	34,001,067
Receivable from Community			
Organizations -un-secured		577,168,653	570,570,135
Opening balance		549,013,670	640,263,250
Disbursements during the year		1,126,182,323	1,210,833,385
Recoveries during the year		(577,263,795)	(633,455,213)
Receivables written off		(46,049,838)	(209,519)
Receivables transferred to Punjab Rural Support Programme (PRSP)		(39,510,149)	-
Provision for doubtful receivables		463,358,541	577,168,653
		(63,394,911)	(95,611,930)
Cash and bank balances	6	399,963,630	481,556,723
		293,800,297	73,865,872
		754,166,529	589,423,662
<b>CURRENT LIABILITIES</b>			
Bank borrowings -secured	7	304,006,864	472,028,158
Loans, provisions, accrued and other liabilities	8	234,270,205	44,889,332
		538,277,069	516,917,490
<b>NET CURRENT ASSETS</b>		215,889,460	72,506,172
		860,444,885	706,109,451
<b>DEFERRED LIABILITIES FOR STAFF RETIREMENT BENEFITS</b>		(20,962,960)	(15,753,527)
<b>DEFERRED GRANTS</b>		(13,532,364)	(10,631,887)
<b>MICRO CREDIT REVOLVING FUND</b>	9	(5,190,344)	-
		820,759,217	679,724,037
<b>REPRESENTED BY:</b>			
<b>GOVERNMENT OF PAKISTAN SUPPORT</b>	10	504,553,000	504,553,000
<b>MEMBERS' CONTRIBUTION</b>	11	3,000	3,000
<b>VILLAGE CREDIT POOL</b>		88,053,169	88,053,169
<b>ACCUMULATED SURPLUS</b>		115,250,323	69,144,411
<b>RESTRICTED FUNDS</b>	12	112,899,725	17,970,457
		820,759,217	679,724,037

The report of the auditors is set out on pages 1 and 2.  
The annexed notes form an integral part of these accounts.  
These accounts were approved by the Board of Directors on

ISLAMABAD

  
DIRECTOR

  
DIRECTOR

  
CHIEF EXECUTIVE

18 JAN 2002

**NATIONAL RURAL SUPPORT PROGRAMME  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2001**


	NOTE	2001 (RUPEES)	2000 (RUPEES)
<b>INCOME/GRANTS</b>			
Profit on investments/deposits		114,525,111	112,521,768
Funds received from:			
- United Nations Development Programme		-	3,051,789
- Agriculture Development Component / Swabi Scarp Project		19,268,303	14,701,514
- Northern Education Project		2,773,247	2,751,546
- Learning for Life (UK)		4,729,557	5,483,755
- Pakistan Poverty Alleviation Fund		182,482,417	15,436,763
- Save the Children (UK)		14,385,835	18,333,105
- Bahawalpur Rural Development Project		7,175,600	6,298,000
- D.G.Khan Rural Development Project		9,145,546	11,025,106
- Islamic Relief Organization		-	93,292
- Action Aid Pakistan		1,529,036	-
- Canadian International Development Agency (CIDA)		1,220,502	-
- IRUDP Khushal Pakistan		10,000,000	-
- UNICEF		1,601,360	-
- Barani Village Development Project		4,374,518	-
		258,685,921	77,174,870
HRD training receipts		13,853,273	9,619,899
Credit operations -Net financial income	13	18,813,307	43,582,865
Other income		7,331,431	2,496,684
		413,209,043	245,396,086
<b>EXPENDITURE</b>			
Operating costs	14	33,043,455	26,831,508
Field operations	15	126,306,332	95,047,271
Programme assistance	16	91,422,220	55,889,463
Provision/ write off of doubtful receivables		18,489,035	33,529,633
		269,261,042	211,297,875
<b>NET SURPLUS FOR THE YEAR</b>		143,948,001	34,098,211
<b>TRANSFER TO RESTRICTED FUNDS</b>		(94,929,268)	(8,916,673)
<b>TRANSFER TO MICRO CREDIT REVOLVING FUND</b>		(12,344)	-
<b>TRANSFER TO DEFERRED GRANTS</b>		(2,900,477)	(2,902,620)
		46,105,912	22,278,918
<b>ACCUMULATED SURPLUS BROUGHT FORWARD</b>		69,144,411	46,865,493
<b>ACCUMULATED SURPLUS CARRIED FORWARD</b>		115,250,323	69,144,411

The annexed notes form an integral part of these accounts.

ISLAMABAD

  
DIRECTOR

  
DIRECTOR

  
CHIEF EXECUTIVE

18 JAN 2002

**NATIONAL RURAL SUPPORT PROGRAMME  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2001**

	<b>2001 (RUPEES)</b>	<b>2000 (RUPEES)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net surplus for the year</b>	<b>143,948,001</b>	34,098,211
Adjustment for		
Depreciation	<b>11,489,331</b>	7,837,385
Provision for doubtful receivables	<b>13,455,765</b>	33,529,633
Provision for staff retirement benefits -net	<b>5,209,433</b>	3,116,844
	<b>30,154,529</b>	44,483,862
Cash provided by operating activities	<b>174,102,530</b>	78,582,073
(Increase) in advances, prepayments and receivables	<b>(26,024,481)</b>	(6,879,259)
Increase in current liabilities	<b>189,380,873</b>	2,635,723
Credit disbursements during the year	<b>(549,013,670)</b>	(640,263,250)
Credit recoveries during the year	<b>577,263,795</b>	633,455,213
Receivable from Community Organizations transferred to PRSP	<b>39,510,149</b>	-
	<b>257,141,147</b>	(4,172,314)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>405,219,196</b>	67,530,500
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	<b>(22,441,477)</b>	(12,614,850)
Investments	-	(52,500,000)
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(22,441,477)</b>	(65,114,850)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Bank borrowings	<b>(168,021,294)</b>	(64,913,395)
Micro Credit Revolving Fund	<b>5,178,000</b>	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(162,843,294)</b>	(64,913,395)
<b>NET CASH GENERATED /(USED) DURING THE YEAR</b>	<b>219,934,425</b>	(62,497,745)
<b>CASH AND BANK BALANCES AT BEGINNING OF THE YEAR</b>	<b>73,865,872</b>	136,363,617
<b>CASH AND BANK BALANCES AT END OF THE YEAR</b>	<b>293,800,297</b>	73,865,872

The annexed notes form an integral part of these accounts.

ISLAMABAD

  
DIRECTOR

  
DIRECTOR

  
CHIEF EXECUTIVE

18 JAN 2002

## Board of Directors

Shoaib Sultan Khan	Chairman
Dr Arshad Zaman	Director
Tariq Masud	Director
Dr Zafer Altaf	Director
Syed Baber Ali	Director
Mohammad Azam Khan	Director
Cdr. A. A. Neseem	Director
Bashir Ahmed	Director
Pervaiz Masud	Director
Safdar Hussein Kazmi	Director
Abdullah J. Memon	Director
Ejaz A. Naik	Director
Fazlullah Qureshi	Director
Kishwar Naheed	Director
Sikandar Hayat Jamali	Director
Humayun Khan	Director
M. Nazar Memon	Director
Dr Rashid Bajwa	Chief Executive
Federal Secretary Planning and Development	Director (Ex-Officio)
Federal Secretary Local Government and Rural Development	Director (Ex-Officio)
Federal Secretary Finance	Director (Ex-Officio)



**National Rural Support Programme**

46, Agha Khan Road, F-6/4, Islamabad, Pakistan

**Tel.** 92-51-282 2319, 282 2324 | **Fax.** 92-51-282 2779

**Email:** [info@nrsp.org.pk](mailto:info@nrsp.org.pk) | **Web Site:** <http://www.nrsp.org.pk>