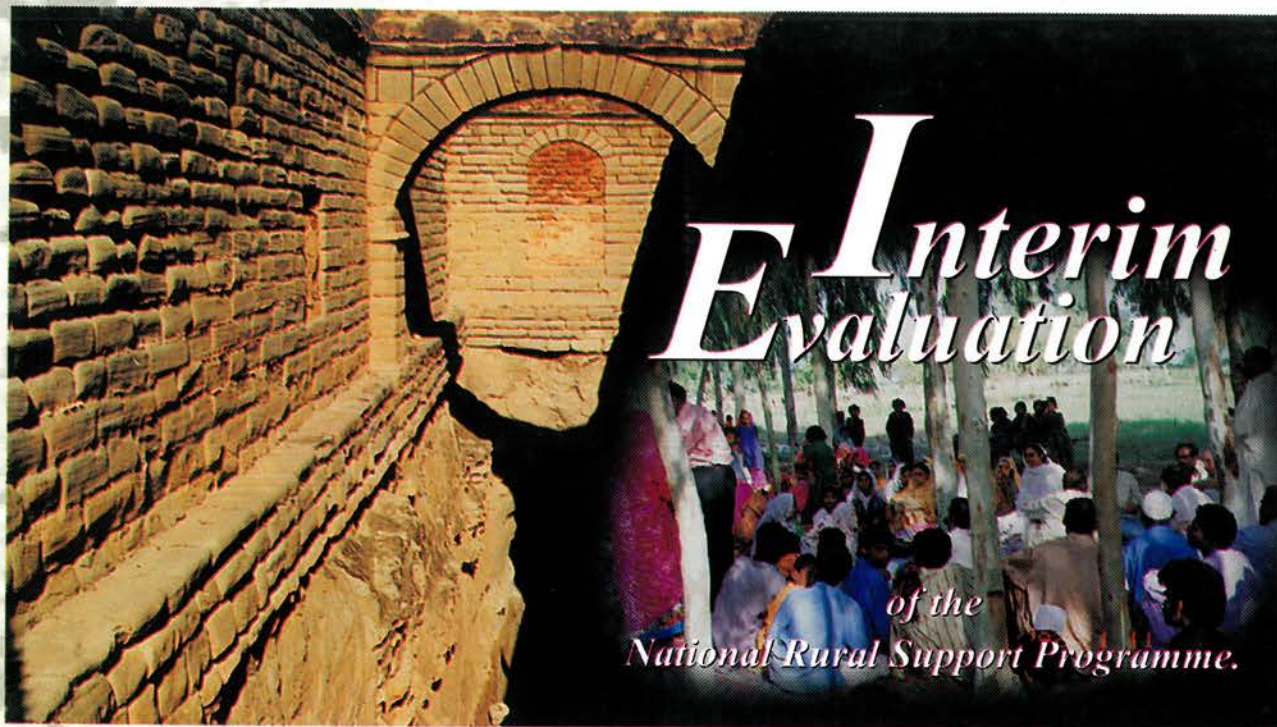




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**Interim Evaluation of the  
National Rural Support  
Programme**

## **C o n t e n t s**

### **Interim Evaluation of The National Rural Support Programme**

#### Abbreviations and Acronyms

#### Executive Summary 1

|     |                                             |    |
|-----|---------------------------------------------|----|
| 1.  | Introduction                                | 3  |
| 2.  | Distinguishing Features of NRSP             | 5  |
| 3.  | Organization and Management                 | 7  |
| 4.  | Social Organization                         | 17 |
| 5.  | Credit (Rural Investment)                   | 25 |
| 6.  | Human Resource Development (Training)       | 43 |
| 7.  | Physical Infrastructure (Rural Engineering) | 49 |
| 8.  | Natural Resource Management (Agriculture)   | 54 |
| 9.  | Social Sector Services                      | 58 |
| 10. | Gender                                      | 60 |
| 11. | Future Strategy Extending the Benefits      | 66 |
| 12. | Opportunities for Future Support            | 74 |

#### **Annexes**

|    |                                         |     |
|----|-----------------------------------------|-----|
| A. | Resource Persons Support Group Proposal | 77  |
| B. | Interim Evaluation Terms of Reference   | 80  |
| C. | Itinerary of Evaluation Mission         | 104 |
| D. | Members of the Evaluation Mission       | 107 |





**Interim Evaluation of the  
National Rural Support  
Programme**

## **ABBREVIATIONS AND ACRONYMS**

|       |                                                    |
|-------|----------------------------------------------------|
| AJK   | Azad Jammu and Kashmir                             |
| AKRSP | Aga Khan Rural Support Programme                   |
| ARPP  | Action Research Pilot Project                      |
| BRSP  | Balochistan Rural Support Programme                |
| CO    | Community Organization                             |
| CMST  | Community Management Skill Training                |
| DWSS  | Drinking Water Supply Scheme                       |
| F&A   | Finance and Accounts                               |
| FU    | Field Unit                                         |
| GAD   | Gender and Development                             |
| G&D   | Guidance and Development                           |
| GM    | General Manager                                    |
| HO    | Head Office (NRSP)                                 |
| HRD   | Human Resource Development                         |
| ISO   | Intern Social Organizer                            |
| LMST  | Leadership and Management Skills Training          |
| M&E   | Monitoring and Evaluation                          |
| MAP   | Monitoring Assessment and Planning                 |
| MIS   | Management Information System                      |
| NGO   | Non-Governmental Organization                      |
| NRM   | Natural Resource Management                        |
| NRSP  | National Rural Support Programme                   |
| O&M   | Organization and Management                        |
| OPP   | Orangi Pilot Project                               |
| PDP   | Participatory Development Programme                |
| PITD  | Physical Infrastructure and Technology Development |
| PPI   | Productive Physical Infrastructure                 |
| PRSP  | Punjab Rural Support Programme                     |
| RCED  | Rural Credit and Enterprise Development            |
| RP    | Regional Programme                                 |
| RPO   | Regional Programme Officer                         |
| RSP   | Rural Support Programme(s)                         |
| SIIE  | Small Infrastructure for Individual Enterprise     |
| SO    | Social Organizer                                   |
| SRSC  | Sarhad Rural Support Corporation                   |
| SSS   | Social Sector Services                             |
| SBP   | State Bank of Pakistan                             |
| TOP   | Terms of Partnership                               |
| TOR   | Terms of Reference                                 |
| TBA   | Traditional Birth Attendant                        |
| UNDP  | United Nations Development Programme               |



**Interim Evaluation of the  
National Rural Support  
Programme**

## **EXECUTIVE SUMMARY**

This Interim Evaluation of the National Rural Support Programme (NRSP) was undertaken between February 28 and March 20, 1998 under the auspices of the UNDP. The purpose of the review was to provide an assessment of the programme, to identify areas where future support is likely and to assist NRSP to address various programme issues and opportunities.

NRSP, now in its fifth year, has been remarkably successful. It warrants continued support.

Although externalities slowed or interrupted the Programme during its initial years, a solid foundation of carefully selected, highly motivated staff, creative financial arrangements and an effective, decentralized organization established in the wake of difficulties have made subsequent rapid growth possible.

The period from 1996 onwards has been marked by a dramatic expansion in CO formation and, especially, in credit disbursements.

NRSP has demonstrated that village communities are able to manage small productive loans. Availability of virtually unlimited credit resulting from NRSP's partnership with the Habib Bank has fundamentally changed programme emphasis from community-based, collective endeavors to individually managed productive investments. The self-motivated individual acting in his or her self-interest to produce something of value is NRSP's 'engine of development.'

The bold commitment by Government of Pakistan to provide a grant of Rp. 500 million to establish NRSP and the imaginative conversion of those funds into an endowment has insured the stability of the Programme.

NRSP's endowment is unique. It must be carefully managed so as to retain its real worth despite inflation. A financial/investment advisor may be retained to assist in evolving a strategy and investment plan to achieve this objective.

The quality and motivation of NRSP staff and leadership is exemplary and represents the Programme's most valuable asset. Because of their integrity, the Programme is highly regarded at all levels.

NRSP enjoys a special relationship with Government. This is remarkably congenial at all levels. While a great advantage in linking NRSP to line agencies and drawing upon resources from government departments, a careful balance must be maintained to insure NRSP's independence.





**Interim Evaluation of the  
National Rural Support  
Programme**

Success has resulted in pressures for ever more rapid and widespread expansion. While these should be accommodated, primarily by assisting the creation of other RSPs, the quality and integrity of NRSP's own core programme must not be sacrificed.



## Interim Evaluation of the National Rural Support Programme

# 1. INTRODUCTION

This Interim Evaluation of NRSP has been conducted by a team comprising two consultants retained by UNDP, John Cool (team leader) and Paul Eastman, with Akmal Hussain and Bashir Ahmed Khan as national advisors.

Dr. Hussain accompanied the team during part of the field trips to Rawalakot and Khushab, visited the ARPP project near Islamabad, participated in briefings and debriefings at NRSP and UNDP and made valuable contributions during team discussions.

Mr. Bashir Khan who represented the Government of Pakistan's Economic Affairs Division joined the team during its preliminary briefing and the three-day visit to Badin and Mirpurkhas.

Dr. Rashid Bajwa, the NRSP General Manager participated in the mission on several occasions. His direct involvement lent credibility to the mission, opened doors, ensured excellent logical arrangements and provided a wealth of insight into every aspect of the programme. The responsible Programme Officer at UNDP, Ms. Samina Kamal, the Assistant Resident Representative accompanied the evaluation team for much of the time. She participated in field visits to Rawalakot, Badin and Mirpurkhas, Turbat and the Orangi Pilot Project as well as during discussions with senior officials of the Government of Sindh. Her presence allowed the team to benefit from her detailed knowledge of related UNDP initiatives and insights into the NRSP programme.

The evaluation team was also guided by the thoughts, vision and ideas of Mr. Shoaib Sultan Khan (a major architect of NRSP and Chairman of the NRSP Board) and Dr. Akhter Hameed Khan (the inspiration behind several generations of innovative community based development in Pakistan and throughout the world).

The evaluation team convened in Islamabad on February 23rd. During briefings at UNDP and NRSP, the Terms of Reference (TOR) for the mission were reviewed and clarified. The TORs for this mission were developed along the lines which had been established for the Joint Monitoring Mission of AKRSP. Seven major thematic areas were to be evaluated. Since the size of the NRSP evaluation team was substantially smaller than the AKRSP team, substantial modification in the scope and focus of the analysis was desirable. Hence, UNDP agreed to allow considerable flexibility in how the TORs were to be interpreted. A copy of the TORs is available at Annex B.

Over the next two weeks, visits were scheduled to 5 NRSP regions covering all 4 Provinces. A copy of the mission's itinerary is available in Annex C.





## Interim Evaluation of the National Rural Support Programme

Although the field visits were tightly scheduled, the team was exposed to a wide cross section of NRSP's activities and had an opportunity to visit numerous Community Organizations (CO) and talk to many Activists, Government and bank officials, and staff at all levels. Wherever possible, prior to leaving each region the team provided an informal and interactive debriefing. This allowed the team to capture and reflect on staff experiences and perceptions and provided useful guidance in shaping the final report of the mission. Likewise as chapters of the report were drafted the team attempted to circulate copies to head office staff for their feedback. Debriefings at NRSP and UNDP were held prior to concluding the mission.

### Approach to the Evaluation

The evaluation was conducted in an open manner which elicited the active participation of those directly involved in programme conceptualization, organization and management. Too often external evaluations are seen as an inspection and auditing process conducted by people who are presumed to be somewhat hostile and ignorant of the difficulties faced by staff. Since the core members of the evaluation team have had considerable experience working with similar programmes in Pakistan and elsewhere, it is hoped that this provided some additional awareness and helped to create a sympathetic and constructive evaluation environment.

The term "valuation" was used to typify the way in which the team approached the evaluation. From the outset it was assumed that NRSP had value and that an important role for the team was to add to this value. The mission examined stated aims, the targets established and the numerical indices of progress, attempting to determine what is working, what is not, why and how improvements could be made. In addition, beyond the "measurables and deliverables" attention was also given to the process and relevance of the programme, the quality and integrity of its people and the impact of their work on transforming, empowering and enhancing the capacities of rural people and communities.



## Interim Evaluation of the National Rural Support Programme

## 2. DISTINGUISHING FEATURES OF NRSP

Pakistan's National Rural Support Programme was created in 1991 as a non-profit public company designed to reduce poverty and improve the well-being of rural people. NRSP's strategy is "to harness peoples' potential" to plan and implement activities that will improve their quality of life.

Drawing on and adapting the principles tested elsewhere, NRSP has been shaped in response to needs and capacities of the rural communities which it serves, the available human and financial resources, and the national environment in which it operates. As a result, several features set NRSP apart.

First, in 1992 the Government of Pakistan pledged financing of Rp 1.0 billion per year for 5 years. After receiving the first installment of Rp. 500 million, the Board of NRSP recognized that subsequent payments were unlikely to materialize and wisely decided to convert the grant into an endowment. Government securities were purchased which currently generate earnings of 18% per annum. This is sufficient to meet a major part of the Programme's recurrent costs. Although NRSP still receives a modest amount of much needed donor funding, compared to other programmes, it is much less dependent on external assistance.

Second, in the early years, it became apparent that the lack of credit was a major constraint in many rural villages. Consequently, some of the proceeds from the endowment fund supplemented with donor funds were made available as rural investment loans. However, the potential for effective credit use was immense and well beyond the resources available to NRSP. Steps were taken to identify additional funds. The search culminated in an agreement with the Habib Bank, Pakistan's largest commercial bank. Under the agreement, a line of unsecured credit has been made available to NRSP for onlending at market rates to members of Community Organizations. This represents a major breakthrough within both the banking sector and the development community.

Third, NRSP has demonstrated that village communities are able to manage small productive loans. In fact, the provision of small investment loans is the central activity around which much of the remainder of the programme aggregates. It has become clear that the promise of direct individual benefits is a primary motivation for participants. This runs counter to much of the earlier doctrine in community development which placed a premium upon collective benefits through total community participation. The appeal to self-interest has proven to be a strong inducement.

Fourth, a significant characteristic of NRSP is its social mobilization process. Through consistent and sensitive work by field staff, NRSP establishes the framework within which poor, often illiterate rural people are enabled to participate in and initiate small productive





**Interim Evaluation of the  
National Rural Support  
Programme**

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enterprises. In a relatively short period, these bring tangible benefits directly to them and to their households. Furthermore, it is important to recognize that NRSP has grown dramatically over the past two years. Its coverage now extends to 16 districts in all 4 Provinces and Azad Jammu Kashmir (AJK). Throughout this expansion phase, it appears that quality has not been sacrificed. NRSP has maintained a reputation of dedicated service to the rural people and for the integrity of its staff.

Fifth, the crucial social mobilization process is only possible if Social Organizers (SOs) are able to win the confidence of rural people and to elicit their active participation in the COs. The staff of NRSP (at all levels) are exemplary which is a testament to the quality of the selection process and the training and motivation that they receive. This too is a defining feature of NRSP.

In sum, the NRSP model is unique. It is highly responsive to community motives and aspirations within the context of strong community participation. NRSP has demonstrated that an organization is only as good as its staff and has invested considerably to ensure that the right people are selected and trained. Furthermore, NRSP has shown that institutional sustainability is an achievable goal through the creation of the endowment and access to a virtually unlimited line of commercial credit. Clearly, NRSP's experiences suggest that it is feasible to unlock the productive and entrepreneurial potential of Pakistan's rural people.



## Interim Evaluation of the National Rural Support Programme

### 3. ORGANIZATION AND MANAGEMENT

Given the small size of the evaluation team and the limited time available, the review of Organization and Management (O&M) was done selectively. For example, very little will be said about the financial systems since this should be addressed in NRSP's annual audits.

#### Staff

The seriousness of purpose, the dedication and the energy of NRSP staff have impressed the mission. Some of this must arise from the satisfaction which they draw from working directly with rural people and sharing in their excitement as the process of self-capacitation begins to yield tangible benefits. Furthermore, the quality of staff, and particularly field staff, is almost uniformly high. This suggests that screening, selection and placement process have been undertaken carefully and with excellent results.

While recognizing that the programme has drawn its inspiration from the work of two outstanding professionals, Dr. Akhtar Hameed Khan and Shoaib Sultan Khan, it is clear that much of the credit for NRSP's achievements must be given to the General Manager and the Regional Programme Officers who have translated the theory of rural support into a vital and effective programme on the ground.

Staff seems to have a broadly shared vision of the task and the process of rural support. This is manifest in their recognition that their role is, primarily, to "enable" the Community Organizations. They understand that NRSP can only be effective when the social mobilization process has reached the point where COs have sufficient coherence and self-confidence that they can initiate actions through their own Activists. NRSP field personnel, and increasingly Activists, understand that building linkages between line agencies and other institutions is a high priority and that NRSP itself is not responsible for "implementing" various technical and infrastructure programmes.

We note with enthusiasm that many--perhaps most--of NRSP's field managers and several Head Office (HO) staff have had experience as Social Organizers (SO). They come equipped with first-hand knowledge of the difficulties and satisfactions of working at the CO level. We applaud this and encourage NRSP to continue on this line, promoting experienced staff from within.

Throughout the mission, the evaluators questioned staff concerning their motives for working with NRSP. Although there were comments pertaining to low pay and a demanding work load, a large majority of staff mentioned a high level of job satisfaction linked not only to their relationships with COs but also to their being part of an energetic and committed team at the HO, Regional Programme (RP) and Field Unit (FU). Efforts to





## Interim Evaluation of the National Rural Support Programme

decentralize responsibilities were also highlighted as an important and positive feature of working with NRSP.

The low pay/high workload concern should not be trivialized. As the number of COs and the amount of credit grows, demands on staff can only increase. In the years just ahead a significant expansion aimed at incorporating all remaining villages and settlements within the Community Organization framework is to be launched. This will, in the case of Rawalakot, mean that an additional 400 COs are to be formed to add to the 603 that currently exist. In spite of efforts to transfer more responsibilities to Activists, the implications of this expansion for the ten Social Organizers in Rawalakot and Kotli need to be carefully considered.

Furthermore, competition from other organizations (particularly the new Rural Support Programmes) should not be underestimated. More attractive wage and benefits packages may appeal to some NRSP staff. Consequently, NRSP would be wise to track workloads and to continually compare its remuneration policies with those of other agencies. Adjustments may be warranted if NRSP and the COs are to fully benefit from the considerable experience and talent that is available in the staff. NRSP might also enter into discussions with other agencies (specifically other RSPs) to explore the possibility of developing consistent benefits and remunerations packages to minimize the chances of one agency raiding the staff of another.

### Leadership

At the management level, the evaluation team has been impressed by the quality of NRSP leadership. The selection procedures which have been instituted appear to have been effective in identifying competent, highly motivated professionals to manage HO, RO and FU activities.

A note of caution. As the Programme continues to grow, demands on the small management staff are becoming heavier. There will come a time when unanticipated events may put one or more key managers out of business for a period. Would it not be wise to bring well-qualified professionals from within the ranks of NRSP to serve as "back-up" managers? Perhaps an informal chief of staff would relieve some of the workload from the General Manager. Would rotation of experienced Field Unit managers into Regional Offices as deputy RPOs be helpful to the RPOs and become a professional growth experience for the managers?

These tentative suggestions are no more than that. The intent is to call attention to the fact



## Interim Evaluation of the National Rural Support Programme

that, with all its merits, the "lean" organizational style of NRSP leaves little scope to handle the loss of key managers and may impose intolerable and counterproductive burdens as the programme expands.

### CO-NRSP Planning

NRSP follows a comprehensive and interactive planning and review process. At the community level, through the dialogue process, the SO in collaboration with the CO gathers baseline data that is consolidated in a Village Profile. The Profile not only provides an extensive amount of useful information for ex post evaluation purposes but also helps to identify village and CO needs. In addition, at least annually, a dialogue is held with each CO during which needs are updated. This "shopping list" is then appraised to ensure that proposed activities are consistent with an income generating goal. Acceptable activities are then categorized according to whether they can be financed and/or managed by the CO or whether some form of additional support is required (and from whom the needed inputs can be accessed). The CO plans are then reviewed at the Field Unit and Regional levels and compared to the resources available through NRSP before being consolidated in an annual organizational plan and budget. Further review and planning also occurs during periodic Activist Workshops.

Within NRSP itself, the planning and review process is also continuous and iterative. In the regions and at HO, weekly meetings are convened to review achievements of the previous week and plans for the next week. At the regional level, monthly planning meetings are also scheduled to review achievements, identify problems and refine plans. Semi-annually a programme review workshop is held which draws together HO and regional staff and recently, a senior staff person from each Field Unit.

Overall, the planning and review process that exists within NRSP seems quite appropriate since it appears to provide adequate planning information, allows for plans to be refined on a regular basis and keeps information flowing throughout the organization.

Plans are also translated into a log frame format (LFA). When prepared carefully and applied appropriately, the log frame is an extremely powerful planning (and M&E) tool. Unless sufficient time is invested into fully understanding the LFA and wisely choosing from the various approaches that are available, many organizations get little benefit from using it. Although the evaluation team had insufficient time to carefully review NRSP's use of the LFA, based on the log frame matrices that were made available, there may be opportunities for improvement (eg: since the ultimate aim of NRSP to improve the well-being of rural people, consideration might be given to expectations that go beyond improvements in





## Interim Evaluation of the National Rural Support Programme

income; indicators might be reformulated using the scale of improvement expected rather than the absolute target to be achieved; explicitly introducing indicators that may not be directly linked to NRSP physical inputs; introducing budget information to reflect inputs; etc.). However, the mission is reluctant to suggest that much additional effort should be given to refining the LFA approach in NRSP at this time. The opportunity costs are potentially high. Bringing in a LFA facilitator may be something that NRSP might put on its future agenda.

### **District Planning**

In Rawalkot a broader-based and very useful planning mechanism has also been introduced. The RPO recognized not only staff and resource constraints in NRSP but also the importance of developing linkages. Consequently, each month representatives from various line departments and NRSP participate in a District Planning Meeting. As a result, resources are better coordinated and several line departments, NRSP and COs are planning and implementing a variety of programmes including planting trees, establishing nurseries, vaccinating animals--and soon will consider various drinking water schemes.

Although other regions are establishing important linkages with line departments and other agencies, the Rawalkot example may provide a useful model--a model that should be analyzed and documented.

### **Micro-Planning**

Recently, a Micro-Planning exercise has been proposed that will involve both the SO and an individual CO member. The purpose of this pilot exercise appears to be twofold. First, since NRSP's strategy focuses on an individual within a group, Micro-Planning would supplement and further refine baseline and planning information that is available at a more macro level in the Village Profile. Second, NRSP recognizes that attention should be given to equity and poverty alleviation issues. The Micro-Planning exercise may help in this respect.

The data collecting format that has been developed for the Micro-Planning exercise seems to focus more on identifying potential activities and constraints than on generating baseline indicators and addressing poverty alleviation issues. Furthermore some of the indicators that have been identified tend to be somewhat unreliable (eg: income). Other more observational indicators (as included in the Village Profile) may be more useful. Consequently, NRSP might wish to review the scope and purpose of the Micro-Planning exercise and then to amend the format accordingly. Furthermore, Micro-Planning has the potential of becoming extremely time consuming not only in data collection but also in data



## Interim Evaluation of the National Rural Support Programme

analysis. Consequently, NRSP is wise to selectively test the format to see if it is providing useful and useable information before applying it more broadly.

### Structure

From the outset NRSP has been organized under various thematic headings, most of which have remained fairly constant since inception: Social Organization, Rural Credit and Enterprise Development (RCED), Human Resource Development (HRD), Natural Resource Management (NRM), Physical Infrastructure and Technology Development (PITD), Social Sector Services (SSS), Gender and Development (GAD), Monitoring, Assessment and Planning (MAP), and Finance and Accounts (F&A) (which recently has assumed responsibility for RCED). Related and supplementary activities have been added which provided linkages or were designed at donor behest to test the relevance of alternative programme models. These have included Partners in Development and the current Poverty Alleviation Action Research Pilot Project - Urban Component (which is managed by staff of MAP).

While the current structure of NRSP has served the organization well as the basis for establishment and growth of the programme, it is believed that there is scope for reflection and possibly regrouping (and maybe eliminating) some of its functions. NRSP might consider reviewing its structure and its nomenclature in light of (a) the experience which it has had and the actual priorities around which its present programme is organized and (b) the rather different responsibilities which it is likely to face during the years ahead. For example:

- Is "Training" a more accurate description for what HRD does?
- Would "Credit" or "Rural Investment" more realistically depict what RCED does?
- Would "Rural Engineering" better describe what PITD does?
- Since there is limited scope for NRSP to become heavily involved in NRM, possibly "Agricultural Support" would be more apt.
- Should a Gender and Development label exist where no significant section either exists or is planned?
- While the goals of the Social Services Sector, NRM and PITD are valid, all are primarily concerned with the creation of coalitions which link community resources with line agencies and funding sources. The "Partners in Development" section which emerged several years ago focused on nurturing these linkages. Would some similar terminology such as "Partnerships Support" provide an umbrella under which these three facilitating functions could be housed?





## Interim Evaluation of the National Rural Support Programme

These suggestions are given primarily to encourage NRSP to periodically review its organizational structure and to analyze the relevance of programmes and the nomenclature used to describe functions.

### Endowment

As mentioned at the outset, the NRSP Board, quite wisely, decided to invest the Government grant of Rs.500 million in an endowment fund. This was a thoughtful, strategic decision since the endowment now provides a significant portion of NRSP's operating income.

Quite rightly, NRSP's investment strategy was conservative. The security of the endowment was of utmost importance. Initially, the principal was invested in government securities (Federal Investment Bonds) which yielded a variable return over the years but averaged 12.5% p.a. In 1997, the strategy was changed when savings certificates that paid monthly income became available. Not only were the returns higher (18% p.a.) but also the certificates provided a regular flow of monthly payments which helped meet cash requirements and minimized earlier overdrafts which had previously been a problem.

As of March 1998, the nominal value of the fund has increased to approximately Rp 520 million. Maintaining, let alone increasing the value of the endowment has been a notable achievement given the pressures to establish and expand the programme and particularly when one recognizes the important contributions that NRSP has made.

Over the past 6 years many institutions, including NRSP, have had to cope with high rates of inflation and a significant devaluation in the Rupee. Within NRSP a key objective is sustainability and the endowment concept offers the best possibility for this to be realized. However, it requires prudent management in order to yield adequate income over the long-term, especially in an environment where inflation is high and the currency is under pressure. Consequently, the evaluation team explored the effects of both inflation and exchange rate depreciation on the nominal value of the endowment fund.

The net change in the real value of the endowment fund was estimated on the basis of year to year incomes and expenditures of NRSP. The nominal value of the principal (Rs 500 million) plus the net income from all operations was then adjusted for the domestic inflation rate and devaluation in order to estimate the overall changes in the real value of the fund between 1992 and 1998. The exercise suggests that the real value of the fund has eroded and steps should be taken to reverse this trend.

The Evaluation Team would suggest two options (others are likely). First, NRSP should



## Interim Evaluation of the National Rural Support Programme

seek a one-time injection of new funds. For example, if Rp 532 million was invested today in savings certificates at 18% p.a., by the year 2002, the endowment could then have a real value of Rp 547 million (in 1992 rupees) if existing trends in inflation, expenditures and incomes continue. Strong arguments can be made for NRSP to pursue this option by asking the Government of Pakistan to fulfil its earlier financial commitments. Second, NRSP should attempt to identify annual grant funds equivalent to 25% of the current NRSP annual budget. This would permit NRSP to reinvest about half of the income earned from savings certificates back into the endowment fund. In this case, the real value of the fund would grow and reach Rp 578 million (in 1992 Rupees) by the year 2007. There are compelling reasons for donor and other agencies to support this option. It would require a manageable commitment of approximately \$US 1 million per year and in the process would not only strengthen NRSP's endowment fund (and programme) but also would support a very clear and attainable sustainability strategy.

Finally, to reiterate, the Evaluation Team firmly believes that an endowment is an excellent and innovative way to finance an institution such as NRSP. Similarly, it also believes that the management of the fund requires a long term perspective that gives particular attention to the effects of inflation and devaluation. Consequently, the team believes that the Executive Committee of the Board may consider retaining the services of an outside investment advisor with extensive experience in endowment management (a) to explore all options to generate funds, and (b) to carefully monitor the fund to ensure that investments are secure and are earning sufficient income to maintain (and increase) the real value of the fund.

## Audit of Achievements

NRSP produces large amounts of useful information (especially numbers) to measure achievements. During visits to COs, FUs, RPs and HO, the Evaluation Team followed a pattern and listened while people proudly recited numbers that reflected their accomplishments. While there is absolutely no evidence to suspect the accuracy of the numbers, NRSP has been operating long enough to warrant a rigorous Audit of Achievements. Such reviews are quite commonplace. As in other organizations, an NRSP audit of achievement would:

- Verify that the numbers being reported are accurate. This would (a) help NRSP to refine planning and (b) give donors and other agencies added confidence in the programme.
- Provide an opportunity to review record keeping systems to ensure that (a) procedures are sound and (b) data is being collected, entered and analyzed correctly. (See also the M&E section below.)





## Interim Evaluation of the National Rural Support Programme

Coincidentally, part of this exercise will be completed within the current financial audit being conducted on the credit programme. However, in order to cover areas not included, it is suggested that a reputable firm or institution be contracted for this purpose. Staff time will be required to prepare specifications for the audit and to orient the "auditors". Several years ago, an Audit of Achievements was undertaken in AKRSP which yielded considerable benefits. NRSP might consider consulting with AKRSP to learn from their experience.

### Monitoring and Evaluation (M&E)

As mentioned previously, NRSP has developed a comprehensive and elaborate system to monitor progress. To a large extent, achievement indicators focus on numbers--the number of COs formed, the number of training programmes, the amount of credit disbursed, etc. Clearly, this information is both necessary and useful. There are also several examples where staff and consultants have attempted to analyze the effects and impact of the programme. Often these studies are anecdotal and impressionistic case studies although a few have been more rigorous. These too are useful.

However, it is suggested that NRSP, possibly in tandem with the proposed Resource Group (see Future Strategy below and Annex D), might want to review and refine its M&E capacity to ensure that needed information is available. This reflection and upgrading process may involve two steps:

- Whether as part of the ongoing organizational planning and review process or as needed in specific evaluation studies, over the years, a variety of indicators have been developed. NRSP should step back and assess the utility of these indicators. Do these indicators accurately reflect the results and benefits that are expected? Is sufficient attention given to effects and impacts rather than to outputs? Are indicators available to capture important effects that are not directly linked to NRSP inputs (eg: effects pertaining to internal lending, to irrigation channels that do not require any input from NRSP or line agencies)? Are some indicators imbedded into NRSP for historical reasons but have little value under current circumstances? Developing meaningful and measurable (not exclusively quantifiable) indicators and identifying appropriate and cost effective means to collect data requires special skills. This is especially so in NRSP where a cross-cutting perspective is needed.
- Drawing on the agreed-to indicators and recognizing resource constraints, steps can be taken to build on MAP's existing M&E agenda and to prepare a simplified yet rigorous M&E strategy. This would (a) set out a schedule of what types of information are required, deadlines, and who is responsible for collecting and analyzing data, and (b)



## Interim Evaluation of the National Rural Support Programme

identify analyses that will be undertaken by staff and consultants outside routine monitoring (eg: effects of animal vaccinating efforts, impact of credit on women, effects of the CO on community well-being, effects of linkages with line departments, etc.). Clearly, both rationalizing existing, and developing new indicators (plus modifying MAP's M&E strategy) must be done interactively and collaboratively and must be flexible to allow for regional variations and new initiatives as they arise.

NRSP would be wise to hire a facilitator who would (a) review information needs at all levels, (b) scrutinize existing data collection to determine what information is really needed and can be effectively used, (c) provide a preliminary assessment of improvements that might be made to the current M&E approach, and (b) if warranted, work with staff to develop useful and meaningful indicators and a simple and practical M&E strategy. And, obviously, should this initiative be pursued, it must be coordinated with efforts to develop a Management Information System (MIS) within RCED (see below) and should draw on the outcome of the above-mentioned Audit of Achievements.

## Reporting

A reporting culture is well established in NRSP. Traditionally, reporting serves a number of purposes that are not necessarily mutually exclusive but which may include providing an historical record of achievements, meeting donor agency requirements, and satisfying public relations needs. However, the most important function is to help management identify problems and propose solutions.

Although NRSP collects and provides month-to-month and quarter-to-quarter information, many of the (verbal and written) reports provided to the evaluation team focus on cumulative information. While these provide an impressive record of achievements, they are less useful to management. Instead, wherever possible, data should be disaggregated and presented in a form that permits managers to easily identify trends and make comparisons.

## Budget

NRSP's 1997/98 budgeted expenditures are approximately Rs. 318 million (excluding income tax) of which 78% is allocated to Programme Costs, 15% is earmarked for Social Mobilization and 7% reserved for Administration. Of the total expenditure 68% is accounted for by credit.

Also during 1997/98 (excluding credit disbursements), it is projected that 51% of income will





**Interim Evaluation of the  
National Rural Support  
Programme**

be generated through the endowment fund, 27% will be brought forward from the previous year, 16% will emanate from UNDP and the remaining 6% will originate from various other grants and income generated from training programmes provided to other agencies.

## **Summary**

- a. Overall, staff are highly skilled and dedicated. However, as the programme expands, most will likely experience a much greater workload. Also, as the approach is extended to other areas of Pakistan, there is a risk that highly experienced staff may be attracted by more generous remuneration packages. Workload and pay concerns should be tracked. Ideally, a common salary and benefits policy among the RSPs might be explored.
- b. Generally, the planning and review process in NRSP seems quite appropriate since it appears to provide adequate information, allows plans to be refined and keeps information flowing throughout the organization. Some refinements may be needed in the rationale, design and scope of the proposed pilot Micro-Planning exercise.
- c. NRSP is encouraged to periodically review its organizational structure and nomenclature so that they more accurately reflect actual priorities around which the present programme is organized.
- d. The establishment of an endowment fund was a creative and strategic decision. However, the effects of inflation and devaluation have eroded the real value of the fund. Steps should be taken to reverse this trend.
- e. Although there is absolutely no evidence to suspect the accuracy of NRSP's reports, NRSP has been operating long enough to warrant an Audit of Achievement. This would help NRSP refine its planning and reporting and would give outsiders additional confidence in the programme.
- f. NRSP has developed a considerable M&E capacity. It may be time to step back and determine whether indicators are meaningful and provide information that is useable and, if warranted, to refine the M&E strategy.
- g. Much of the information that is collected by NRSP is presented cumulatively. While this provides an impressive record of achievement, it is less valuable as a management tool. Data should be organized in a manner that will highlight trends and permit comparisons.



**Interim Evaluation of the  
National Rural Support  
Programme**

## **4. SOCIAL ORGANIZATION**

### **Community Mobilization**

The broad objective of NRSP is "to foster a network of grassroots level organizations to enable rural communities to plan, implement and manage developmental activities". In seeking this objective social organization plays a central role. The Community Organization is the fundamental building block upon which NRSP is founded. The key personnel who undertake this work are the Social Organizers.

In theory, social mobilization begins with raising community consciousness by involving members of the community in shared efforts to achieve common goals which benefit all. By providing tangible evidence of their own capacity to assume responsibility for their own development, the bonds of dependence upon government and outsiders are broken and communities can begin to take charge by managing their own future. NRSP's 'participatory development' approach engages community Activists in identifying their own goals and mobilizing the resources required.

### **Achievements**

The achievements of the Social Organizers in extending the coverage of the Programme during recent years has been remarkable. From a base of zero in 1992 the SOs had established 364 COs by 1993; 787 by 1994 and by mid-year 1996 an additional 1078 brought the total to 1865. During 1996-1997 a further 1460 communities were formed into COs making a mid-year 1997 total of 3325. That number had increased to 4510 by December 31, 1997, i.e. an additional 1185 organized in just half a year. It is projected that the numbers will continue to increase rapidly within the established programme regions until virtually all communities are covered. Having overcome the initial suspicions of conservative villagers, the reputation of NRSP is now spreading exponentially throughout areas adjacent to established COs.

The Evaluation Team recognizes that to achieve these results has required a sustained high level of effort by Regional and Field Unit staff, especially the Social Organizers. We note that NRSP has a total of less than seventy professionals of whom at present fewer than forty are SOs, about half of whom are women. We believe that this small group deserves recognition and praise for their efforts. Indeed, given the scope of NRSP's mandate and the geographic spread of the Programme, NRSP's overall achievements over the past four years have been remarkable. While all concerned should take satisfaction from this, the major part of the field work has had to be undertaken by the Social Organizers, mostly quite young, who work at the cutting edge.

Creation of each new Community Organization requires a number of carefully planned





## Interim Evaluation of the National Rural Support Programme

steps. While these are spelled out in detail elsewhere a short summary may be in order. Initially the NRSP Social Organizer must visit each new community to consult with the people and, with them, to develop a profile which provides a benchmark to assess future progress. The profile becomes the basis for CO planning. It identifies the community's problems, resources and capabilities. Around it a dialogue is established with community members concerning their interests and needs. From this process a number of potential leaders or 'Activists' are identified. These are, preferably, literate village people who are held in high regard for their service orientation and personal integrity. Identification of highly motivated Activists for future leadership roles is crucial for they will become the CO President and Manager and will, as they develop skills and confidence, assume increased responsibility for the conduct of meetings and the management of the CO programme.

### **NRSP and the Line Agencies**

Establishment of a widespread, highly motivated network of development-oriented COs inevitably attracts the attention of those government agencies concerned with implementation of rural development. Fortunately, in the instances observed by the Evaluation Team, relations with line agency officials have been cordial and professional. Clearly, there is advantage in working closely to attain mutually shared objectives. As will be noted under Agriculture, Rural Engineering and Social Sector Services chapters, a primary task of NRSP field staff is to serve as the catalysts linking CO needs to line agency programmes and services.

It is important to note that several senior officers of NRSP have previously had distinguished careers in the civil service of Pakistan. They are "batch-mates" or even the former mentors of Commissioners and Deputy Commissioners throughout the nation. This 'old boys' network is an important element in insuring the smooth functioning of NRSP's programmes and in eliciting cooperation between line agencies and NRSP field activities. When national interest is at stake the government officers know that they can assume the full cooperation of NRSP field staff. NRSP serves as an extension of line agencies in working with CO leaders to implement mutually beneficial programmes.

It was evident to the evaluation team that many officers of the nation building departments were severely handicapped in the implementation of those programmes designed to alleviate poverty and to carry out infrastructure development at the community level in rural areas. These activities, often funded under the Social Action, Poverty Alleviation and other national programmes, draw heavily upon the network of Community Organizations when NRSP staff and, increasingly, CO Activists can perform the liaison function of linking local needs to external resources. It is obvious that this bridging between government and the





## Interim Evaluation of the National Rural Support Programme

community is badly needed and that, as RSP type programmes receive increased support throughout Pakistan, the cumulative benefits may be significant.

### **The Role of Social Organizers**

Having formed approximately 4,500 Community Organizations, NRSP's small band of experienced Social Organizers is responsible for maintaining continuous contact with them, supporting their leaders, assisting in the appraisal of proposed projects and meeting with the COs as a whole on a regularly scheduled basis. As Activists receive training and gain confidence, the SOs can gradually turn over responsibility to them. This, in principle, frees the SOs to proceed with the formation of additional Community Organizations. But with the increasingly larger numbers of COs, the SOs must stretch themselves to both support established organizations and to conduct the dialogues to bring new COs into existence.

While standing in admiration of the SOs, the Evaluation Team has some concern regarding the limits of their capacities. We applaud the NRSP management for maintaining a "Lean Machine" with less than eighty professional staff - of whom fifty eight (76%) are field based. That they have established such a successful programme without greatly expanding their organization is a high tribute to the leadership and to the dedication of their personnel. Yet as the number of COs continues to grow care must be taken not to overextend the SOs lest the quality of their interaction at the community level be diluted or compromised.

### **Capital Formation**

An important element of the social mobilization process is savings. At each meeting individual CO members are encouraged to put aside a small amount for deposit into a regular bank account held in the name of the CO. Individuals are provided with a record book in which their individual savings are recorded. By mid-1997 the COs had total saving in excess of 46 million rupees--equivalent to more than \$US 1 million. The average savings per CO and per member were about Rs.14,000 and Rs. 600 respectively. For people who have lived at the margins, this represents a major step towards financial security.

Extensive field observation by the team confirms that NRSP has done a monumental job of creating a network of Community Organizations. Largely through its small loan activities, many members of these COs have been motivated to initiate productive enterprises which have had a positive impact on their lives. In addition, many broader activities have been undertaken which benefit the entire community. Most importantly, the process has opened many windows of vision and opportunity for people who, figuratively, have lived in darkness-





## Interim Evaluation of the National Rural Support Programme

-without hope that they could improve their condition. These intangible benefits of NRSPs social organization network can be better experienced than described.

### **Mobilization Through Rural Investments**

In other community-based rural support activities the provision of small amounts of grant assistance for physical infrastructure has served as the catalyst to bring villagers together to work towards some common community objective. The expectation has been that by learning to work together they will see the benefits of community endeavor and, through time, undertake other projects of a collective nature.

Although NRSP initially adopted elements of this model, the principal stimulus for participation in the Community Organization is rural investments in the form of individual credit. Small loans at commercial rates for productive purposes are a distinguishing characteristic of NRSP. They appeal directly to the self-interest of members, not to their collective well-being. All this seems, perhaps not surprisingly, to be working rather well and, as is detailed elsewhere, the benefits are noteworthy and credit recovery rates are high.

The Evaluation Team knows of few other instances where small loans on commercial terms have proven so successful in providing the incentive for mobilization of communities on the scale envisioned by NRSP. It seems important to underscore that through this mechanism it is the individual member-entrepreneur who becomes the engine of development. Community benefits there surely are, but these appear to arise at a later stage from the increased sense of well-being and confidence which results from successful productive individual enterprise.

An implication of this is that great care must be exercised by the Social Organizers to ensure that enterprise planning is sound and appraisals are realistic. So long as investments are made in known and relatively simple enterprises (eg: livestock, sewing machines, etc.), there is little danger of a miscarriage. As enterprise scale increases it may be important for SOs to have available backstopping and supervision from experienced credit managers.

Overall, the Evaluation Team believes that NRSP's social organization activities are sound and are being conducted with sensitivity and imagination. The Programme and its field staff enjoy an extraordinary level of credibility amongst the rural people where they work. It is important to ensure that the COs continue to receive support and, where credit management is concerned, capable supervision. NRSP recognizes the growing scale of credit operations and has recently posted Accounting Assistants to several Field Units which should relieve the SOs of part of their workload.





Interim Evaluation of the  
National Rural Support  
Programme

## SOCIAL ORGANIZATION









## **COs to Clusters to NGOs?**

As COs evolve and mature, the expectation is that many, if not all of them will join together in "Clusters" of anywhere from three to ten COs. These Clusters will, it is presumed, initiate larger collective projects, often of an infrastructural nature, and will, as a Cluster, be eligible to obtain larger loans to match the capital which they can mobilize along with their "in kind" contributions of land, labour and local materials. It is assumed that their Activist leaders will be able to plan, supervise and implement such activities with only modest advisory support from NRSP and that, at this point, the role of the SO will be minimal.

Further, the Evaluation Team understands that the expectation is that "mature" Clusters are likely (as has already taken place in a few instances) to become registered organizations, either as Non-Governmental bodies (NGOs) or, perhaps, as profit making companies. The "ideal" model postulated is that, in a medium time frame of, say, three to five years, the more enterprising Clusters will wish to work together to pursue some larger "productive" goal as a collective. While this may surely happen in some instances where land development or water management requires such multi-community collaboration, it would seem prudent to consider other models as well.

NGOs as an alternative to failed governmental programmes have become the darlings of the development community in the last decade. There is much to recommend them. NGOs should not, however, be regarded as a panacea. The expectation that newly minted NGOs formed from Clusters will attract the required external resources to insure their viability seems optimistic. Such optimism, while admirable, should be tempered by a careful assessment of the reality. It would be appropriate to meticulously track and document the experiences of those COs and Clusters who adopt the NGO (and other) institutional models.

## **NRSP and Natural Disasters**

During its field visit to Balochistan the Evaluation Team visited the NRSP Regional Office in Turbat just days after a massive and devastating flood. It afforded an opportunity to observe the collaborative relationship which had developed between officials of the Government of Pakistan and the NRSP staff. The Divisional Commissioner advised us that immediately after the floods had occurred he was in contact with the RPO to obtain accurate reports of the extent of the damage and the numbers of people affected. His only other source of information was the political representatives who, generally, exaggerated the numbers in the hope that they could control the flow of larger amounts of flood relief assistance to their political advantage. The Commissioner stated that the only reliable numbers upon which he could base his disaster relief programme were those provided through the Community





## Interim Evaluation of the National Rural Support Programme

Organizations, the NRSP Social Organizers and the Regional Programme Office.

When we arrived at the Regional Office in Turbat we found it surrounded by hundreds of desperate people waiting for blankets, tents and food. The Government had requested the NRSP to take custody of the relief supplies flown in by the military--almost 2000 tents, 4000 blankets, used clothing, atta, sugar, ghee, rice, masala, tea, dal and medicines. Police and military guarded the NRSP office compound. The registration of those entitled to assistance was taking place in an orderly fashion.

The magnitude and urgency of the disaster was so great that, unhesitatingly, the local authorities turned to NRSP as the only organization which (a) had intimate knowledge of the affected communities, (b) had a mechanism to gather reliable information on the extent of damage, and (c) had a network of community based organizations which could effectively control and distribute relief supplies over such a widespread and difficult area.

We sight this example to highlight the functional relationship which can exist between NRSP and government. Furthermore, the example is given since we understand that UNDP is considering a programme to enhance disaster management through community participation, possibly under the aegis of NRSP. While we recognize the need for such support and applaud UNDP's initiative, there is concern over the role of NRSP. Clearly, NRSP is not a disaster management institution. Other organizations, such as the Red Crescent have a more appropriate mandate and hence might be better equipped as the lead agency. In addition, given the anticipated expansion within NRSP specifically and of the RSP methodology generally, does NRSP have the necessary capacity to manage another new initiative that will put further pressure on already modest resources? A pilot programme of disaster management through community participation could be an extremely valuable exercise to test the concept. While NRSP might collaborate and provide a framework through the COs, overall management and responsibility for providing supplies and technical assistance should reside in another organization that is more attuned to disaster relief issues. Tragically, much of the loss of life and property associated with disasters resulting from flooding in Pakistan reflects the fact that shortage of arable land force ever larger populations to live in inherently vulnerable flood plains.

## Governance

NRSP is a non-governmental organization standing outside the formal administrative and the political structures of rural Pakistan. It does, however, provide a complement to the line agencies which, in the main, do not have the capacity to extend services to the grassroots.



**Interim Evaluation of the  
National Rural Support  
Programme**

For the landless and near-landless, including those who own marginal lands, the services of government have provided little help. Indeed, we were told that for many there was a widespread sense of disillusionment, bordering on despair, when it came to the matter of government programmes actually providing them with effective developmental assistance. Apart from the slogans of politicians, the voice of government rarely is heard. Hence, many rural poor people have low expectations about government capacity to assist them. Villagers are susceptible to (a) being misled by having their expectations raised only to have them dashed and (b) exploitation by demagogues who would seek to stir their passions for political ends.

To many rural people, the creation of a CO and the sincere interest shown by the Social Organizers in their problems, coupled with the availability of credit for productive investments, has made a profound difference. Where there was frustration and fatalism, the CO has brought them a ray of hope. Multiplied throughout rural society that change has significant implications for governance.

The Evaluation Team has observed COs in which groups within a community that traditionally were antagonists are now working together to plan and implement projects of common benefit. We have seen Cluster meetings where representatives of Hindu communities worked closely alongside their Muslim colleagues. We were told by an Activist Manager of a women's CO that she had made a determined effort to include women from what she described as 'the enemy side'. This had been slow and difficult but, in the end, the former enemy is now an actively participating CO member.

We were told that the Community Organization has become the only forum for discussion of community issues, including conflicts over land, water, cattle grazing and other concerns which commonly divide communities into factions. Assuming that informal conflict resolution becomes an increasingly important element in CO meetings, this may be an important contribution towards a more civil society. The team was informed that some formal training in conflict resolution is already a part of the Activist's leadership training. Perhaps all field staff of NRSP could develop skills in this area in future?

The degree to which the Community Organizations serve as a surrogate for local government should not be exaggerated. However, in the absence of formal councils (which are currently "suspended" by Federal Government ruling) the role of the CO in providing a framework for some elements of a civil society warrants examination. It is important to recognize the limits of a CO that has no legal status. Government also must constrain its officials from treating the NRSP structure as an appendage of government to be summoned at will to carry out government programmes. Cooperation and collaboration are fine but, as





## Interim Evaluation of the National Rural Support Programme

noted earlier, wholesale commandeering will quickly erode the participatory energies which motivate the COs.

### Summary

- a. The very rapid increase in the number of organized Community Organizations is a tribute to the hard work of NRSP's field staff. It hardly seems credible that 1,200 COs could be established in six months without some sacrifice of quality. As the Programme expands further, considerable caution should be exercised to insure that standards do not deteriorate. This may require additional monitoring.
- b. The close relationship existing between NRSP and the line agencies of government can be mutually productive if Regional and Field Unit staff work with CO Activists to facilitate links to larger, well-funded programmes capable of supporting projects identified by the communities.
- c. Social Organizers are the instruments for social mobilization. They are the contact persons who must be supported. More of them will be needed if programme quality is not to suffer.
- d. Individual loans now play an increasing role in motivating community organization formation but credit should not be allowed to displace concern for a wide range of other community-based elements.
- e. Cluster formation should be a spontaneous process arising from the common needs of several COs. Not all COs should feel pressure to join Clusters.
- f. Some Clusters may, in time, want to register as NGOs, others may not. NRSP may consider supporting a variety of prototypes, including creation of for-profit enterprises by Clusters or groups of individuals--and to carefully monitor the experiences.
- g. Humanitarian relief is a frequent need in rural Pakistan. COs with training can provide a constructive conduit for aid and a means of mobilizing the rural communities. The main responsibility, however, must fall upon the Red Crescent Society and the Army.
- h. Conflict is a reality of rural life. SOs and, importantly, CO Activists can contribute to conflict resolution if given appropriate training. In this manner NRSP's field programme can help encourage a civil society.



**Interim Evaluation of the  
National Rural Support  
Programme**

## **5. CREDIT: RURAL INVESTMENT**

Clearly, credit has become a cornerstone of NRSP's programme. A mechanism has been created making credit accessible to thousands of poor people who never had it available before. This has resulted in new and productive income generating possibilities that have allowed people to improve their housing, nutrition, health and education. And, significantly, for many people their experience with credit has built confidence and set the stage for them to continue to improve their well being.

Virtually all the RCED staff and Activists are highly committed and dedicated and have the basic skills necessary to effectively manage the credit programme. The depth of their capacity has been demonstrated over the past 18 months when both the number of loans and amount of credit disbursed has mushroomed, yet, to date on-time recoveries are exemplary (See details below).

Often credit programmes are consumed with numbers. Although the emphasis in NRSP is still on quantitative indicators, it is encouraging to observe that an efforts have also been made to address qualitative issues and to delve into the effects of credit.

Since a comprehensive audit of the credit programme is underway, the evaluation team did not probe deeply into the reporting and financial control systems. Although the auditors will certainly have the final say, based on our field observations plus their preliminary conclusions, it appears that rigorous, transparent and effective procedures have been established throughout NRSP. An appropriate system of checks and balances exists without sacrificing flexibility, responsiveness and efficiency. Not only will this give comfort to donors and cooperating commercial banks but also it will give COs and borrowers confidence that the programme (and their money) is secure. Nothing can destroy a credit programme more quickly than a process that is abused or is seen to be open to abuse.

### **Accumulation of Savings**

Savings are an important ingredient in social mobilization. Increasingly they are becoming a significant CO asset that may be used for investment purposes (eg: internal lending, infrastructure development, etc.)

Depending on the region, savings are segregated into two and occasionally three components: regular savings that are deposited during most CO meetings; collateral savings that comprise the 25% collateral required by NRSP from most borrowers, and; in at least one RPO, internal lending savings which some COs use as a credit pool for their own members. Regular savings are freely withdrawable by members provided the CO agrees. In a few cases and often where members are illiterate, the CO may request NRSP to





## Interim Evaluation of the National Rural Support Programme

approve withdrawals from regular savings. Collateral savings cannot be withdrawn by CO members without NRSP approval until loans are fully repaid. Collateral savings are deposited in profit bearing instruments which adds to the members' savings and reduces the cost of borrowing. In new and untested COs, collateral requirements are enforced; in COs where members have proven their credit worthiness, the collateral requirement may be relaxed.

As of December 1997, COs had accumulated approximately Rp. 20 million (excluding 47 million of collateral savings) in regular savings. Most of this growth (about 47%) occurred over the previous 6 month period ending December 1997. This parallels the increase in CO formation. Almost 2/3 of savings are found in Khushab and Rawalakot. Savings accumulation in Khushab was most pronounced in FY 1996/97 where it accounted for 56% of total programme savings.

The amount of collateral savings fluctuates according to the amount of credit that is disbursed. In December 1997, approximately Rp. 47 million was on deposit. The ratio of regular savings to collateral savings varies from region to region and again is correlated to the amount of credit that has been used. At one extreme, in Rawalpindi, regular savings are about 1/3 the level of collateral savings; at the other extreme, in Khushab, regular savings are over 150% greater than collateral savings. These differences are likely due to the relative importance various RPOs attach to savings accumulation and credit utilization (which in turn may be linked to available investment opportunities).

### Credit Disbursements

Cumulatively, as of December 1997, approximately Rp. 379 million had been disbursed to 24,888 borrowers. Ninety percent of this total disbursement has occurred during the previous 18 months; 61% over the short six month period between July and December 1997. This is due, in part, to a significant increase in the availability of credit from The Habib Bank.

As more credit is made available, the question of absorptive capacity arises. How many poultry farms can be financed before eggs flood the local market and prices begin to drop? Clearly, this stage has not been reached yet and in some regions (particularly irrigated areas) where opportunities are large, providing too much credit is a long way into the future. However, in areas with fewer possibilities, there may be a limit beyond which additional credit becomes counterproductive.

Of the total amount disbursed to date, 40% was invested in livestock development, 29% in



## Interim Evaluation of the National Rural Support Programme

enterprise support, 28% in agricultural inputs and 3% in individual infrastructure (SIIE). Given the recent and dramatic expansion of credit, short term trends are not that meaningful. Nonetheless, the amount disbursed over time is increasing for all types of credit except SIIE. Of the total amount disbursed, the proportion invested in agricultural inputs is increasing while the proportion borrowed for livestock development, enterprise and SIIE is declining.

Credit uptake is quite concentrated by region, by type of credit and by gender. Specifically, of the 8 NRSP regions, Rawalpindi and Rawalakot account for 50% of total credit disbursements. In part, this is due to the pace at which programmes have been initiated. Furthermore, 55% of all agricultural input loans have been provided to borrowers in Vehari. This programme is new and is financed by a grant from the Habib Bank under which virtually all credit is targeted to agricultural inputs. One-third of all enterprise loans and 41% of all livestock loans are found in Rawalpindi; 42% of all SIIE disbursements are in Khushab.

Of the total credit disbursed, about 26% has been provided to women (who represent 36% of all CO members). Women's credit is also concentrated by type and region. Specifically, women in Rawalpindi and Rawalakot have taken almost 2/3 of the total; 72% of the total was used to encourage livestock development (and, most often, to purchase buffaloes). The average loan size for women was about 1/3 larger than the average loan size provided to men. For the most part, this is linked to the cost of buffaloes. Outside the regular credit programme, NRSP is also involved in the Action Research Pilot Project (ARPP) testing the applicability of the Grameen Bank model among mainly women in urban squatter settlements near Islamabad.

## Recoveries

Quite rightly, credit programmes rigorously track on-time recovery and default rates since they provide quick measures of portfolio quality. Based on this yardstick, to date, NRSP has been able to maintain a high level of credit discipline as is evident by the recovery percentage. In the field, many CO Activists reported that they encourage members to deposit payments in advance of the due date.

Statistical reports available at NRSP indicate that the recovery rate is 94% (December 1997). While this is extremely encouraging, two caveats must be noted. First, this recovery rate is based on cumulative data which can camouflage the short term situation. Specifically, NRSP recovery percentages are determined by dividing the cumulative received by the cumulative due. A more useful approach, especially from a management and credit discipline perspective, is to calculate the amount recovered as a percentage of





## Interim Evaluation of the National Rural Support Programme

the amount due during a specified time period. Within NRSP, this is done on an ad hoc basis but should become routine. The specified time period should be linked to repayment schedules and hence, in NRSP, monthly is probably acceptable although fortnightly would be better. Presenting recovery percentages in this manner is a much more labourious calculation particularly since some of the record keeping at the Field Unit level is done manually. However, over the next few months, when all Field Units are expected to become fully computerized, calculating the amount recovered as a percent of the amount due within a given time period will be possible.

Second, as noted previously, the lion's share of total credit disbursed has occurred over the past 6-12 months. Repayment periods vary but for most credit, terms range from 12 to 30 months while allowing for monthly or lump sum payments. Hence, a considerable amount of NRSP credit remains outstanding. Although recovery rates are very promising, it is important to remember that the aim is for all borrowers to fully retire their debt and therefore, more time is needed before one can be confident that repayments are as good as they now seem.

Another measure of portfolio health is loan aging. Aging calculations show the amount of time it takes for late borrowers to eventually repay their loans. NRSP has demonstrated that, even when loans are late, they are eventually repaid, usually within 6 months of the due date. However, an early signal of weakness in credit programmes is the time it takes to recover late loans. If it takes longer to achieve 100% recovery, then this normally signifies a lower quality credit operation and hence NRSP's periodic aging exercise is strongly supported.

Despite very respectable recovery rates, NRSP cannot become complacent. Traditionally in most micro credit programmes, on-time recovery and default rates tend to deteriorate over time for several reasons. First, initially, contact between the lender and the borrower is both frequent and intense. Later, relationships become more casual and monitoring less rigorous. Within NRSP, quite rightly, more and more responsibility is being transferred to Activists. Will this have any effect on credit supervision? Second, once permitted, defaulting becomes infectious among borrowers. In Pakistan, where defaults by large commercial borrowers are receiving considerable attention in the press, CO members may begin to think that this is acceptable practice. Third, at the outset, credit programmes tend to focus on low risk investments. Later, less secure investments are financed which can result in higher default rates. The NRSP credit programme is in an early stage where relatively safe investments are still being made. Fourth, average loan sizes tend to increase which may be more and more difficult to repay. Experience in NRSP shows that average loan sizes have increased by 270% since inception. Fifth, over time, fewer and





Interim Evaluation of the  
National Rural Support  
Programme

## INCOME GENERATION/MICROCREDIT









## Interim Evaluation of the National Rural Support Programme

fewer people are involved in appraising and approving loans and group guarantees become less meaningful. At some locations in NRSP, there is some evidence that attendance at CO meetings is beginning to decline. Are members becoming less aware of savings and credit activities?

Within NRSP, the threat of high default rates is compounded by the fact that the credit programme has grown significantly over a very short period of time. Concurrently, the number of professional staff has remained relatively constant and more responsibility for collecting and monitoring performance is being transferred to less qualified Activists.

NRSP is quite aware of the potential risks and has taken several steps to backup the system. Specifically:

- Training programmes for Activists have been intensified,
- RCED staffing at some Field Units has been increased with the addition of an Accounting Assistant,
- Manual record keeping at the Field Units will soon be fully computerized. This should increase the efficiency of the system and free staff to monitor and analyze the credit portfolio,
- In collaboration with Habib Bank, a MIS is being developed to strengthen monitoring and reporting capability. This, along with full computerization of the system, will improve the usefulness of reports as well as the speed in which they can be generated and followed-up,
- There is a willingness within NRSP to adjust policies and procedures so that they are more consistent with farming and business cycles so that recovery efforts can focus on intentional defaulters,
- The policy of stopping credit whenever regional recoveries drop below 90% is vigorously enforced.
- In Khushab a CO member has been identified to collect payments from a cluster of COs and to deposit the proceeds with NRSP. This experience may be a useful example of NRSP's future plan to introduce a lower tier of field people at the Union Council level who will supplement the work of the SOs. If carefully screened and if given the appropriate training, this field worker will further strengthen the administration and monitoring of the credit programme. Still, it is important to remember that in efforts to devolve responsibilities to the COs and Clusters and to foster autonomous organizations, NRSP staff will continue to have a responsibility to observe and supervise CO (and particularly credit) operations. Simply being present and visible can have an important positive effect on CO viability generally and credit discipline specifically.





## Interim Evaluation of the National Rural Support Programme

In sum, NRSP is urged to implement a monitoring system that will quickly and regularly report on-time recoveries and to react quickly and decisively if on-time recovery rates begin to slip.

### Future Credit Requirements and the Role of Internal Lending

The rate of savings accumulation is following a desirable and predictable pattern in most regions. Clearly, in the early stages of CO formation, compulsory savings play an important role in group solidarity and confidence building plus, in some communities, provide a modest amount of security to people who never had savings. Later, as COs begin to access credit, additional savings are needed in order to meet NRSP's collateral requirements.

However, as COs diversify and mature, savings become less important as a means to foster group cohesion. Furthermore, as NRSP relaxes its collateral policy, there is less need for savings in order to access credit. The obvious question arises: What is the purpose of savings? If it is difficult or time consuming for CO members to withdraw their savings, likely they will begin to ask why they should continue to save.

To a large extent, NRSP's response has been to encourage COs to introduce internal lending. Clearly, internal lending has many attractive features. It addresses sustainability, capacity building and local autonomy expectations. Internal lending also reduces the demands on NRSP's credit fund and channels markups back to the borrowers rather than to NRSP. Linking village deposits to local lending can also help to maintain credit discipline provided procedures are sound and transparent and provided access is equitable. On the other hand, internal lending will put savings at risk which, in turn can jeopardize the viability of some COs. And, some CO members will certainly begin to ask why they should pay a service charge to borrow their own money. Yet in many COs, where financial management capabilities are sufficiently well developed, internal lending is an appropriate strategy.

Generally, there are three (potential) broad sources of credits within the CO structure (excluding informal money lenders):

- **CO Savings.** At the moment, there are relatively few COs or Clusters that have generated sufficient savings to satisfy credit requirements even when regular and collateral savings are combined. Where internal lending depends on CO deposits,



**Interim Evaluation of the  
National Rural Support  
Programme**

more aggressive and rapid mobilization of savings may be necessary. This can be accomplished in several ways. For example, COs can be urged to save more especially if they recognize that (a) respectable profits can be realized when capital is invested in TDRs or lent to members (at say 20-22%) and (b) their future credit needs will be explicitly linked to savings. CO members may be encouraged to put more of their household savings in the CO account and to retain all of their collateral savings in the CO after debts are repaid; COs may be urged to increase the mark-up on available NRSP credit by 2-3% which can be captured and kept by the CO. Although NRSP mark-ups are equal to or near existing market rates, there may be advantages to introducing high rates with the provision for a rebate to borrowers who repay on time--or possibly an even larger rebate if repaid early. In a broader sense, this would help prepare people for higher rates (to help address sustainability issues) and in a more basic sense would avoid penalties for late payment since they can be somewhat difficult to enforce and administer.

- **NRSP Credit Funds.** At the moment, credit funds available to NRSP through the Habib Bank are virtually limitless. If COs can acquire credit for productive purposes at a reasonable cost through NRSP, then there are grounds to continue to use this mechanism. However, additional efforts may be needed to reduce the cost of credit available through the Habib Bank. This would serve two purposes. First, it would give additional scope for NRSP to put the credit programme on a fully sustainable footing. Second, it would allow NRSP to wholesale credit to the COs which, in turn could onlend to their members at a higher markup and thereby encourage greater savings which would then permit more internal lending. Wholesaling credit to COs is being considered at RADO in Khushab Region but it relies on getting relatively cheap credit (at 15%) from a donor agency (which is less likely to be sustainable in the long term). Another avenue of less costly credit may soon become available within the newly established Poverty Alleviation Fund.
- **Local Commercial Banks.** Additional attention might also be given to linking COs to the local commercial banks. Clearly, in discussions with local bank managers, to date their role has centred on taking deposits. It is highly unlikely that they will entertain requests for credit from informal COs or even clusters. However, they are more apt to extend credit to companies (rather than NGOs) that may evolve out of COs. In this context, NRSP may be wise to consider various options when Clusters begin to establish formal institutions. From the perspective of accessing credit from the scheduled banks, "companies" are preferred over NGOs; from the perspective of linking to line departments or accessing support from donor agencies, a NGO structure may have advantages. Nonetheless, another (albeit remote) possibility is to approach more





## Interim Evaluation of the National Rural Support Programme

progressive local bank managers who may advance credit to a CO-based registered company for onlending.

Depending on the circumstances, all three options may have a role. For example, COs may be wise to continue to use NRSP credit for productive purposes but preferably with some modifications to permit wholesaling and greater savings mobilization. Internal lending from CO savings may allow COs to make investments in areas where NRSP or bank money is not available and in the process, enhance savings. During field visits, the need for physical infrastructure (eg: link roads, drinking water schemes, etc.) and social services (schools, health clinics, etc.) were at the top of many CO's wish lists. Although internal lending might focus on such infrastructure investments, for several COs this will require a change in approach since, currently, many internal lending schemes assume a welfare purpose and are used to extend cheap credit (10-15%) to disadvantaged CO members or members who have experienced some personal calamity. Nevertheless, using collective savings for productive infrastructure purposes while accessing NRSP credit to meet individual needs may be a more effective use of available resources--especially under current circumstances where credit funds available to NRSP are relatively expensive. Direct borrowing from the commercial banks and leveraging savings may fill a gap for more mature entrepreneurial companies that have been created from COs/Clusters or from several individuals from within the COs/Clusters.

With the above in mind, the apparent thrust in NRSP of encouraging internal lending (defined as using CO savings) may not be the only answer. A variety of resources may be tapped depending on the need and the capacity of the COs/Clusters/NGOs/companies. Just because credit is accessible through the Habib Bank does not necessarily mean that it is the best avenue to use. All options need to be considered (and carefully documented), including those beyond NRSP's traditional role of acting as an intermediary.

Finally, in terms of internal lending, comparatively little information is available pertaining to the scale and extent of such practices. Not only should NRSP continue to monitor/supervise these efforts to ensure that they are being managed appropriately but also because internal lending is an important indicator of achievement that needs to be analyzed and reported.

## Collateral Savings

NRSP records segregate regular and collateral savings. Although this may appear to be an artificial separation, it serves two useful purposes. First, since regular savings are part of



## Interim Evaluation of the National Rural Support Programme

the group formation and cohesion process, it provides a useful indicator on the health and vitality of the CO. Second, it simplifies the identification and management of savings that need to be pledged, invested and unpledged.

The utility of separating regular and collateral savings becomes less clear when credit collateral requirements are relaxed and as COs begin to adopt internal lending. In fact, the level of combined savings will become an important measure of capital that is available for lending and hence of the capacity of COs to meet credit needs through internal lending. NRSP should give some attention to analyzing collateral savings. How are collateral savings mobilized? Does it represent additional household savings maintained outside the CO that is brought into the CO only to acquire credit? Can members be persuaded to concentrate their savings in the CO account? Does collateral savings represent money that is acquired from other sources or is it generated through the sale of livestock or other assets? What happens to collateral savings after the debt is retired? When collateral savings are unpledged, is the principal (and the profits) from encashed investments deposited into regular savings? Answers to these and other questions will help NRSP *inter alia* (a) understand if there is sufficient predicable capital available to the COs to justify internal lending (b) design training programmes to help COs manage their total savings and internal credit portfolio, and (c) provide insights into whether or not the need for collateral leads to the sale of assets and contributes to indebtedness.

## Enterprise Development

The "enterprise" component of RCED has received only modest attention. This is quite understandable given the demands inherent in creating and managing a rapidly expanding credit programme. To date, enterprise support within NRSP has consisted of, primarily:

- Appraisal services to assess the viability of businesses,
- Training mainly in technical skills and, in some disciplines, including introductory business skills too.
- Credit that is geared mainly to providing working capital to existing businesses. With the recent introduction of vocational training, enterprise credit will be provided to new businesses as well. Enterprise credit has been provided primarily to support shopkeepers/traders, ready-made/sewing businesses, poultry operations, salt grinding enterprises, etc.--relatively few of which are employment generating or true value added enterprises

NRSP has been prudent to minimize its role in enterprise development. Targeting credit to existing enterprises where expertise exists is sensible since NRSP does not have the





**Interim Evaluation of the  
National Rural Support  
Programme**

capacity to provide the added support needed by new and, likely, riskier businesses.

However, there are several reasons to justify a selective increase in enterprise development support. First, so far, enterprise credit has financed "businesses" that are consistent with borrowers' experiences and capabilities. Inevitably, in future this will change and COs will begin to consider new and untested enterprises. Second, as the population grows and fewer people can be absorbed in the agricultural sector, nonfarm opportunities for income generation and employment will take on increasing importance. Clearly, in the areas visited by the Evaluation Team unemployment and underemployment particularly among young men are growing concerns. Third, it has been demonstrated that, among the poor, the returns to nonfarm investments are significantly greater than for onfarm investments.

Enterprise development is difficult to get right. However, with the above in mind and provided the necessary resources can be identified, the following guidelines may be of some value when reviewing a possible future role for enterprise development within NRSP or possibly within the proposed Resource Group:

- Enterprise development requires an unambiguous institutional commitment. It must be supported because there is a legitimate need and not because it is fashionable.
- An appropriate institutional culture is necessary. In other words, to effectively support entrepreneurship, the institution itself needs to be entrepreneurial. Usually this means that, like NRSP itself, the support infrastructure should be lean yet effective; linkages to the private sector (for advice, training, marketing support, etc.) are paramount; support is facilitative rather than interventionist (specifically, NRSP should not become directly involved in marketing, management, etc.)
- To be successful, it is essential to have a reliable understanding of the business environment and the niche that NRSP can fill. This means that future enterprise support activities may be different from region to region--or may not be present in some regions. For example, it may be quite appropriate to add an explicit enterprise development component in the ARPP initiative simply because of its proximity to a large market in Islamabad. Likewise, there appear to be relatively few obvious enterprise opportunities in the remote areas around Noor Pur Thal and Turbat.
- Resources must be available to ensure that interventions are comprehensive regardless of whether inputs originate from NRSP or from other institutions. Access to various mixtures of affordable credit, effective technical assistance and appropriate



## Interim Evaluation of the National Rural Support Programme

training (in technical as well as business skills) must be assured.

- When devising an appropriate institutional structure for enterprise development, the usual discipline specific or sectoral approach may not apply. Rather than create an Enterprise section within RCED or a stand-alone section, in some instances it may be more effective to explicitly link it with NRM, SSS or PITD activities.
- The approach must be strategic. Clearly, NRSP cannot be all things to all people. Consequently, several difficult questions will need to be answered: Should attention focus on farm or nonfarm enterprises?; Should enterprise be oriented toward import substitution or export?; Should job creation be a priority or is income generation sufficient?; What degree of importance should be attached to value added? Are equity considerations relevant?

### Risk

At the moment, quite appropriately, the notion of "risk" has been given a very basic interpretation within NRSP. Specifically, the loan appraisal procedure provides only two options: rejection or approval. Mark-ups are consistent regardless of the risk assumed within any particular investment. This minimizes the possibility of borrowers taking credit under lower cost windows and then using the credit for another, possibly more risky enterprise. And, by pricing credit at market rates, this reduces the risk of inappropriate use of credit.

However, in future, should enterprise development be strengthened and as COs begin to consider less traditional ventures some thought might be given to introducing risk management in training programmes offered to SOs and Activists.

### Understanding Policies and Procedures

Generally, it appears that most staff have a good grasp of NRSP credit policies and procedures. All staff have received an orientation to credit operations and have available a simple reference guide, the "Credit Policy Brief". As Activists begin to accept more responsibility for managing credit, some thought might be given to updating the Brief, simplifying the language and translating it into Urdu, Sindhi and possibly other languages.

Despite the overall high level of understanding of the credit system, in several locations staff were unfamiliar with the practice whereby a 20% mark-up is used instead of the usual 18%. The 2% spread compensates Activists who help to manage credit activities. Clearly staff should be made aware of this possibility even though, currently, it is not an option that is





## Interim Evaluation of the National Rural Support Programme

universally applied.

Interestingly, whether or not an Activist should be compensated for their credit activities was quite controversial. Several SOs and RCED staff thought that Activists who helped to manage credit should do it voluntarily. Others believed that the Activists provided a valuable service and should be remunerated for their services in a similar way as livestock specialists and TBAs. Whether or not to compensate credit activists should be clarified. This will become increasingly important as COs become linked under the cluster umbrella and are interacting more with each other. Some consistency will be needed and the NRSP policy should be clarified accordingly.

### **The Habib Bank-NRSP Partnership**

The partnership between NRSP and the Habib Bank is a major breakthrough in rural credit in Pakistan. In fact, it is a defining feature of the NRSP programme and increasingly it may become a hallmark of the Habib Bank's rural investment strategy. The partnership has clearly benefited the rural poor. It has already proven to be mutually beneficial to both NRSP and the Habib Bank. For example:

- From the NRSP perspective the agreement provides an unprecedented supply of credit that is not dependent on donor financing. The partnership has also permitted NRSP to expand its coverage into Vehari with a grant provided by the Habib Bank. The spread between the borrowing cost charged by the Bank and the mark-up charged to village borrowers allows NRSP to cover part of the credit operating costs. And, more recently, Habib Bank has offered to help NRSP develop a MIS and to make available its considerable research capacity.
- From the Habib Bank perspective the partnership provides another opportunity to demonstrate that it is a responsible corporate citizen. The agreement also allows Habib to more meaningfully address the SBP's requirements of providing agricultural credit to disadvantaged farmers and in the process, helps the Bank avoid paying a 3% penalty. And, importantly, with the mark-up charged to NRSP, Habib Bank is generating profits without incurring the significant transaction and overhead costs associated with the delivery of rural credit.

Since the partnership is between a relatively small, new institution and a large, mature institution, one worry of the Evaluation Team was that the Habib Bank would exert undue influence on the NRSP programme. However, during the mission, we were assured that the Bank wants to play a supportive and facilitative role only.



**Interim Evaluation of the  
National Rural Support  
Programme**

As the relationship between NRSP and the Habib Bank evolves, there may be opportunities to refine and expand the relationship. For example:

- It appears that only a modest portion of the credit operating costs are covered by the spread between NRSP borrowing and lending mark-ups. For example, if Rs.200 million of credit is disbursed per year, NRSP's portion of the mark-up spread would amount to no more than about Rs. 4 million. NRSP has prepared an initial crude accounting of the costs associated with the credit programme. Although this costing exercise needs to be refined, the calculation shows that a significant subsidy exists which, to a large extent, must be borne from the endowment fund. At the current volume of credit, a mark-up spread of between 9-11% would be needed in order for NRSP to recover the full costs of its credit programme.

Currently insufficient revenues are generated to defray the actual cost of NRSP's credit operations. Steps have been taken to reduce unnecessary expenses (eg: speeding up the delivery of credit from Habib Bank to NRSP thereby saving NRSP overdraft charges), but more will need to be done. A greater percentage of operating costs can be recovered assuming that revenues will grow faster than the added costs of extending credit to new areas.

There appears to be considerable justification for negotiating a more favourable borrowing arrangement by reducing the mark-up charged by Habib Bank and/or adjusting the existing 40:60 split so that a greater proportion of the profits accrue to NRSP. However, it seems likely that Habib will have limited room to substantially reduce its mark-up since it is assumed that the cost of their money is tied to the inflation rate. NRSP may be wise to diversify the source of its credit in order to help reduce its cost of borrowing.

Another (although unlikely) option to generate revenues to offset costs is to explore possibilities of investing some of the money that is available from Habib Bank but has not yet been disbursed to borrowers, with the proceeds made available to NRSP.

- There are opportunities for both institutions to learn from one another. Seconding staff from NRSP to the Habib Bank may help upgrade skills; seconding staff from the Habib Bank to NRSP may help generate greater awareness about the complexities and costs of lending to the rural poor. Posting Habib Bank staff at NRSP for a short period may also provide an opportunity to complete some analyses. For example, Habib Bank staff may help NRSP to determine its actual overhead costs and specifically to refine its credit cost calculation. This would not only be useful for NRSP but also will make clear





## Interim Evaluation of the National Rural Support Programme

to Habib Bank the extent to which NRSP subsidizes the credit operation.

- Up to this time, there has been no need to account for bad debts. Instead, it is assumed that any write-offs will be covered from the proceeds of NRSP's endowment fund. In future, as credit operations expand, some provision for bad debts will become necessary. This provision should not jeopardize or put additional pressure on the endowment fund but should be seen as a cost to credit operations. According to the NRSP-Habib agreement, 10% of the mark-up spread is set aside for "programme expansion". Instead, this allocation (or some other percentage of the spread) might be earmarked as a bad debt provision. Some provision for bad debts might also be considered within the COs. This will, of course, become increasingly important as internal lending takes hold. The Habib Bank research department might offer advice if such a "credit insurance" programme is practical and worthwhile and, if so, how it can be structured.
- A clause in the agreement is at odds with the NRSP's strategy. The clause stipulates that efforts should be made to reduce the mark-up charged to agricultural borrowers. This is consistent with Government policy of providing subsidized credit to farmers. In contrast, quite rightly NRSP has adopted a market rate mark-up policy which not only helps to sustain the RCED programme but also removes distortions to borrowers. Thankfully, the Habib Bank has been flexible in its interpretation and application of this clause but, in future agreements it should be revisited and, if possible, made consistent with NRSP's policy.

## Reporting

NRSP has developed a comprehensive array of reports on credit operations that are used to plan activities and to assess progress. However, as noted previously, most reports rely on cumulative data that are useful records of achievements but are less valuable as management tools. It is difficult to identify trends, and, more importantly, areas that require attention.

In collaboration with Habib Bank, NRSP is planning to develop a MIS. This may provide an ideal opportunity for NRSP to review its reporting process and to consider introducing modifications and improvements. It would be unwise for the Evaluation Team to be too prescriptive since reporting systems and MIS' are very situation and location specific. This is particularly true within NRSP as it continues to decentralize credit operations and responsibilities. Systems must be designed not only to meet traditional head office needs



## Interim Evaluation of the National Rural Support Programme

but also local record keeping and monitoring requirements at the Field Units--and to ensure that the entire system is integrated. As NRSP and Habib Bank begin to devise an MIS, two broad suggestions may be useful:

- Traditionally developing a new MIS is a costly and time consuming exercise. Before embarking on the venture two preliminary steps might be considered. First, a quick survey of "off-the-shelf" systems may yield an existing MIS that can be purchased and, if necessary, modified. Second, AKRSP is in the process of developing its own MIS. Although credit operations are different in each institution, some consultation may be warranted to see if there are opportunities to collaborate. If both of these options prove unproductive, then NRSP and Habib Bank should approach the development of an MIS with care. It will be necessary to have a clear and concise understanding of what the system is expected to do. Carefully defining information needs at the outset is time well spent. And since two institutions are involved each with their own specific needs, trade-offs and compromises should be foreseen. In addition, in order to avoid overruns, time and cost benchmarks should be developed to measure progress. Both institutions should be prepared to refocus and even curtail the exercise if these benchmarks are exceeded.
- Ideally NRSP's reporting system/MIS might should include timely summaries at the Field Unit, RPO and Programme level by credit type and gender and should include information such as total disbursements, number of loans, number of borrowers, average loan size, amount due during the period, amount late during the period and on-time recovery as a % of falling due. Monthly reporting period is being considered. However, if suitable electronic connections can be made between head office, RPOs and the Field Units, fortnightly reporting may be more useful since it will give managers even earlier signals. Fortnightly reporting may be realistic and valuable now that Habib Bank has agreed to make available credit lines at each Field Unit. This will allow field based staff to more efficiently and effectively manage their local credit portfolio. It also means that additional training will be required to ensure that data entry is done accurately and that managers are able to interpret the information and to act quickly.

## Monitoring/Evaluation

NRSP, like most organizations that provide credit, focuses on numbers when monitoring credit performance. However, NRSP has also given some attention to identifying the effects of credit. Staff has documented several short anecdotal case studies while more in-depth post-credit utilization and impact studies have also been completed.

Impact studies can be valuable. However, it is important to remember that excessive





## Interim Evaluation of the National Rural Support Programme

attention to impact studies is often counterproductive. Given the level of uncertainty and external influences, the utility of in-depth impact studies is often modest. Instead, greater value can be achieved by (a) identifying a short list of measurable (ie: not exclusively quantitative) indicators that pertain to desirable performance (b) use of these indicators to help structure and design a practical methodology(ies) and (c) apply these methodologies to a small sample of borrowers. Specific indicators (and approaches) will likely be necessary for various credit windows and particularly for enterprise investments since each type of investment will likely have slightly different expectations. Also, attention should be given to developing indicators that consider equity issues that pertain to both poverty and gender. In sum, it may be useful for NRSP to give slightly more structure and formality to the analyses of effects.

At the moment credit utilization and effectiveness studies are identified and designed collaboratively by RCED and MAP staff. However, the Evaluation Team was told that RCED responsibilities end when full recoveries have been achieved. Rarely are they involved in assessing the effects of credit. This may be the only option given the staffing constraints that exist in NRSP. However, evidence from other credit programmes suggests that by involving credit staff in field operations and analyses (a) gives them additional motivation, inspiration and enthusiasm, and (b) makes them more insightful when policies and procedures are being designed or are up for review. In other words, staff, borrowers and NRSP all benefit.

## Security

With the growth in credit disbursements, a considerable amount of cash is being transported by Activists/SOs to NRSP and is kept (for a few hours at least) at the Field Units. NRSP is quite aware of this issue and as a result all staff have been covered with an insurance policy. However, Activists are not staff and hence are not eligible for coverage. NRSP is also looking into ways to protect CO repayments and specifically is planning to install safes/vaults at all Field Units. This may be the only possible, albeit less than perfect solution.

## Field Audits

Activists/Presidents/Managers are provided with a one day training course on basic bookkeeping. This is supplemented by onsite upgrading and monitoring by the SOs. Occasionally spot checks are made as and when needed. However, as more responsibility is being transferred to Activists, some thought might be given to introducing simple annual audits on a sample of COs to ensure the books are kept accurately and in a timely fashion and that records are reconciled with bank statements. This is a rather sensitive issue and



## Interim Evaluation of the National Rural Support Programme

may not be realistic but it will likely become necessary to ensure a high quality credit programme.

### Summary

- a. Although credit recovery rates are exemplary, they are calculated on cumulative data that may camouflage the short term situation. This is particularly pertinent given the dramatic increase in lending over the past 6 months and the fact that a large amount of credit is yet to be recovered. Hence, NRSP is urged to implement a monitoring system that will quickly and regularly report ontime recoveries and to react quickly and decisively if on-time recovery rates begin to slip.
- b. Although NRSP will continue to be the prime source of credit, as COs mature, other credit sources may become viable and should be explored. For example, provided efforts to mobilize savings are successful, internal lending offers many advantages. In order to encourage savings, several strategies can be attempted. The most effective is for NRSP to identify a cheaper source of credit which it can then wholesale to COs for onlending to their members. The COs can then capture the spread in markups. For more entrepreneurial COs, clusters or sub-groups of clusters, registering as a company may provide lending opportunities at the commercial banks. Whether COs tap NRSP as an intermediary, use their own or access the commercial banks for their credit needs, monitoring and documenting efforts will be required.
- c. Since collateral savings may become the main source of capital for internal lending, NRSP might give some attention to analyzing how these savings are mobilized and what happens to them (including the profits) after debts are retired. Where savings are used in internal lending, reporting and analyzing experiences is important.
- d. Quite rightly, enterprise development has received only modest attention in NRSP. However, in the near future, NRSP might be wise to give it added attention and support provided efforts are selective, strategically planned and implemented and carefully monitored and documented.
- e. The NRSP-Habib Bank partnership is a major breakthrough that has benefited the rural poor as well as NRSP and the Bank. As this partnership evolves, there are opportunities to expand and refine the relationship. Specifically and most importantly, there is significant justification to make the terms and conditions of the agreement more supportive and favourable to NRSP.





**Interim Evaluation of the  
National Rural Support  
Programme**

- f. Should it be necessary to independently develop a new MIS, NRSP/Habib are urged to approach it carefully to ensure that it addresses information needs at all levels and that cost and time benchmarks are built in from the outset.
- g. Generally M&E approaches are appropriate. However, several suggestions are given to review and refine approaches.



## Interim Evaluation of the National Rural Support Programme

# 6. HUMAN RESOURCE DEVELOPMENT

## Achievements

The Human Resource Development Section trains CO Activists and specialists, NRSP staff and staff of other organizations in a wide array of subjects. An extensive recapitulation of NRSP's impressive cumulative achievements in the training of staff and community Activists would be redundant as these are fully reported elsewhere. In any event, the numbers alone (1885 staff and 25,488 Activists trained since the programme began) do not convey a measure of the quality and relevance of the training. Nor do they provide an indication of whether people who have been trained are still employed or active. Although a useful training impact study was completed in Turbat, there is need for an ongoing internal evaluation system to monitor training quality and relevance. Cost/benefit studies do provide rough measures of value in monetary terms but a less involved process may be desirable (including a small number of case studies) that will provide much needed insights into training quality and also might add a human face to the impressive HRD numbers.

Clearly, HRD must ensure that NRSP's own staff, at all levels, are equipped with appropriate skills, approaches and techniques. Staff training is an essential element in the achievement of overall programme goals; without sensitive, skilled and highly motivated field personnel, NRSP will be unable to maintain its standards and meet future challenges.

With less than 70 professionals and 50 interns as NRSP staff and with 437 participating in training courses during 1997, suggests that NRSP personnel are afforded frequent refresher opportunities. Given the high quality of staff field performance it may also be assumed that the training has had a significant positive impact. It is also evident that many "staff" trained by HRD are, in fact, the staff of institutions other than NRSP. Since the rationale for establishing an in-house training programme is to insure that NRSP meets its own needs, an analysis of levels of training that has been provided against the levels which the Programme believes are needed to insure effective performance would be helpful. As it stands, the numbers of outsiders being trained suggests that NRSP may be maintaining an HRD establishment which, for the present, is larger than is needed to meet its own internal requirements. The validity of that conjecture cannot be established without knowing how NRSP's internal training needs are projected through the decade ahead. The implicit assumption, quite likely a valid one, is that everyone will always need more training but it would be useful to have more details.

Training of Activities to assume leadership responsibility at the CO level is a central task of NRSP. At this level three core programmes are providing consisting of Community Activist Action Planning; Community Management Skills Training (CMST) and the 10 day intensive Leadership and Management Skills Training (LMST). Rural Marketing and Credit and Bookkeeping are also taught. It seems likely that there will be need to expand these basic





## Interim Evaluation of the National Rural Support Programme

management skills courses in the near future as the demands of emerging sister RSPs are taken into account.

Beyond CO level management training, various programmes in technical and productive areas have also been designed to prepare CO members to manage enterprise they initiate with NRSP loans. This type of training responds to opportunities to increase the productivity of rural people in both farm and off-farm sectors. It holds promise of increasing rural employment and incomes. Training is also given to CO specialists so that they can provide services to other members. For many, CO technical training provides the window through which they acquire skills preparing them to earn an independent livelihood. This, in turn, changes their lives by giving them income, proved status and a measure of personal dignity they previously did not enjoy.

Sixteen agricultural courses are offered along with twenty-two agricultural specific workshops. Fifteen courses, many of them two months long, are also taught in vocational areas related to drinking water supply and water engineering. Social sector courses include education, health and family planning short courses with training of Traditional Birth Attendants (15 days) and Village Health Workers (28 Days) providing more comprehensive preparation. These courses may also need expansion, albeit some should, in future, be held at the Provincial or Regional Office level.

## Linkages

HRD may have a special opportunity to build upon and harness the skills of established technical institutions and successful entrepreneurs. While there is little to suggest that private capitalists take a long-term view, it should be borne in mind that times are changing. If enterprise managers understand that their enlightened self-interest is served by stimulating rural productivity, in some instances, it may be possible to establish collaboration with them for training purposes. Also, other donors may be approached for support of internships, training and apprentice opportunities for rural people.

## Internships

For NRSP staff, a total of sixty-three non-certificate courses ranging from two to fifteen days in duration have been offered. In addition there are three certificate courses of four to six months duration, two of which involve extensive field internships.

The Evaluation Team had the opportunity to observe many interns at their Field Unit or Regional Office training sites. Most were serving their apprenticeships as Intern Social



## **Interim Evaluation of the National Rural Support Programme**

Organizers (ISO). Though the majority were reserved and quiet, those who did have points to raise impressed the team with their enthusiasm and intelligence. They appeared to be enjoying the satisfactions of working with NRSP and the positive feedback from CO Activists and members.

The demanding nature of the SO's responsibilities has been noted earlier. Needless to say, field internships of four to six months duration in locations which are often remote and difficult can impose stress upon the interns. In some sense they are designed to give interns a valid exposure to the sometimes harsh realities of rural life. As a result, we were informed that as many as forty percent of ISOs drop out rather than accept appointments as NRSP SOs.

Nonetheless, internships are, in our view, a highly effective means of screening and "field testing" candidate staff to determine not only their technical proficiency and stamina but also their ability to relate to, and empathize with rural communities. Without further elaboration, it is the Team's judgement that the internship approach to staff training is highly appropriate and, given the anticipated demand for additional field staff both within NRSP and elsewhere, it may warrant expansion. At the present, with only thirty-six SOs in the field and nearly thirty-six interns, it appears the system is performing close to its limits. It must be recognized that having an intern assigned as one's alter ego for several months imposes additional management and evaluation responsibilities upon the already "stretched" SOs, Field Unit Managers and Regional Programme Managers. This must be considered when calculating actual overhead costs of training and particularly when planning expansion in HRD activities.

### **Contract Training**

NRSP's HRD Section takes pride in the fact that they have been able to meet 70% of their operational costs through recoveries from training services which they provide to other NGOs and regional organizations. They quite willingly seek to accommodate as many non-NRSP professionals as they can without overburdening their staff or diluting the effectiveness of their training. This seems commendable, albeit it would be unfortunate if the financial pull to generate more revenues served to distort the HRD programme so that it no longer saw its primary task as serving NRSP's basic needs.

### **The Future Need For Expanded Capacity**

During the next decade, as the RSP concept is adopted more widely within Pakistan and throughout the region it may be anticipated that the demand for relevant training will





## Interim Evaluation of the National Rural Support Programme

increase. Indeed, it seems likely to increase dramatically. What are the implications of this for NRSP and for HRD specifically?

The Evaluation Team applauds NRSP's desire to provide a badly needed service to other organizations but recommends that caution be exercised lest increasing external demands distort NRSP's own training priorities and programmes. In this regard, it may be appropriate to suggest that a donor agency such as the UNDP, which has a long established interest in poverty alleviation and the RSP approach, be invited to review with NRSP the five year projected demand for training. The aim would be to consider alternative strategies for meeting the needs of NRSP and of other RSP like organizations throughout the country. Several possibilities may be explored. These might include the establishment of an independent RSP Training Organization, outside the structure of NRSP but, possibly, under the umbrella of the NRSP Network or linked to the proposed NRSP Resource Group. An alternative might be a series of Provincial level courses, centrally planned and organized but tied to extensive internships with NRSP or other newly emerging field based RSPs. It may also be feasible to "out-source" much of the required training from existing programmes in universities and other institutions. The need for more skill oriented and enterprise management training should also be examined, especially where there is the prospect of partnership training and service agreements with manufacturers and established producers of rural and agricultural products.

### **HRDs Contribution to the NRSP Work Culture**

We would be remiss if we failed to comment upon the outstanding job which the small (six person) HRD staff has done in responding to the changing programme needs over the first 5 years. Their flexibility and decentralized programme management style is impressive. Recent recognition as one of the ESCAP "Centers of Excellence" may open avenues for expansion of exchange arrangements throughout Asia. These should be encouraged since they may permit exchanges of mutual benefit on a short to medium term basis which may also enhance the professional growth and development of NRSP staff. Having built an outstanding staff and trained them both in the classroom and the field, NRSP has a considerable stake in providing them with opportunities for sustained professional growth. As the Evaluation Team has already noted, staff are NRSP's most valuable asset.

Though many staff may, in time, be qualified for positions at the highest level, few will find openings in NRSP. In these circumstances one might expect a high rate of attrition. As yet, that is not evident, despite the fact that many staff report attractive offers on a regular basis.



## Interim Evaluation of the National Rural Support Programme

Why don't they defect? Some actually do go, allegedly for salaries amounting on average to 250% of the NRSP rate. Yet most prefer to stay, despite grumbling about the heavy workloads, the long hours and the weekends without time for their families. The Evaluation Team has been greatly impressed by the esprit which seems to permeate NRSP at the Headquarters and throughout the Field Units which were visited. In part, it is in the nature of the challenging task. Few are given the opportunity to work directly with people in ways which dramatically affect their lives. NRSP does. There is also the self-selection dimension. People who choose to work in organizations such as NRSP are driven by a their personal commitment to service.

That said, much credit must be given to leadership at many levels - from the Chairman of the Board, through the General Manager, to the Regional Programme Officers, the Section Heads and Field Unit Managers. We have been impressed by almost all of them and by the low-key management style which has become a characteristic of NRSP throughout. This informal though highly professional style has much to do with the "culture" of NRSP, its work environments and the loyalty and enthusiasm of NRSP staff. To the extent that this is a reflection of the "culture" of HRD and a reflection of their philosophy of human resource development, they should take considerable satisfaction from the Programme's results.

### Summary

- a. Training of Activists to take leadership roles at community level is the principal task of HRD. Long-term success is dependent upon their assuming greater responsibility in a short period. Hence, innovative and intensive training may be needed on an increased scale.
- b. NRSP field staff are perpetually engaged in training through the standards which they observe and the management style they employ. HRD must continue to stay ahead of them through creative training.
- c. Increased pressure to train non-NRSP staff must not be allowed to distort or dilute HRD's efforts.
- d. Full cost recovery for contract training is essential to reduce the draw on NRSP's endowment resources.
- e. Internships, properly monitored, have served as an excellent screening and training process. All field staff, both of NRSP and of new RSPs, could benefit from an expansion





**Interim Evaluation of the  
National Rural Support  
Programme**

and further refinement of the concept.

- f. NRSP's work culture appears to elicit high performance and high morale. To the extent that this is teachable, the approach should continue to be demonstrated throughout HRD and embodied in its leadership and management courses.



## 7. PHYSICAL INFRASTRUCTURE: RURAL ENGINEERING

### Achievements

When the programme began, NRSP assumed that the provision of modest grant assistance to stimulate Community Organizations would be an important programme incentive. Such grants would permit villages to undertake small scale rural engineering projects as an element in the social mobilization process. Activities such as land reclamation, irrigation channel improvements and construction of community water supplies were to serve as the "bonding agent" in the initial phase of CO formation. Much of the doctrine upon which this programme element was founded derived from earlier AKRSP experience where Productive Physical Infrastructure grants (PPIs) were widely used for this purpose. Giving PPIs similar prominence in NRSP did not occur because (a) funds were not available to support a large programme of grant assistance for engineering works, (b) the line agencies of government in NRSP regions had both funding and specialized competence to carry out many of the rural engineering projects in which communities were interested, and (c) most CO members were less interested in community projects than in individual enterprises which they could undertake using small loans from NRSPs credit programme.

From programme inception through February, 1998 a total of 950 projects have been initiated. Of these 811 are fully completed. Of the 850, 335 have been financed with direct grant input from NRSP, 243 have been supported through linkages to line agencies and donors and 372 have been financed through NRSP credit facilities. Others were financed with no outside financial support. Of the total 276 were drinking water supplies while 674 were a miscellany of link roads, land leveling, culverts, wells and bunds. The majority had something to do with water management. The total cost through the end of December, 1997 was Rp 23,828,549 of which NRSP provided Rp 9,585,212; the communities contributed Rp 8,284,627 and other agencies including donors and line agencies contributed Rp 5,958,710.

As early as 1994 NRSP encouraged COs to use credit to finance rural engineering schemes but the amount available for loans was small and the programme did not expand rapidly. More recently there has been renewed interest in credit financed infrastructure projects and the size of loans has been increased. This seems likely to become a more significant source of funds for small engineering projects in future. Yet recovery will present a challenge. For larger social infrastructure, grants from socially conscious donors, such as UNDP, may be sought.

As the availability of credit has increased and as COs have learned to propose, appraise and manage more and larger loan financed productive enterprises, the role for direct NRSP grant finance and engineering support will likely become less important.





## **Interim Evaluation of the National Rural Support Programme**

### **Changing Roles**

The role of the NRSP engineers at Regional level has changed substantially. They have, de facto, become a more direct part of the social mobilization process, working with COs to help them identify engineering projects which are within their power to conduct successfully with only minimal assistance. It is in the area of engineering technical assistance to COs that NRSP continues to have an important contribution to make. This takes two forms. First is the role of consulting engineers to the COs to guide them in examining feasibility, making cost estimates, helping to prepare plans, lists of materials, etc. and in accurately factoring in the value of their own contributions of land, labour and materials. Second, they play a critical "facilitating" role in helping COs and Clusters to reach out and make contact both with governmental and non-governmental bodies that may be required to provide external assistance. In this, the NRSP engineers, many of whom have had careers in government, can play the role of "honest broker" representing the interests of the community, especially where government procedures are complex or where contractors are rapacious.

A major benefit to all parties arises from the ability of COs to mobilize a high level of participation in both the financing and the implementation phase of rural engineering projects. This can greatly reduce the overall costs as well as insuring that the communities affected take ownership of the completed project and assume responsibility for the operation and maintenance of the completed structure. This is an important consideration for government departments which rarely have the ability to mobilize popular support or the resources to undertake ongoing maintenance.

### **Future Scope for Rural Engineering**

Although the pace of small engineering works at community level has accelerated somewhat since mid-1997 this is largely in response to the availability of donor funding for drinking water supply schemes. Nobody can doubt the need for "pure water for all by the year 2000" and the fact that COs when offered the opportunity to have such schemes implemented will react positively. However, NRSP may need to carefully appraise its role and functions. While it is gratifying that both government and donors repose such confidence in NRSP as a delivery system capable of mobilizing the rural people, it could be the 'kiss of death' if NRSP became the institution of choice as Pakistan's primary rural implementing instrument. A distinction must be made between responding to community needs and becoming the surrogate for ineffectual government. The Evaluation Team is concerned that the real overhead costs are rarely recovered and that these add-on activities may represent a substantial hidden draw on NRSPs endowment earnings.





## Interim Evaluation of the National Rural Support Programme

NRSP leadership has taken the correct decision when offered the opportunity to implement drinking water schemes that are of direct benefit to rural communities. Since these are well funded programmes we trust that NRSP F&A Section is ensuring the full overhead costs are being defrayed by the government or the concerned donors. Drinking Water Supply Schemes (DWSS) represent a sensible melding of mutual interests. There is, however, a lurking anxiety that the precedent created by agreeing to implement these could lead government and donors to assume that NRSP is the vehicle of choice for implementing increasingly larger programs. However desirable the schemes may be, they may significantly distort NRSP's own priorities and, without full, audited cost recovery will increase the burn rate on the corpus of the endowment.

In principle, serving as the liaison agency which links project funding (from whatever source) and field engineering supervision with the energies and resources of the community is a sensible strategy. Some might argue that there is an opportunity to expand this function by actively attracting external financial support and expand a community-based engineering programme. The Evaluation Team would urge caution. Scale is the problem, for it seems evident that the underlying theme of water management will continue to command a priority. Experience suggests that water projects often become larger and more complex as time passes. It would be useful to work with CO leaders and NRSP field staff to set some limits and evolve clear decision rules which will, when needed, permit NRSP to accept assistance that truly fits into the programme and to say "No!" without giving offense.

The Evaluation Team did not meet all the field engineers. The three with whom we held substantive discussions were aware of their changing work roles. They indicated that they enjoyed working in the positive, rapid response, atmosphere which characterizes NRSP. They saw themselves as consulting engineer to COs and Clusters, working to prepare fundable projects which CO activists could use as the basis for discussion with line agencies, NGOs and donors. In one case (Khushab) the engineer, serving under a contract, has, in addition to his regular responsibilities, taken over from the SOs the backstopping of 25 COs. This is most encouraging since it insures that the engineer has a continuous link to those communities and can, on the basis of that first hand knowledge, be better placed to design projects appropriate to the needs and capacities of the COs and Clusters.

In summary, it appears that lack of funding and demand for larger engineering works is likely to mean that engineers can serve the COs and Clusters best by working as consulting engineers providing credibility to plans and approaches made by activists to other agencies, including local politicians.





## Interim Evaluation of the National Rural Support Programme

### Technology Development

Although the nomenclature used internally to describe the engineering function is Physical Infrastructure and Technology Development, little is done to identify, test, adapt and apply new technologies appropriate to community needs. The Evaluation Team believes that as the programme moves ahead, it would be of great benefit if NRSP established a regular "scanning and gatekeeping" function, using its experienced engineers to canvass Pakistan, South Asia and the global appropriate technology fraternity to systematically obtain and field test promising new technologies.

This need not be a major undertaking at the outset. Simply making certain that every Field Unit and every engineering professional is on the mailing list for one or more of the Appropriate Technology newsletters. The International Irrigation Management Institute, which has a field office in Lahore and Badin, could be a source for useable information that is relevant to on-farm water management. There are a dozen other simple, straight-forward publications on applied rural technology which could greatly upgrade the store of knowledge available at the Regional Offices.

Though the engineering portfolio depends largely on a few donors, a rationale for retaining an engineering section may be in the area of technology development--an endeavor which appears to have commanded little priority. Carefully chosen, new agricultural technologies can have significant impact on the quality of rural life. The Peter engine may be such a technology. A small (Chinese made) diesel driven pump available through agents in Pakistan provides a much more economical means for pumping water from tubewells than does the established system of harnessing a tractor to the pump (Rs18/hr for a Peter engine vs. Rs60+/hr for a tractor engine). A show of hands in one meeting of several CO activists indicated a willingness to borrow money to purchase a large number of such engines. It was suggested that by working with and through the regional engineer CO activists might persuade the sales and distribution agent or manufacturer to train maintenance staff and, through NRSP credit, provide help to establish a profitable enterprise in Peter pump maintenance.

Once simple, robust technologies have been identified, PITD with its ties to COs and Clusters, is ideally placed to work with national and international programmes to field test and, as appropriate, to adapt or modify devices to meet local conditions. It should be recognized that many agencies and some commercial houses have invested heavily in improved technologies for use in rural Pakistan. It may be an important first step to review and document the fate of those which were heavily promoted in past so that NRSP can build on that knowledge and avoid the unnecessary replication of past mistakes.





Interim Evaluation of the  
National Rural Support  
Programme

## PHYSICAL INFRASTRUCTURE









## Interim Evaluation of the National Rural Support Programme

If there is the intent to address "Technology Development" seriously, then a survey should be undertaken, a catalogue of technology options pulled together, a review of past experience and the field testing of a very small number of practical innovations might be undertaken. Meanwhile, care must be taken not to over-extend field engineering staff by loading them with responsibility for implementing others projects.

### Summary

- a. Grant assisted physical infrastructure projects are rapidly becoming a thing of the past. Credit may displace them if effective and equitable means of collecting fees to repay loans can be established. Meanwhile, the most effective role of NRSP field engineers may be to serve as consulting engineers to the Cos.
- b. If well designed projects are prepared with accurate cost estimates, CO activists can be aided in making contact with line agencies, donors or political leaders to obtain support.
- c. The area of technology development has not been developed. Field engineers are well-placed to help COs to identify improved equipment and designs but they will need help. The "scanning and gatekeeping" role of NRSP staff could be greatly strengthened. A flow of technical publications would help.
- d. Use of retired military and civil engineers, perhaps on a part-time basis, could contribute to building CO capacity to better manage rural engineering projects.





**Interim Evaluation of the  
National Rural Support  
Programme**

## **8. NATURAL RESOURCE MANAGEMENT**

Throughout rural Pakistan the population is dependent upon land and water which is required to grow crops. Land and water management are matters of survival. Thus, people are dependent upon the successful long-term husbandry of the most basic of natural resource systems. Tillage of that system determines their poverty or prosperity.

NRSP's programme in Natural Resource Management is almost entirely focussed on agriculture, livestock, water management and forestry. The work of NRM is aimed at increasing agricultural productivity through better integrated and more sustainable techniques of tillage, land use and water management.

The central NRM strategy is work with other agencies to ensure that (a) seed, fertilizer, insecticides and other inputs are available when and where they are needed at a price that farmers can afford, and (b) that through improved on-farm water management, irrigation water actually reaches the roots of growing plants at the time when it is needed. This means that NRSP Regional NRM staff must have an intimate knowledge of the agro-climatic area in which they work; they must have the confidence of local agricultural department staff and agents of major fertilizer, seed and inputs groups, both governmental and private, and; they must enjoy the trust and respect of the farmer-members of the COs and Clusters.

The Evaluation Team was pleased to observe at first-hand the close, collaborative relationships that have been established by NRSP. In one region, Rawalakot, the RPO had taken the initiative to convene a District Planning Meeting (DPM). Officers of all the government agencies directly concerned with agriculture attend this monthly meeting along with representatives of the local government department. On the occasion when the Team participated in this gathering there were ten officers in attendance. Although the location and chairmanship of the meeting formerly rotated between members, a decision was taken to elect the RPO as regular Chair and to hold the meetings on the 22nd of each month in the NRSP Regional Office.

The confidence which government officers have in the RPO is a tribute both to him and to NRSP. The fact that he had earlier served as a government officer in implementing a number of projects in the area insures that he is seen as a professional colleague, even though he represents NRSP, a non-governmental programme. Throughout the mission, the Team was impressed by the ease with which NRSP staff worked hand in glove with government officers. This cooperation in the implementation of a wide range of programmes whether governmental or CO initiated, has the common goal of improving the productivity of the agriculture sector.



## Interim Evaluation of the National Rural Support Programme

### Achievements

Cooperation with NRSP makes it possible to greatly extend and multiply the effects of many government programs. Although such cooperation is not unique to the agricultural sector, the impact seems greatest here. NRSP has field oriented staff who know the villages where they work. They are trusted by community activists; they can assist in mobilizing CO support and participation, and they have small amounts of flexible funding which can be used imaginatively to overcome the small barriers which are too often inherent at operational levels in bureaucratic systems. The fact that RPOs have a small number of functioning vehicles with experienced drivers and adequate fuel budgets gives NRSP staff a level of mobility rarely available to government officers. This is not a trivial matter where transport is cited as a primary factor in the success or failure of field programmes.

By working together with farmers and marketing specialists, NRSP has been able to assist some farmers in growing high value vegetables "off-season", ahead of the market, when they command premium prices. Through the credit programme there has been widespread expansion of poultry raising. NRM provides the training needed to insure that flocks are protected from disease. So with buffaloes, increasingly kept by rural women as a source of milk for sale, NRM works to introduce better breeds and to insure the health of those purchased under the NRSP credit programme. Bee-keeping, raising fodder, groundnut production and sericulture have also been introduced.

In addition to agricultural inputs, the major activities of NRM include the cooperative management with the soil conservation officers of government of small watershed stabilization activities such as check dams, land leveling and development of marginal lands to improve drainage, reduce salinity and control waterlogging. In many areas where COs have been formed the quality of land is so poor that without technical guidance and small amounts of credit, the CO members themselves would be unable to reclaim the land and make it productive.

Water management and land reclamation remain central tasks throughout much of rural Pakistan. Enormous amounts of money have been invested by government and donor agencies in various large schemes to control the problem. Yet small projects of on-farm land leveling and water management may offer the best prospects for poor farmers to do something for themselves. NRSP, working with line agencies and the CO and Cluster Activists has an important role to play.

Forestry constitutes an important element both in the NRM programme and in Pakistan's long-term strategy for slowing the environmental degradation of its watersheds. Against the





## Interim Evaluation of the National Rural Support Programme

consequences of sustained high level of population growth including settlement on and tillage of marginal land and excessive encroachment of forests, there is need for an enormous number of tree seedlings each year. By assisting COs and Clusters as well as individuals to establish and manage nurseries, NRSP adds to the supply of seedlings available for afforestation. An advantage of working with and through the CO Activists is that there is a higher probability that seedlings out-planted on farmer's lands will be protected and nurtured to maturity.

Overall, the achievements of NRSP's small group of professionals have been highly commendable. Possibly their greatest contribution is that of facilitating linkages between the CO Activists and members and the agencies nominally responsible for helping them. Without NRSP staff to serve as the bridge, too often the connection is not made, made too late or twisted out of shape by political and other considerations.

Finally, despite NRSP's focus on small loans to stimulate individual enterprise, there is need for collective NRM activities. The merit of community mobilizations is well demonstrated by an instance where wild boars were destroying so much of farmer's crops that they were ready to abandon farming. With technical help from Pakistan's National Agriculture Research Council (NARC), the local COs planned a campaign which involved several COs in a concerted action plan. By systematically baiting maize, the boars were reduced in numbers and productivity in the area returned to normal.

## The Future of NRM

The focus of the NRM section is on agriculture and forestry. Water and land management, together with improved seeds and other inputs will continue to be essential if Pakistan is to have any hope of feeding itself. Even so, with population growing at three percent per annum the doubling time is only 23 years. How will Pakistan's farmers cope with feeding 250 million people? While NRSP can only play a marginal role facilitating the more effective involvement of line agencies and suppliers in reaching CO member-farmers and improving productivity on individual farms is where the process must begin.

If NRSP's activities are to have a greater impact, a reassessment of strategy and institutional approach may be required. The Rural Area Development Organization (RADO) in Khushab is a possible prototype for an innovative institutional response. Others may be explored. As noted in relation to rural engineering, there is a substantial number of retired professionals who, with appropriate stimulation and modest financial incentive, might be willing to serve the country as technical field consultants to NRSP; assessing problems, directly working with COs and Clusters and, with NRSP credit, establishing



**Interim Evaluation of the  
National Rural Support  
Programme**

## **NATURAL RESOURCE MANAGEMENT**









## Interim Evaluation of the National Rural Support Programme

themselves as profitable purveyors of inputs on a fee for service basis as well as a credible source of sound technical advice. Where extension programmes have been unable to bring services to the farmgate, a network of such service producers could succeed. As the Clusters mature and move towards greater autonomy they may be able to afford the services of such an experienced professional. Is this an avenue worthy of exploration and testing? Would an innovative donor provide start-up support for such an effort? The inspiration is, of course, the senior NRM specialists within NRSP who have already had careers in government and now find that their work in NRSP is vastly more satisfying and rewarding. Can others like them be identified and "spun-off" as profit-making entrepreneurs?

Privatization of extension services may not be a panacea but in the face of massive and repeated public sector failures over two generations, some alternative approach to extending knowledge, inputs and technical support is worthy of serious consideration. If NRSP does not try, who will do it?

### Summary

- a. Natural resource and environmental concerns for most of rural Pakistan center on land and water management. These command most of NRMs attention.
- b. Agriculture remains the basis for sustaining life. Hence improvements in agriculture, livestock and poultry should continue to be central elements of the NRSP strategy.
- c. With very limited resources, NRSP must work closely with line agencies and suppliers of inputs. They seem to welcome NRSP and accept its capacity to play a coordinating role.
- d. As in other areas, field staff can obtain the greatest "multiplier effect" through close collaboration with line agencies having technical skills and resources to match the needs articulated through CO Activists.
- e. In collaboration with NRSP engineers, a coordinated approach to technology development which harnesses experienced professionals and stimulates them to work to improve the techniques and equipment used by poor farmers would seem to be worth exploration. The RADO model should be closely monitored. Other approaches, including the provision of credit to experienced professionals so that they can establish for-profit NRM input outlets, may be undertaken on a pilot basis with donor support.





## Interim Evaluation of the National Rural Support Programme

# 9. SOCIAL SECTOR SERVICES

This interim evaluation has given insufficient attention those programme elements which, from the point of view of the rural people, may be among the most important. This has not been from failure to recognize their significance. Having had such a small team and such limited time, we were forced to make choices. Therefore, attention was given to those areas which commanded a priority in NRSP's start-up phase. Nonetheless, we recognize the critical importance of education, health, legal services and other elements that contribute to a true civil society, especially as these affect rural women.

## Education

Education is an essential underpinning of progress and the basis for truly sustainable development. If NRSP is to be a significant player in this field, it must be innovative, experimental and relevant. Its goals must go beyond helping COs establish a few more rudimentary community schools on a random and reactive basis. The Evaluation Team agrees that modest help should be given to such CO start-up schools, especially where they provide the first steps for girls to move into a broader world where they may begin to fulfil their potential. Each individual instance where COs establish a self-sponsored school, whether at the level of a shed, under a tree, or with the ambition of establishing a computer training centre, represents a ray of opportunity.

But if NRSP is serious about charting new paths in rural education, a long-term innovative effort is required to learn from the community what is really relevant and useful to them. Not, perhaps, an electronic schoolhouse linked by Internet to the great universities but a skill building center where functional literacy leads to job creation, empowering, money-making opportunities. A true "community school" for all ages seeking to improve the human condition in practical terms reflecting the rural realities of Pakistan. This will require bold measures which may affront educational pundits. So be it. That is the challenge for NRSP. If it is to be an innovator in the social sector, let it be at the cutting edge, willing to risk small failures in the hope of reaping high potential gains. At a minimum, a study of options and opportunities, funded well by a creative donor such as the UNDP, should be undertaken.

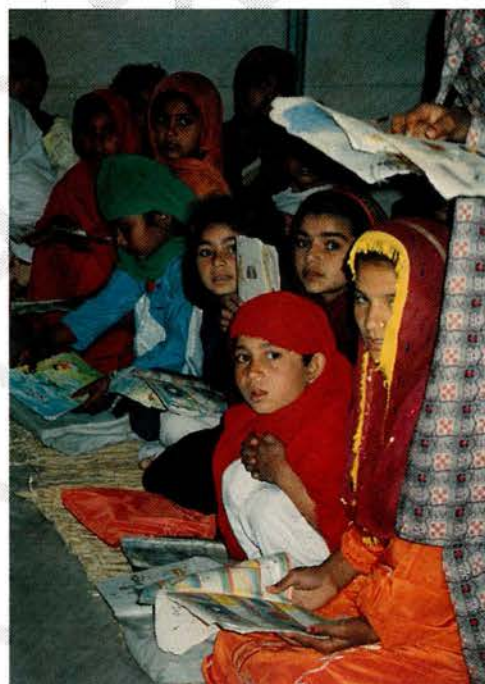
## Health

Much the same applies in the health and clinical care arena. Let NRSP do all that it reasonably can to facilitate and link existing services more effectively to the needs of the rural people. Health is so centre; to be persistently ill and malnourished is to live a shadow where the human potential is never reached. Yet the defining niche of NRSP should be with experiments attempting innovative approaches to people's health which empower COs and



Interim Evaluation of the  
National Rural Support  
Programme

EDUCATION









**Interim Evaluation of the  
National Rural Support  
Programme**

Clusters to take charge of their own public health and clinical care requirements. COs must do what can be done to make the established system deliver more and better service. Pay for care is already accepted by the poor. It is the norm; they pay high and receive low. Let COs find ways to procure and market their own basic medicines for profit. Press drug producers to help NRSP in training and marketing through the COs. Experiment and innovate. Demand delivery services and make the system respond! Again, a study of options (funded by a donor) would clarify policy and programme options.

NRSP can facilitate more than linkages, especially where it is evident that orthodox approaches on both health and education have failed to meet rural needs. NRPS should seek to demonstrate alternatives based upon peoples' needs, using peoples' capacities. Let NRSP's modest social programme be creative and innovative. "High risk, high gain," social service Research and Development could be funded from endowment earnings until donors, unafraid to challenge failed orthodoxy of the past, are found.





**Interim Evaluation of the  
National Rural Support  
Programme**

## **10. GENDER**

NRSP has a strong commitment to gender equity throughout the programme. This is effectively illustrated by the following observations.

- Among staff at the Field Unit level (less so at HO), women are strongly represented. Approximately 1/3 of all professional staff in the Field Units--and almost half of the SOs--are women. NRSP policy states that each Field Unit should have at least one female Social Organizer. In some areas it has been impossible to recruit suitably qualified women; in some of the newly established Field Units the full complement of staff has yet to be hired. Still, in 18 of the 23 Units, there is at least one female employee. The presence of women staff at the Field Units is highly supported since it appears their presence is correlated to the number and vitality of female COs.
- Up to December 1997, within HRD over 5,200 women have acquired new skills in a variety of areas. This represents approximately 21% of the total number of people trained which while proportionally fewer than the number of CO members who are female (36%) is, nonetheless, a substantial achievement. It is important to recognize that cultural and religious values and low literacy rates that tend to marginalize women. Concurrent with the recent growth in female participation, NRSP undertook a significant effort in 1997 to build management capacity among women by providing CMST training to 502 females. Although much of the training offered to women has been in traditional areas (eg: livestock, poultry and vegetable production, TBA, etc.), less orthodox training has also been given in plumbing and other vocational skills.
- Gender awareness training of NRSP staff was introduced in the first year through a workshop geared to primarily SOs. During the second year, planning from a gender perspective was provided to staff in all sections with an upgraded course offered in 1995/96. By 1996/97, the number and depth of gender courses increased and included trainees from outside NRSP.
- In credit, significant advances have also been made. Between 1995 and 1997, the percent of all borrowers who were women increased from 22% to 31% and the percent of total borrowing that was used by women grew from 18% to 38%.
- Evidence suggests that women are equally (and often more) adept as their male counterparts at turning small amounts of credit into profitable enterprises. They have learned from experience and have quickly grasped the benefits of paying off initial small loans even before the due date so as to qualify for larger loans. The Evaluation Team observed numerous examples where women took an initial loan to purchase a buffalo,



**Interim Evaluation of the  
National Rural Support  
Programme**

sold milk and repaid their loan prior to the due date--only to take another loan for another buffalo or to invest in another enterprise (eg: poultry, shopkeeping, ready made garment production, etc.). Several case studies available from NRSP corroborate this observation.

- In areas where mobility is less restricted, women are completing financial transactions on their own including depositing their savings at the bank and returning payments on loans to NRSP. Often the introduction of NRSP has heralded the first time that women have had their own savings separate from their husbands. And, although there are exceptions, women seem to retain control over the profits that they have generated from the loans taken from NRSP. Money earned through income generating activities is often used to send children to school, to buy more and better food and, certainly to finance weddings.
- The Evaluation Team also heard women say that before NRSP, many men treated them "like shoes to be walked on". Now that they are contributing money to the household, they have gained more respect.
- Through their participation in a CO, over 30,000 women have available their own mechanism for consultation and cooperation. During the mission, village women mentioned that the CO provides a previously missing opportunity for them to meet and discuss issues that are important to them individually and as members of a community. Often this has meant that conflicts are defused, schools are created, drinking water schemes are introduced and support is extended to the more disadvantaged members of the village.
- Interestingly, in several locations the Evaluation Team was told of men who have approached women's COs asking to join. The suspicion was that the men would then attempt to dominate but there is very little evidence that this has occurred. Even when exclusively female COs become "mixed", women still retain control over decision making.
- In terms of "empowerment" the Evaluation Team witnessed an outstanding example. A cluster of female COs arranged to collectively meet with each of the political candidates seeking their individual votes. After hearing and questioning each candidate, the entire cluster membership decided to support the candidate whose platform most nearly matched their needs. This type of social participation would have been unimaginable only a decade earlier.





## Interim Evaluation of the National Rural Support Programme

In the field, rather than adopting specific "gender packages", NRSP believes that the most effective contribution is to apply basic social mobilization principles without regard to gender and to make training opportunities and access to credit available equitably. The simple indicators and observations given above indicate that NRSP's strategy is showing promising results.

There can be little doubt that more men have been organized into COs, more men have received training, and more men have used credit. But in a society where literacy levels among women are significantly lower than for men and where cultural restrictions limit the opportunities available to women, achievements within NRSP have been substantial.

### **Holistic Approach**

When comparing communities where only male COs versus female or mixed COs have been established, more often than not, where women are involved, a more holistic set of activities exist. Female COs are more apt to give equal attention to income generating and social development initiatives (eg : schools, drinking water, health). In one community that was visited by the Evaluation Team, men stated that their CO would collapse if credit was withdrawn whereas the women said that it would not and that they would continue to implement their social agenda on their own.

Not only are female COs valuable and necessary in their own right, they also seem to demonstrate a more balanced approach to community development and which complements the work of the more entrepreneurial COs.

### **Education/Literacy**

Although difficult to generalize, women have been able to organise more quickly and effectively in areas where educational levels are relatively high and where traditional strictures are more relaxed and impose fewer barriers to their mobility. In most areas, girls' participation in formal education is considerably lower than for boys. Likewise adult literacy rates for men are substantially higher than for women (eg: ranging from 47% for men versus 9% for women in Rawalakot to 10% for men versus 1% for women in Turbat).

Illiteracy is a major obstacle for many female COs and individual women. In one instance, the mission heard of a woman who had taken credit to start a small shop. The business was profitable and she repaid the loan in full. She wanted to apply for another loan in order to



Interim Evaluation of the  
National Rural Support  
Programme

## GENDER









## Interim Evaluation of the National Rural Support Programme

expand her business but recognized that she had to become literate to effectively deal with shrewd wholesalers, manage a larger inventory, maintain accurate records and make greater profits. Furthermore, because most women are illiterate, often female COs have male Managers who look after record keeping and financial transactions. This diminishes women's confidence to manage their own affairs.

NRSP and the COs have addressed education needs in a modest but valuable way. Where COs identify education as a priority and have demonstrated a willingness to support the creation of a school, NRSP attempts to provide a desk and benches plus helps to finance the teacher's salary for one year until the facility can be registered with and recognized by the Government. Some community schools cater to boys although a majority are either coeducational or are for girls. Quite often the COs will use the facilities to provide adult literacy classes, usually for women.

The creation of community schools is extremely useful especially for girls and women. However, the scale of effort is miniscule. Still, provided the CO is highly motivated, a very small investment in money and staff time by NRSP can have significant benefits and is a tangible way to reduce the marginalization of women. Although somewhat discriminatory and controversial, NRSP might consider restricting its limited investments in schools to those that mostly or completely cater to girls and to COs that are prepared to include adult literacy classes for women. Similar targeting may be necessary for small infrastructure projects that receive grants from NRSP.

### **Activist Training**

Although NRSP has provided a considerable amount of training to female Activists, further inroads are expected. NRSP is moving Activist training closer to the villages. Not only does this put training in a relevant setting but also it may be less costly. And for many women, it may be the only opportunity they will get to upgrade their skills. Therefore, NRSP should continue to design training courses that can be provided in the villages and to people (especially women) who have limited reading and writing abilities. Of course by emphasizing village based training to overcome mobility restrictions can also reinforce the practice. Identifying acceptable ways to allow women to travel outside their communities should be pursued as well. Not only will this expose women to a wider array of ideas but also, in a small way, it might help reduce the marginalizing effects of some traditional behaviour patterns.

### **Enterprise**

For many women, purdah continues to restrict their participation in economic development





## **Interim Evaluation of the National Rural Support Programme**

beyond the household or village. As a result, most enterprise investments have been made in traditional activities (poultry, embroidery, shops, livestock). Particularly where women's mobility is restricted, some attention might be given to (a) investigating alternative income generating activities particularly value added enterprises, and/or (b) considering mechanisms to help women market their products in nearby villages and towns. NRSP is cautioned not to get directly involved in marketing ventures but rather to identify ways to link women with outlets beyond the village.

### **Gender Analysis**

Most NRSP interventions are analyzed from a gender perspective prior to being implemented. However, based on discussions with staff, it appears that these analyses are rather superficial and often people assume that if men's well-being is strengthened, women will also benefit. Certainly the team believes that it is important for NRSP to look at proposed activities in a straightforward way to determine if they are suitable for women, if women can access programmes and if women can benefit. However, it is equally important to analyze new initiatives to ensure that they do not further marginalize women. For example, as COs move toward Clusters and eventually NGOs, will women become increasingly sidelined? The mission observed a female Cluster but more often they comprise men (occasionally with a few women members). As Clusters expand and encompass more members, it usually requires mobility. Furthermore, as Clusters evolve into more formal institutions, many will certainly focus on enterprise development. And, as commercialization takes hold, few women will be able to participate beyond the village. Will this thrust towards Clusters and NGOs and commercialization further marginalize women? Another example pertains to drinking water schemes that are often a high priority among women. With the shift in emphasis towards productive infrastructure activities that are financed with credit, will drinking water schemes be sidelined. Linkages with line agencies and other sources of support will be needed since women will certainly have difficulty financing such endeavours (even though they can and should play a significant role in their operation and maintenance).

### **Gender and Development "Cell"**

The evidence indicates that NRSP has made significant efforts to address gender equity issues and to ensure that women have equal access to programmes and benefits. There appears to be little support or justification for the establishment of a distinct, separate gender programme. Over the years, NRSP has been able to recruit a group of extremely capable women staff who have considerable insights into the needs of, and the constraints facing



**Interim Evaluation of the  
National Rural Support  
Programme**

rural women. Therefore, it may be appropriate for NRSP to facilitate the creation of an ad hoc unit that would focus on women's issues. This unit would provide a venue for (a) further staff development through workshops and guest speakers, (b) further analysis of gender equity as it applies to existing and proposed NRSP interventions, and (c) the identification of new initiatives and opportunities for rural women. Such a unit could also provide invaluable insight to new and emerging RSPs as they begin the task of social mobilization and empowerment of women.

## **Summary of Suggestions**

- a. Rather than adopting specific "gender packages", the basic social mobilization principles have been applied uniformly. Training and access to credit has been made available equitably. Progress has been promising and it is doubtful if a dedicated Gender and Development section is warranted.
- b. Low education levels for girls and illiteracy for women are major obstacles for many females and female COs. In response, NRSP has invested small amounts of money to help support community schools and female literacy training. This support may have even greater benefits if it was restricted to schools that most or completely cater to girls and to COs that are prepared to include adult literacy classes for women.
- c. As NRSP moves more Activist training closer to the village, this may provide the only opportunity for some women to upgrade their skills. Of course, by emphasizing village based training to overcome mobility restrictions can also reinforce traditional restrictions. Identifying and supporting acceptable ways to allow women to travel outside their communities should be pursued as well.
- d. NRSP should build upon the field experience of its female professions in order to strengthen its gender analysis capability. All activities should be assessed to determine if they are suitable and relevant for women and if women can access and benefit from programmes. It is also important to understand and anticipate if women will be further marginalized through efforts such as forming Clusters and promoting commercialization.
- e. It may be appropriate for NRSP to facilitate the creation of an ad hoc gender unit or cell that would provide a venue to enhance staff development through workshops and guest speakers with the objective of strengthening analyses of gender equity and of further encouraging the identification of new initiatives and opportunities (particularly in enterprise) for rural women.





**Interim Evaluation of the  
National Rural Support  
Programme**

## **11. FUTURE STRATEGY: EXPANDING THE BENEFITS**

### **The Benefits**

In a relatively short period of time NRSP has demonstrated a unique ability to mobilize and support the poor within an institutional structure that is modest, efficient, responsive and flexible. Quite understandably, NRSP is gaining more attention. This not only is a testament to its success but also increases pressure on NRSP leadership to expand. There are good reasons to build on the experiences and expertise that has developed within the Programme, not least of which is the obvious inability or outright failure of many other efforts in rural development. The continuing stagnation and poverty of many rural areas, confirmed by visits to virtually any village, provides the most compelling arguments for making the Programme truly national in scope.

Despite its national nomenclature, NRSP remains modest in scale with regional offices serving 16 districts. These have a total population of 8 million people, representing less than 6% of the national total. Within those districts, "coverage" has been expanded at a remarkable rate, especially during the period since mid-1997. Yet, even where coverage, in the sense of making contact and offering the possibility of forming a CO, has been upwards of 100%, not all households choose to become members. Further, within established COs, the tangible benefits of the programme flow primarily to those who seek small loans permitting them to undertake productive activities. However, the impact on the "poorest of the poor" has, to date, been modest.

The initial round of beneficiaries of these small productive investments are generally among the better educated, economically advantaged and risk taking elements in the community. This does not mean that they are rich, although they are often small landholders. They are, however, likely to successfully manage small amounts of credit productively and profitably.

Sound management of these small loans ensures that they are able to repay promptly. Thus they qualify for future credit when they see opportunities for expansion or for new enterprises. This may be important, as it is the first round "progressive poor" who show a profit and who may serve as the best persons to build broader confidence in the programme. Their observable success increases the credibility of NRSP's productive investment activities.

In subsequent rounds, the poorer, less advantaged individuals within the CO are likely to be motivated to seek, receive and use credit productively, provided they are given the needed training and support. For the poorest--the desperate and illiterate--a special effort will be needed. Here, as noted earlier, NRSP has already initiated as a micro-planning activity. This must be monitored closely and, if warranted, expanded in areas where there are



## Interim Evaluation of the National Rural Support Programme

substantial numbers of comparatively disadvantaged CO members. Rather than expanding quickly in other geographic areas, an argument can be made that the long term success of the NRSP approach is heavily dependent on its ability to move beyond the first level of low risk, entrepreneurial credit seekers and to reach the truly poor and help them become productive, self-sufficient members of the community.

The application of productive credit to date has been impressive in terms of the flow of direct benefits to individuals. Many people have been able to repay their loans and then reinvest in their existing or a new enterprise. With the profits generated, they are able to ensure that their sons and daughters have better schooling, that houses are of a better quality. As more people in the CO improve their incomes, many will begin to consider improving the village water supply or local health facilities.

Beyond the income generating benefits, the NRSP interventions appear to have stimulated the beginning of a social transformation in a number of communities. It is, of course, impossible to assess with great precision the degree to which the social mobilization manifest in the creation of a CO may be credited with an increased level of social consciousness throughout a community. Nonetheless, there were many examples in which the team was told that, as a result of CO initiatives, substantial investments had been made in social overhead and infrastructure such as schools, water supply schemes and health programmes. Thus, the team believes that the "ripple effect" of increased disposable income resulting from entrepreneurial activities will increasingly benefit entire communities.

### **Expansion Strategy**

Expansion can be both a geographic and programmatic. Specifically:

- There are groups of people who are satisfied with the existing array of support but simply want more of it, and specifically, increased amounts of credit. Where warranted, steps have been taken within NRSP (and more is planned) to react to the demand for larger loans.
- Some people who want to further diversify the programme menu. For example, some COs want NRSP to give more attention to social development activities such as health and education. In addition, some government departments and donor agencies want to be associated with a success story and, in some instances, want to impose their own agenda on to NRSP. Thankfully, NRSP has a clear appreciation of its limitations, both in terms of income and human resource capacity and, for the most part, has remained





## Interim Evaluation of the National Rural Support Programme

faithful to its core programme elements and philosophy.

- Villagers from areas within the existing NRSP "territory" who have not yet been organized into COs want to become part of the process. NRSP has developed several strategies to cope with this incremental growth in coverage but a clear doctrine establishing decision rules has yet to be formulated.

The most significant pressure is to quickly replicate the approach to cover new Districts and entire Provinces. For example, the Government of Punjab is planning to create 8 sub-provincial RSPs. In both Sindh and Balochistan preliminary (and encouraging) steps are being taken to launch new and/or revitalize existing provincial programmes. Therefore, it is highly likely that in the very near future both the political commitment as well as (partial) financial support will be in place to establish a network of RSPs which will result in a truly national RSP.

Obviously, the scope for expansion is enormous. How this will be managed and the pace at which it will occur are significant concerns. Several models for geographical expansion have been discussed each of which will have implications for NRSP.

In Punjab, where 8 separate RSPs are being planned, NRSP may continue to expand coverage and depth in its designated Districts. Concurrently sub-provincial RSPs would carve out territory so as to avoid any duplication, competition or conflict. The newly formed RSPs would benefit from adopting (suitably modified) NRSP recruitment and screening procedures and training programmes offered at head office and (possibly abridged) on-the-job internships with various NRSP Field Units. Eventually, credit operations may be managed separately by individual RSPs but initially, NRSP could have a constructive oversight role to play. At some time in the future and where applicable, NRSP and sub-provincial RSP field programmes might be merged. In other words, capacity in the new RSP would be built independently from NRSP with substantial input from NRSP in social mobilization, training and credit management before decisions pertaining to merging were made.

In other areas (possibly AJK), NRSP regional offices would become the core of or incubator for provincial expansion. The existing regional structure would be split from the parent organisation and become an autonomous company. This would allow the newly registered RSP to capitalize on (a) the considerable experience of NRSP staff and (b) the excellent reputation that NRSP currently enjoys. During the expansion phase, NRSP would still play a major role in training and credit management but the devolution of some of these responsibilities would be relatively fast.



## Interim Evaluation of the National Rural Support Programme

In Sindh and Balochistan new, related or modified modalities may be adopted.

Although different paths may be followed in each province/sub-province and each may have somewhat different programme outcomes, likely they will all adopt a similar philosophy and methodology. Hence, they will all require common support and backstopping, albeit in different degrees. Whatever replication process is used, programme quality (notably in social mobilization, training and credit) must be at the forefront and should prescribe the pace at which expansion should proceed. This is dictated, to a large extent by the capacity in the existing RSPs and particularly within NRSP and AKRSP.

In the expansion phase, a balance must be struck between

- Decentralization/autonomy to reflect the realities that (a) new RSPs will be autonomous institutions within Provincial jurisdictions, and (b) packages and activities must be consistent with local needs and don't simply replicate the experiences of more established and experienced RSPs.
- Consistency/Focus to ensure that the paramount common ingredients of social mobilization, training and credit are introduced and maintained at a high standard.

The newly formed Network Cell, the proposed Resource Group within the Network Cell and the very recent proposal for the Resource Person Support Group should help create an umbrella to coordinate and expand the RSP process. But there is a risk that events may overtake the relatively modest agendas that have been set. It may be necessary to rationalize various entities so that they not only can provide a forum for coordination, research and advocacy but also can become much more strategic in terms of the kind of support that must be provided if the programme is to be expanded in a methodical and careful manner. In this context, some urgency is needed to draw together the parties in order to identify priority needs, available resources and appropriate actions. For the Group(s) to become effective, additional staff and funds will be needed. Some expertise can be drawn from the existing RSPs while some of the necessary funding can be recovered from the income available to new RSPs. Still, a gap will likely exist which may require an infusion of start-up capital from Government and/or donors. Whatever funding requirements are devised, sustainability at the forefront and a long term dependence on donor financing should be avoided. The availability of grant funds which can be invested in an endowment may prove to be a major constraint on expansion.

As plans for the Resource Support Group are refined, several strategic needs will require priority attention. For example:





**Interim Evaluation of the  
National Rural Support  
Programme**

- **Training.** Within the RSP community, training capacity will need to be strengthened. The mechanics of expansion (eg: establishing offices, introducing systems and procedures, etc) are significant but there are years of experience to draw upon. However, the social mobilization model requires sufficient time to develop to overcome traditional social and cultural barriers and to foster confidence and mutual trust. And this, in turn, requires a cadre of highly dedicated and skilled people who are able to mobilize people and facilitate a change in attitudes. Suitable people are not easy to find and train. During the evaluation mission, several Intern SOs commented that before coming to NRSP, they had no appreciation of the challenges that the rural poor face. Nor did they appreciate the time-consuming nature of efforts that aim at fostering meaningful change. Many needed to be "untrained" after careers in more hierarchical organizations. The crucial role of Social Organizers should never be underestimated. Indeed, the human resource component will constitute another major constraint upon too rapid expansion.

Based on the evaluators' limited experience, NRSP appears to have the most capacity for SO training and hence may gear up to accommodate a modest increase in the number of intern SOs who then could be posted for several months to field operations of several existing RSPs. This should not automatically translate into a dramatic increase in staffing or facilities in Islamabad since efforts should focus on field oriented on-the-job training within the existing RSPs. For training geared to Activists (and even refresher courses for staff), emphasis may be given to (a) training trainers who can deliver courses at the regional offices, Field Units and in the villages and (b) developing linkages with other institutions that are better equipped to provide specialized training (eg: vocational, business, management skills).

- **M&E.** The capacity for M&E and action-oriented research will need to be strengthened. As noted previously, throughout the expansion process, the quality and integrity of RSP activities must be maintained. This will require careful attention to routine monitoring, analyzing effects and impacts and documenting the lessons of the RSP experience. Monitoring has received considerable attention in NRSP and AKRSP and in both institutions refinements are ongoing (eg: development of MIS). Effectiveness and impact issues have been addressed albeit in a more ad hoc manner. At an early stage, the RSP community is urged to develop a practical M&E strategy that will ensure that results are both useful to and are used by management. A first step will be to devise measurable (not just quantifiable) indicators. In this context, AKRSP has invested considerably in developing a rather elaborate set of M&E indicators and hence may take the lead in this regard. Systems also need to be developed to ensure that applied research results are quickly fed into decision making.



**Interim Evaluation of the  
National Rural Support  
Programme**

When strengthening M&E and more general research capacity, a participatory and regionally sensitive approach is desirable. This would be consistent with the participatory planning methodology that is now used in most RSPs and more acceptable to autonomous RSPs. Consequently, it will be important to introduce a strong M&E training component to ensure that routine monitoring (and some evaluation) functions are completed. Furthermore, supplementary research is also desirable in order to capture more completely the lessons of RSP interventions in order to improve effectiveness. If established, a Resource Group may want to consider whether this should be a more centralized function requiring an increase in staff or whether it should be done primarily through contracts with university research centres, faculty and graduate students, consultants and other similar institutions. The need is for relevant, useable knowledge which serves to inform and guide NRSP's decision making and resource allocation process. Where possible, experienced NRSP field staff may be actively engaged in research design and conduct (for they are the primary users of the research).

- **New Initiatives.** Understandably, existing RSPs either have been unable to devote much attention or have not produced significant results in areas such technology and enterprise development. In other areas, often because of various external pressures, RSPs have introduced schemes that are only marginally related to core activities (eg: ARPP in NRSP). The Resource Group could play an important role by identifying a mechanism to test new ideas and approaches. This should help to (a) keep innovation at the top of the RSP agenda, (b) reduce the risk of individual RSPs being pulled in directions that are outside the mainstream, and (c) minimize costs by centralizing testing and experimentation. Clearly such a role would have to be interactive and consultative with the other RSPs and institutions. In addition, clear guidelines would have to be established to ensure that any new initiative is pertinent and potentially beneficial to villagers. Also any new innovation that is being tested must have a beginning and an end when conscious decisions are made to either curtail or adopt the "experiment".
- **Oversight and Mentoring.** To get an appreciation of the nature and magnitude of the demands that are likely to be placed on NRSP in the years ahead, it may be helpful to describe the emerging structure of the Punjab Rural Support Programme (PRSP). Like NRSP, the PRSP is registered under the companies act as a non-profit organization with an endowment fund of Rs 500 million (out of which the Punjab Government has already disbursed Rs. 300). The PRSP Board has balanced representation from government, the private sector and development professionals. The Chairman of the PRSP Board (Shoaib Sultan Khan) is also Chairman of the NRSP Board. A Standing Committee of





## Interim Evaluation of the National Rural Support Programme

Board members consists of individuals who are able to give more of their time to help in the daily management of the company. There is also a Chief Executive Officer of the PRSP who is expected to monitor and coordinate the work of (initially) 8 regional support organizations at the divisional level. Each divisional support organization will be headed by its own chief executive officer with full autonomy and power to deal with all issues related with PRSP work in their region. In time, it is expected that as the regional support organizations at the divisional level develop their own networks of community organizations, gradually, personnel within each division will constitute autonomous Boards of Directors of each divisional support organization

In the first 2-3 years of its existence, the PRSP is likely to place demands on the NRSP for training its regional executive officers, programme officers at the district level and social mobilizers at the field unit level. At the same time, sectoral specialists in fields such as planning and evaluation, micro-credit and enterprise development, agriculture, social organization and technology development will be required, on a part-time basis, to visit each field operation of the PRSP. The tasks of the sectoral specialists would be to both supervise managers in the field and also evaluate the work of each of the regional support organizations in the Punjab on a regular basis. Both the Chairman and the General Manager of NRSP would be expected to give a significant proportion of their time in supporting the process of growth to maturity of the PRSP. Since Mr. Shoaib Sultan Khan is the Chairman of the NRSP and PRSP Boards, it may be both necessary and likely that the above mentioned services required by the PRSP will be drawn from the NRSP.

In order to strengthen the capacity of NRSP to maintain the commendable trajectory to its own internal growth and to provide the close support required by the PRSP and other provincial RSPs, consideration might be given to creating a Resource Persons Support Group headed by the Chairman of NRSP. This Group would enable NRSP to provide guidance, supervision and evaluation services to the provincial RSPs. Members of such a Group would be sectoral specialists in categories indicated above but would also have a cross-sectoral perspective on the nature and process of participatory development processes. Details of the proposed Resource Persons Support Group

## Summary

Increasingly, NRSP will experience considerable pressure to expand and to become more involved with the new RSPs that are emerging. Several proposals and concept papers have been developed recently to help plan for this eventuality. There is a risk that events



**Interim Evaluation of the  
National Rural Support  
Programme**

may overtake the relatively modest agendas that have been established. The evaluation team suggests that the various proposals should be rationalized so that they not only can provide a forum for coordination, research and advocacy but also can become more strategic in terms of the kind of support that will be needed. Priority attention should be given to drawing together the RSPs to identify priority needs, available resources and appropriate actions. Specifically, HRD will need to be strengthened, additional capacity to monitor and evaluate (including "bottom-up" practical research) will be needed to ensure quality control, new initiatives (notably technology and enterprise development) will require attention and a supervision/mentoring capacity may be needed.





**Interim Evaluation of the  
National Rural Support  
Programme**

## **12. OPPORTUNITIES FOR FUTURE SUPPORT**

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The Evaluation Team was asked to provide guidance on future support that may be required by NRSP. Clearly, given the highly favourable conclusions reached in this evaluation, there is little doubt that NRSP can effectively use additional resources. Incorporated in the text of this evaluation, a number of specific suggestions for organizational changes and additions which we believe would improve programme performance. Flexible, untied, grant support which would permit NRSP to augment, expand or support innovative or alternative programme initiatives and to develop "proof of concept" pilot activities would do much to ensure that NRSP remains in the forefront both conceptually and programmatically. In addition, given the recent developments in Punjab and the probable expansion expected in Sindh and Balochistan, there are likely to be substantial opportunities for increased investments in building a network of RSPs.

Although additional funds are needed, the Evaluation Team has attempted to suggest a disciplined and balanced approach that would (a) maintain the primacy of sustainability and autonomy objectives which is possible through the endowment structure, (b) recognize the limits of earnings that can be generated from endowment investments giving particular attention to the effects of inflation and devaluation, and (c) appreciate the constraints assumed in the Habib Bank credit line.

With the above in mind, the evaluation team, identified several possible investment opportunities. High priority should be given to strengthening the endowment fund and to reverse the erosion in its real value caused by inflation and currency depreciation.. Hence, as mentioned previously, a one-time and sizeable infusion of capital is justified. A more gradual approach would be to provide a minimum of \$US 1 million annually to support the NRSP programme thereby allowing a larger portion of the endowment earnings to be reinvested. Within this latter option, NRSP's core programme could be supported in the following ways:

- a. As NRSP gradually expands into new districts start-up investments will be required to establish additional Field Units.
- b. In areas already covered, new initiatives are surfacing, many of which imply longer term involvement and/or higher risk. These will require additional credit. For example, several COs and Clusters require investments in productive physical infrastructure (eg: wells, canal lining, irrigation, etc) that are beyond the financial resources of the community. Since most of these schemes are productive, a return is anticipated and hence credit (rather than grants) should be offered. However, the existing credit options available from NRSP are unsuitable and unaffordable for long term infrastructure investments. It may be feasible to tap funds provided through Habib Bank, but if the



## Interim Evaluation of the National Rural Support Programme

cost of borrowing is too high, NRSP would have to significantly subsidize infrastructure investments. Consequently, a pilot infrastructure credit pool that is financed by grant funds would be useful. Borrowers would be required to pay a markup that may not generate any profits but would at least be sufficient to account for inflation and thereby maintain the real value of the principal. If it can be demonstrated that such a fund is viable, then in a few years, evidence will be available to encourage commercial banks to take over this function.

- c. A second type of credit is needed but cannot yet be accommodated under the NRSP-Habib agreement. Specifically, as CO members move into new and untested businesses a pool of flexible and more risk-oriented capital will be required. The mark-up for this type of credit should reflect the added risk. Importantly, access to such "enterprise" credit must be linked to the availability of other essential forms of support such as training, technical assistance, etc.
- d. NRSP's modest fleet of Suzuki jeeps and motorcycles needs to be replaced. Many are now 5 years old and, despite excellent maintenance, are nearing the end of their useful life. Given that field mobility is critical to a successful programme, it is imperative that a phased system of vehicle replacement be devised and funded.

In addition to direct support for NRSP, the expansion of the RSP concept in other parts of Pakistan will open additional major funding opportunities. The recently created NRSP Network Cell and the proposed Resource Group may have an important roles to play in this process. Since this latter structure is in its formative stage, the Evaluation Team does not believe it appropriate to make specific suggestions other than to identify various supportive functions that will need to be performed as the RSP strategy expands into Punjab, Sindh, AJK, and Balochistan. Funds will be needed to cover staff and consulting services, travel and possibly some capital costs in order to (a) identify the strengths and weaknesses of capacities in existing RSP, (b) develop a strategic plan to ensure that expansion is done effectively, making appropriate use of resources within existing RSPs, (c) strengthen HRD capacity by funding additional equipment, staff and travel costs, (d) identify and implement targeted efforts in enterprise and technology development, and (e) undertake carefully designed applied research that will help RSPs to better understand the principles, dynamics and effects of the RSP methodology.

## Summary

The overall conclusions reached by the Evaluation Team are strongly supportive of NRSP. The programme has provided tangible benefits to rural communities and individuals in an





## Interim Evaluation of the National Rural Support Programme

effective and sensitive manner. Though we have identified a number of opportunities for improvement and have expressed concerns over expanding the programme too rapidly, the core programme of NRSP warrants long-term support. Given the inevitable growth of the RSP concept to other parts of Pakistan, major new funding opportunities are likely to materialize. Appropriate donor support should ensure that new programmes build upon and maintain the integrity of the NRSP experience. Specifically, this will mean that priority should be given to (a) helping train SOs to effectively mobilize, organize and support communities, (b) investing funds in ways that contribute to long term sustainability (eg: through the endowment mechanism), (c) providing funds to address credit needs that cannot be satisfied through existing facilities. Intensive field supervision, monitoring and auditing will be needed. Programme emphasis should focus on the productivity and profitability of credit supported enterprises and on the equitable sharing of benefits. If NRSP maintains its lean management style and exercises the discipline needed to retain a clear focus, it will be able to expand and to provide the leadership needed to serve as a model for programme growth throughout Pakistan.



**Interim Evaluation of the  
National Rural Support  
Programme**

## **RESOURCE PERSONS SUPPORT GROUP PROPOSAL**

The evaluation team has noted four aspects of the work of NRSP on the ground which indicate the need for establishing an institutional framework for enabling the NRSP to draw the deeper lessons of its development experience, to strengthen its management capacity for innovative approaches and enable effective RSPs to emerge in other regions of the country:

1. The process of participatory development catalyzed by the NRSP is having a significant impact on the economic and social inter-relationships amongst members of the community organizations. Observations from field visits and discussions with field staff suggest that underlying the improvement in skills, income and local physical infrastructure, a deeper change in the patterns of social life and consciousness may be occurring. A shift appears to be taking place from an atomized and fragmented community to a recovery of a sense of community identity. As an old man in village Bhambore in Nurpur Thal put it: "By learning to consult and work together we have discovered our wholeness?". This profound change in the patterns of social life and consciousness needs to be documented and researched. The NRSP does not currently have the ability to do so.
2. With the emergence of RSPs in other provinces of the country increasing demands are being made on the training capacity of the HRD component of NRSP as well as its senior management to deepen and extend the process of participatory development in the country. NRSP currently does not have the capacity to initiate, support, and supervise other RSPs all over the country without compromising the quality of its own program work.
3. There are monthly, quarterly and six monthly evaluation and planning meetings in field units, Regional Programme Offices and Head Office of NRSP respectively. These internal evaluation and planning exercises are based entirely on the experience and knowledge of its staff in field offices, RPOs and Head Office, with tendency to get into routine thinking on work procedures and programs. There may be a need to pull the NRSP staff from routine bound mind-set to developing innovative approaches to social mobilization, program designs, technologies and even management procedures.
4. At the moment, no significant technology development is being done. For example, while social mobilizers and personnel in Regional Programme Offices are able to help the community to identify conventional projects (e.g., animal husbandry or Peter pumps), they are not equipped to prepare project feasibility for small scale non-traditional technologies such as single turbine installed in a stream or canal for electricity generation, or use of biogas for energy production or development of





**Interim Evaluation of the  
National Rural Support  
Programme**

alternative construction materials for low cost housing. There may be a need for developing the institutional capacity to establish and then draw upon a wide data base for small scale technologies.

In order to strengthen the capacity of NRSP in the context of the above mentioned four features, it is proposed that a Resource Persons Support Group within the existing RSP Network Cell may be established under the leadership of the Chairman NRSP. Members of the group while being thoroughly familiar with the methodology of Participatory Development should cover the following specialized fields: (i) Social Sciences Research, (ii) Social Organization, (iii) Micro Credit and Enterprise, (iv) Social Sectors such as health, education, population planning (v) Human Resource Development, (vi) Planning, Monitoring and Evaluation, (viii) Small scale technology development, (viii) Management. The Resource Persons Support Group would perform the following functions:

1. Establish a Research Group, which on the basis of field visits and discussions with social mobilizers, RPOs, and Managers in HRD and MAP, to design research programs related to the economic, social and cultural impact of participatory development undertaken by the NRSP and other rural support programs in the country. This research could be under taken either by members of the research group or other researchers on a contract basis. Consultants for Social Sciences Research should have the ability to design and supervise research in social anthropology, cultural studies and economics. They may be working in universities, research institutes or consultancy firms inside Pakistan or abroad, but could come together in a collegial way and meet for RSP work on a regular basis.
2. The sector specialists in the Resource Persons Support Group would be working with RSP on a full time basis. They would be expected to travel to each of the program areas of other RSPs (e.g., PRSP, SRSC, and others expected to be established in Sindh and Balochistan). The role of the sector specialists would be two-fold: (a) to guide the work of managers in program areas of RSPs, (b) monitor performance of these RSPs and report on a regular monthly basis to the Chairman of these RSPs and NRSP.
3. The HRD specialist and others in the Resource Support group would help to substantially enlarge the capacity of the HRD unit at NRSP to enable it to train personnel for other RSPs in the country.
4. Establish a small-scale technology research and development data base. The technology development specialist would bring to bear this data base for developing innovative program packages in NRSP and other RSPs.



**Interim Evaluation of the  
National Rural Support  
Programme**

5. Individual members of the Group would attend planning workshops on a quarterly basis with RPOs selected social mobilizers and members of MAP and HRD to discuss research findings, and to get them out of routine thinking, with a view to developing innovative approaches to both management and programs.
6. The Group could develop orientation workshops for students in various universities and personnel in research institutes, banks and autonomous organizations, such as WAPDA, government line departments and training institutions of national and provincial governments as well as the armed forces. These orientation workshops would introduce the theory and practice of participatory development. The work would involve lectures, tutorials and field visits.
7. Organize policy dialogues with national and provincial governments, donor agencies, and other governments in the SAARC countries.





**Interim Evaluation of the  
National Rural Support  
Programme**

## **TERMS OF REFERENCE OF THE EVALUATION MISSION FOR THE INTERIM ASSESSMENT OF NRSP**

### **I. BACKGROUND**

#### **1.1 Social Mobilisation in Pakistan**

During the first three decades of Pakistan's existence, since gaining independence in 1947, development programmes in Pakistan were restricted largely to those implemented by the government departments, with or without donor support. The early efforts of community-based development through the Village Aid Programme initiated in the 1950's did not take root. The success of the Comilla Programme in forming small farmers co-operatives in the former East Pakistan (now Bangladesh), had no parallel in West Pakistan.

The Rural Works Programme of the 1960's, and the People's Works Programme of the 1970's, were not designed to create participatory grassroots institutions. Development inputs were managed by the implementing agencies and only a small fraction reached the ultimate beneficiaries. The absence of local institutions meant that the development process was discontinuous, coming to a complete halt as soon as that particular programme was discontinued.

In a country where succeeding governments have often suspended programmes initiated by the preceding government, and sometimes even sought to dismantle institutions created under previous programmes, changes of government have meant frequent disruptions in the development process. In this sea of uncertainty, development practitioners have come to understand that development can only be realised when local communities form their own institutions, which are independent of government control, to undertake development.

The lessons of Comilla were adapted and applied to other regions in Pakistan. One of the major successes has been the Aga Khan Rural Support Programme (AKRSP) in the Northern Areas of Pakistan. The fundamental principles of these programmes are: that poor communities can be organised into participatory institutions to undertake their own development; that they can be taught the benefits of capital formation and entrepreneurship through a persistent savings and credit programme; and that their skills can be upgraded to enable community workers to provide technical and social services to their communities remained dominant in these programmes. Most of all, through participation in these processes, the communities learn to rely on themselves, and learn that with their collective wisdom, and shared resources, they can equip themselves better to adapt to the rapidly changing economy. Perhaps the most important benefit of these programmes is that, while the initial lessons are being internalised, the communities also succeed in creating an institutional base which can be used as a low-cost implementing agency for subsequent development interventions, and for operation and maintenance of development and social





## Interim Evaluation of the National Rural Support Programme

services. After the initial thrust on economic development, the beneficiaries seek, arrange for, and are willing to pay for health, education, and other services, otherwise not available to their communities. The model starts with an initial emphasis on economic development at the micro level, which fuels the need for further human social development and, more importantly, generates the resources which allow people to respond to that locally felt need. While inevitably a slow process, independent evaluation of AKRSP has revealed remarkable improvements in the quality of life due to capacity building.

### 1.2 History of NRSP and its evolution

Success of AKRSP in Northern Areas encouraged the development practitioners, donors and governments to form similar support organisations in other areas of Pakistan. Sarhad Rural Support Corporation (SRSC) in NWFP and Balochistan Rural Support Programme (BRSP) in Balochistan are examples of such initiatives.

In 1992, recognising the success achieved by the OPP and the AKRSP, the Government of Pakistan, following the initiative of provincial governments, decided to sponsor a nation wide programme of institution building at the grassroots to replicate the AKRSP model for various development programmes which could lead to improvement in quality of life of rural poor. For this purpose, the government committed an amount of Rs. one billion annually to the National Rural Support Programme and decided to link its Social Action Programme with the COs to be fostered by NRSP. Later in 1994, as a recognition of the approach adopted by NRSP, UNDP also made commitment to provide technical assistance to NRSP under project agreement PAK/92/006 to strengthen the capacity of the NRSP to enable it to act as the lead agency for the implementation of a nation-wide programme of institution building at the grassroots. However, due to change in the government, the commitment of Rs. one billion for the first year was reduced to Rs. 500 million. Accordingly, the Board of Directors of NRSP decided to reduce the scope of operations of NRSP to eight districts as compared to sixteen districts yearly, originally conceived.

By the end of 1993, NRSP established all regional offices and most field units and started various programme activities which mainly included, programme introduction to communities and other stakeholders, preparation of training modules, credit programme design and testing, and some activities pertaining to natural resource management. A full fledged programme was started in 1994.

In view of the changed circumstances due to induction of a not too favourable government and de-linking of the governments' Social Action Programme (SAP) with NRSP, the Board of Directors also looked at refinement of the strategy sponsored by AKRSP, as unlike AKRSP





## Interim Evaluation of the National Rural Support Programme

there were no large donor grants available to NRSP. It had to meet all its programme and administrative costs from within the amount of profits accrued on the endowment of Rs. 500 million. NRSP, therefore, adopted an organic, pragmatic, sociological approach and unlike AKRSP allocated little or no funds for grants and subsidies especially for Productive Physical Infrastructure (PPIs), the main entry point of AKRSP programme package. The salient features of this approach have been:

- i. harnessing peoples willingness to do things themselves by organizing the Cos;
- ii. helping in identification of genuine Activists from the community and building their capacity through a human resource development programme and fostering a large cadre of village activists;
- iii. keeping the number of professional staff to the barest minimum with greater dependence for most programme activities on village Activists;
- iv. undertaking feasibility study of CO/members proposals for income generation and social development in terms of capacity of the CO/members to implement and sustain, the identified activity, cost effectiveness of the activity and resources required;
- v. making resources available to CO/members mostly through a line of credit or in some cases by accessing government, donor or private sector funds; and
- vi. forging linkages, especially in the Social Sector and the line departments, with Cos.

### 1.3 Programme goal and objectives:

The goal of the programme was conceived as "improved quality of life of rural poor. However, NRSP believed that ready made packages for improving the quality of life will not lead to improvement in quality of life as only the people themselves can identify their priorities and if they are allowed participation, they can undertake various income generating and other activities, which would lead to sustainable development and improvement in quality of life. Although a slow process, NRSP believed that the social mobilization model already tested was the only sustainable model for improving the quality of life of rural poor.

Following the principles of social mobilization, NRSP believed that the communities will be able to build their capacity to such an extent that the government and other agencies will find the organised communities(Community Organisations) as appropriate platforms for



## Interim Evaluation of the National Rural Support Programme

implementing most development programmes. Whereas NRSP would support the communities through programmes for skills enhancement, would promote savings among the communities, would create access to small credit lines for various income generating and developmental activities, the communities so organised will be able to build their confidence for taking responsibility for initiating various developmental activities in partnership with the government and other stakeholders. NRSP believed that its training programme would help communities build their capacity to reduce losses and improve productivity.

Further, through continuous training and interaction with the community members, NRSP will be able to create a cadre of community activists who will lead the communities and will manage their institutions at the grassroots for making the programme sustainable.

Later this concept was translated into the following conceptual programme package:

- Social Guidance (harnessing peoples willingness, through organising the communities, creating a base for capital formation through savings, and upgrading skills
- Technical Assistance for improving productivity and reducing losses
- Human Resource development, a continuous programme of training
- Line of Credit
- Linkages with other programmes
- Following this strategy, NRSP expects significant changes in the pattern of resource allocation and productivity as capital and skills develop with the maturity of the social organization.

### **1.4 Organisational Structure: (See page 109 of the 4th Annual Report)**

The Core programme of NRSP is managed through seven sectors/sections; five regional offices from endowment funds and three regional offices from grant funds. Each region has some field offices depending on the size of the programme. The sectors are headed by Programme Managers and the regional offices are headed by Regional Programme Officers. Strength of all regions and sectors depend on the amount of work. However, each field unit must have at least one male social organiser and one female social organiser.





## **Interim Evaluation of the National Rural Support Programme**

All RPOs/Team Leaders and Programme Managers are the members of the management team which is headed by a General Manager/Chief Executive who reports to the Board of Directors. The Board of Directors has constituted an Executive Committee which examines proposals in detail for informed decisions by the Board.

### **1.5 Major programme interventions:**

Please see the following documents:

- a. Fourth Annual Progress Report
- b. Credit Policy Brief
- c. Programme Update as of December 1997

### **1.6 Programme potential and constraints**

Due to absence of participatory approach, people in Pakistan generally take the NRSP programme as a blessing. At most locations, currently, the programme is being introduced by some communities to the other communities themselves. This is evident from the fact that while NRSP did not increase its staff during the last two years, the number of communities being organised is increasing at a much higher pace. Can NRSP continue with this pace with the existing staff? Will the Activists take over full responsibility for managing the Cos?

The COs which have attained age of more than one year are engaged in various activities, mostly related to income generation. COs have also made clusters for taking advantage of bulk purchases or marketing of their products. Some of the COs have shown their capacity to carry out various small size infrastructure schemes. They have also taken responsibility for operation and maintenance of such schemes. Now they want to enter into larger enterprises and infrastructures schemes. They are also willing to contribute larger amount of funds for such schemes. But the departments and agencies responsible for implementing such schemes are not forthcoming as was conceived. This could have an adverse effect on the sustainability of such COs and clusters.

### **1.7 Programme progress as of December 31, 1997**

Please see attached a Programme Update showing quantitative progress of the programme



## **Interim Evaluation of the National Rural Support Programme**

## **II. PURPOSE OF ASSESSMENT**

The programme is moving towards achieving the immediate objective of capacity building of the community which would lead to good governance at the village level, access of men and women to development, and sustainability of forums for development. In particular credit and training components are providing essential inputs for building the human and financial capacity of the community.

In the above context and programme constraints, the evaluation mission is expected to determine:

- i. the soundness of the approach being followed by NRSP;
- ii. the strengths and weaknesses of HRD section and how it can become financially sustainable and a lead institution for participatory development in Pakistan;
- iii. the viability of the credit programme;
- iv. major programmatic, managerial and operational issues and impediments encountered in the programme, keeping in view major geographical and ethnic variations with the programme area;
- v. indicators and analytical ratios for ongoing monitoring of the programme and reporting to donors;
- vi. areas and type of future support which may be required by NRSP considering the expanding programme scale; and
- vii. Institutional maturity level of the COs. The review to be based in the context of available resources with NRSP.

## **III. SCOPE OF WORK**

It is proposed that in order to meet the purpose of the evaluation, the mission may like to consider the following options , in consultation with NRSP management and staff at all levels:

- study existing reports and reviews;
- meet with the communities at CO level and cluster level;





**Interim Evaluation of the  
National Rural Support  
Programme**

- meet with the line agencies with which NRSP has created linkages;
- study the performance of other RSPs/NGDOs and government agencies responsible for rural development as a comparative;
- review staffing pattern in relation to the scope of activities in the programme, if this needs a revision so as to meet the project objectives;
- analyse the performance of the programme in particular of credit and training considering gender, sustainability and governance issues;
- analyse supplementary activities performed through linkages which cannot be easily monitored but have significant monetary value, such as creating access to improved agricultural technologies and inputs;
- analyse the technical skills acquired by the COs in identification of social sector needs, taking responsibility for operation and maintenance and whether the government schemes can be handed over to the COs for sustainable operation and maintenance;
- analyse if NRSP is building its own capacity to meet expanding needs for training of field staff, community, government and other agencies;
- review constraints associated with increasing community needs for training and technical assistance and what alternates are available to overcome such constraints;
- review with HRD leaders their target setting processes, the rules which they apply in fixing annual goals and the suggestions which they have for improving the process;
- discuss with HRD leaders their long term vision of the prospects for human resource development in the programme areas of NRSP; the constraints which they identify, the opportunities and needs and the suggestions which they have for improving focus and performance;
- review with the staff for credit, their duties and quantum of work to determine how the needs of an expanding credit programme could be met;
- review with the NRSP staff and management the experiences with and results of the integration of GAD in NRSP, including male and female integrated field units, the



**Interim Evaluation of the  
National Rural Support  
Programme**

integration of concerns of females in need assessment, their role in development of local level initiatives;

- review with the staff and the community to find out if there is a need for a separate GAD staff at the regional level;
- review the credit disbursement portfolio by package, location and gender from available reports;
- review history of late recoveries, defaults if any to determine financial strength of the programme;
- review the pace of credit disbursement in relation to available resources and determine delivery cost;
- review the sustainability of the RCED programme and the cost effectiveness of the delivery mechanism;
- review the processes of need assessment, appraisal, sanctioning, and the repayment of the loans;
- review monitoring systems for checking utilisation and impact;
- review the accounting and reporting system of credit;
- review the need for strengthening Natural Resource Management section considering the current programme area and its potential;
- review the effectiveness of linkages with other institutions;
- assess the mission and objectives of the PITD section in the context of NRSP policy and lack of resources for Productive Physical Investment (PPIs) as investment in organization;
- assess the capacity of members of the COs, where PITD section has launched infrastructure schemes, to undertake the implementation, and operation and maintenance of Infrastructure schemes; and





**Interim Evaluation of the  
National Rural Support  
Programme**

- assess the capacity of NRSP and make recommendations for acting as a resource centre for other Rural Support Programmes in Pakistan and in the SAARC countries.

#### **IV. EXPECTED OUTPUT**

A report describing the history and evolution of NRSP programme and how it changed its approach from time to time to respond to pragmatic, sociological needs. How NRSP grew into a larger organization. What lessons were learnt and what other lessons may be learnt as far as the process is concerned. An assessment of the programme constraints and strengths. An assessment of work performed by NRSP in comparison to similar programmes with special focus on credit and human resource development. Recommendations for NRSP management for improving existing management structure, programme packages and processes especially for replications and acting as a resource centre for other RSPs. A statement of indicators and yardsticks for future monitoring and evaluation.



**Interim Evaluation of the  
National Rural Support  
Programme**

## **PROGRAMME UPDATE AS OF DECEMBER 31, 1997**

### **ORGANIZATIONAL WORK**

|   |                                |                   |
|---|--------------------------------|-------------------|
| o | COs FORMED                     | 4,510             |
| o | NUMBER OF CO MEMBERS           | 107,869           |
| o | TOTAL SAVINGS OF<br>CO MEMBERS | Rs 66.97 million  |
| o | CREDIT DISBURSED               | Rs 378.76 million |

### **COMMUNITY ORGANIZATION (CO) FORMED**

|              | <b>RWP</b>   | <b>KHB</b> | <b>BDN</b> | <b>RWK</b> | <b>TBT</b> | <b>MDN</b> | <b>D.G.<br/>KHAN</b> | <b>VEHARI</b> | <b>TOTAL</b> |
|--------------|--------------|------------|------------|------------|------------|------------|----------------------|---------------|--------------|
| MALE         | 615          | 473        | 599        | 355        | 175        | 271        | 122                  | 253           | <b>2863</b>  |
| FEMALE       | 284          | 276        | 246        | 217        | 174        | 18         | -                    | -             | <b>1215</b>  |
| MIXED        | 288          | 18         | 41         | 61         | 24         | -          | -                    | -             | <b>432</b>   |
| <b>TOTAL</b> | <b>1,187</b> | <b>767</b> | <b>886</b> | <b>633</b> | <b>373</b> | <b>289</b> | <b>122</b>           | <b>253</b>    | <b>4510</b>  |

### **COMMUNITY ORGANIZATION (CO) MEMBERSHIP**

|              | <b>RWP</b>   | <b>KHB</b>   | <b>BDN</b>   | <b>RWK</b>   | <b>TBT</b>  | <b>MDN</b>  | <b>D.G.<br/>KHAN</b> | <b>VEHARI</b> | <b>TOTAL</b>  |
|--------------|--------------|--------------|--------------|--------------|-------------|-------------|----------------------|---------------|---------------|
| MALE         | 17882        | 10076        | 16463        | 9609         | 4498        | 9443        | 2005                 | 5229          | <b>75205</b>  |
| FEMALE       | 9076         | 5579         | 5643         | 7352         | 4707        | 307         | -                    | -             | <b>32664</b>  |
| <b>TOTAL</b> | <b>26958</b> | <b>15655</b> | <b>22106</b> | <b>16961</b> | <b>9205</b> | <b>9750</b> | <b>2005</b>          | <b>5229</b>   | <b>107869</b> |





### SAVINGS OF COMMUNITY ORGANIZATIONS (In Rupees)

|              | RWP               | KHB               | BDN              | RWK               | TBT              | MRD            | D.G. KHAN      | VEHARI           | TOTAL             |
|--------------|-------------------|-------------------|------------------|-------------------|------------------|----------------|----------------|------------------|-------------------|
| SAVINGS      | 4,053,924         | 3,275,225         | 2,659,538        | 6,251,818         | 2,255,339        | 425,249        | 700,000        | 379,500          | 20,000,593        |
| COLLATERAL   | 14,616,700        | 12,193,089        | 4,109,925        | 8,376,860         | 1,274,100        | 237,960        | -              | 6,162,150        | 46,970,784        |
| <b>TOTAL</b> | <b>18,670,624</b> | <b>15,468,314</b> | <b>6,769,463</b> | <b>14,628,678</b> | <b>3,529,439</b> | <b>663,209</b> | <b>700,000</b> | <b>6,541,650</b> | <b>66,971,377</b> |

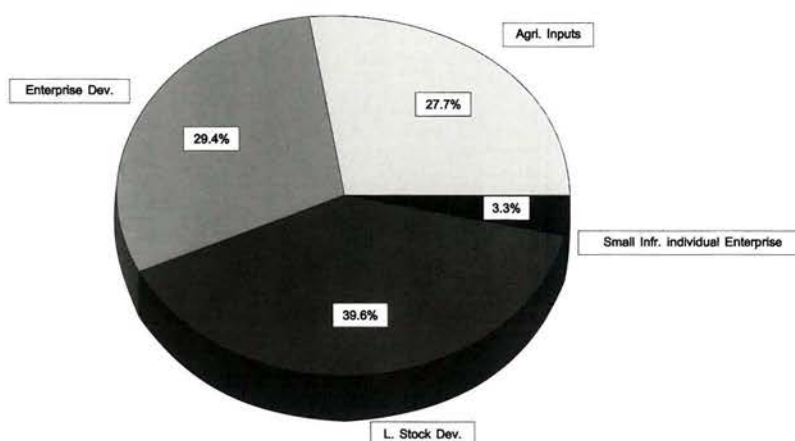


**Interim Evaluation of the  
National Rural Support  
Programme**

## RURAL CREDIT & ENTERPRISE DEVELOPMENT

|                    |                 |
|--------------------|-----------------|
| CREDIT DISBURSED   | Rs. 378,763,645 |
| HOUSEHOLDS COVERED | 24,891          |
| COs COVERED        | 2,175           |
| Male               | 1,399           |
| Female             | 488             |
| Mixed              | 288             |

### CREDIT DISBURSED







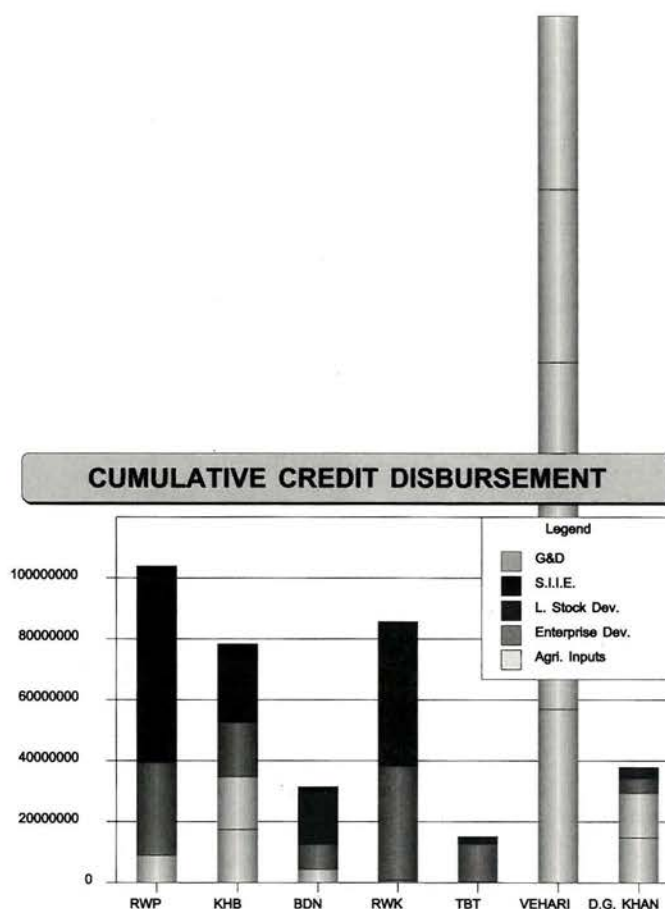
|                                                      |           |
|------------------------------------------------------|-----------|
| <b>AVERAGE CREDIT SIZE</b>                           | Rs 15,217 |
| AGRI-INPUTS                                          | Rs 10,298 |
| LIVESTOCK DEVELOPMENT                                | Rs 17,619 |
| ENTERPRISE DEVELOPMENT                               | Rs 19,906 |
| GUIDANCE AND DEMONSTRATION                           | Rs 32,444 |
| SIIE                                                 | Rs 20,054 |
| <b>SMALL INFRASTRUCTURE AS INDIVIDUAL ENTERPRISE</b> |           |



**Interim Evaluation of the  
National Rural Support  
Programme**

**CREDIT DISBURSEMENT BY GENDER**

| CREDIT LINE                                   | MALES  | FEMALES |
|-----------------------------------------------|--------|---------|
| AGRI-INPUTS                                   | 97.63% | 2.37%   |
| LIVESTOCK DEVELOPMENT                         | 56.75% | 43.25%  |
| ENTERPRISE DEVELOPMENT                        | 80.33% | 19.67%  |
| GUIDANCE AND DEMONSTRATION                    | 100%   | 0%      |
| SIIE                                          | 82.41% | 17.59%  |
| SMALL INFRASTRUCTURE AS INDIVIDUAL ENTERPRISE |        |         |

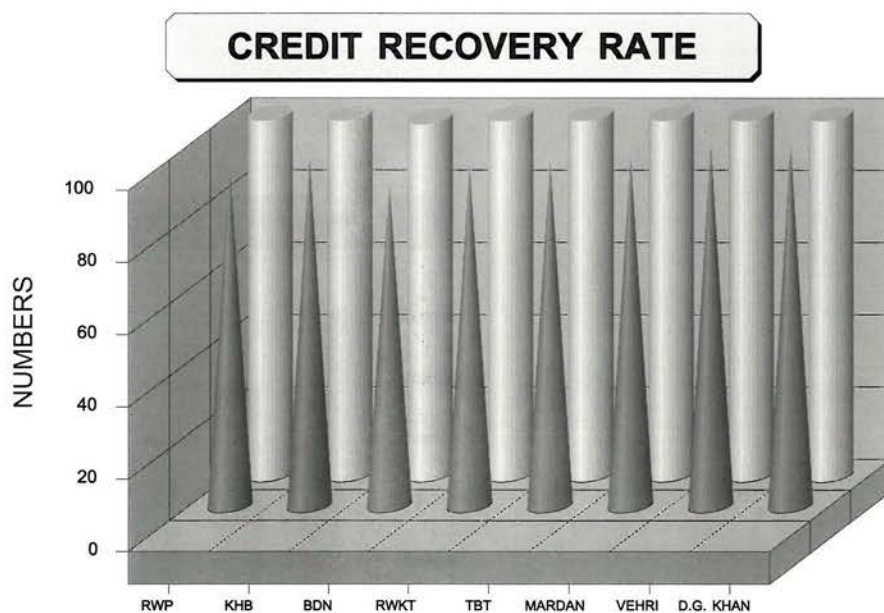






**Interim Evaluation of the  
National Rural Support  
Programme**

|                             | <b>WITHIN<br/>DUE DATE</b> | <b>FINAL</b> |
|-----------------------------|----------------------------|--------------|
| <b>CREDIT RECOVERY RATE</b> | 94%                        | 99.9%        |
| RAWALPINDI                  | 93%                        | 100%         |
| BADIN/MIRPURKHAS            | 89%                        | 99%          |
| KHUSHAB                     | 96%                        | 100%         |
| RAWALAKOT                   | 94%                        | 100%         |
| TURBAT                      | 95%                        | 100%         |
| MARDAN                      | 96%                        | 100%         |
| VEHARI                      | 100%                       | 100%         |
| D. G. KHAN                  | 100%                       | 100%         |





**Interim Evaluation of the  
National Rural Support  
Programme**

| <b>HUMAN RESOURCE DEVELOPMENT</b>  |               |               |               |
|------------------------------------|---------------|---------------|---------------|
| <b>COMMUNITY ACTIVISTS TRAINED</b> |               |               |               |
|                                    | <b>MALE</b>   | <b>FEMALE</b> | <b>TOTAL</b>  |
| Managerial Training                | 2938          | 950           | 3888          |
| Technical Training                 | 1856          | 1295          | 3151          |
| Vocational Training                | 63            | 18            | 81            |
| Activist Workshop                  | 5190          | 1911          | 7101          |
| Refreshers                         | 306           | 83            | 389           |
| Subject Specific Workshops         | 7,121         | 1,002         | 8,123         |
| <b>TOTAL</b>                       | <b>17,474</b> | <b>5,259</b>  | <b>22,733</b> |







**Interim Evaluation of the  
National Rural Support  
Programme**

**MANAGERIAL TRAINING**

| <b>SPECIALIZED COURSES FOR ACTIVISTS</b>           |              |               |              |
|----------------------------------------------------|--------------|---------------|--------------|
|                                                    | <b>MALE</b>  | <b>FEMALE</b> | <b>TOTAL</b> |
| <b>COMMUNITY ACTIVISTS ACTION PLAN</b>             | <b>148</b>   | <b>33</b>     | <b>181</b>   |
| <b>COMMUNITY MANAGEMENT SKILLS TRAINING</b>        | <b>1341</b>  | <b>508</b>    | <b>1849</b>  |
| <b>LEADERSHIP &amp; MANAGEMENT SKILLS TRAINING</b> | <b>368</b>   | <b>102</b>    | <b>470</b>   |
| <b>RCED CREDIT BOOK KEEPING TRAINING</b>           | <b>962</b>   | <b>211</b>    | <b>1173</b>  |
| <b>SKILLS FOR RURAL MARKETING</b>                  | <b>33</b>    | <b>4</b>      | <b>37</b>    |
| <b>TEACHER TRAINING</b>                            | <b>86</b>    | <b>92</b>     | <b>178</b>   |
| <b>TOTAL</b>                                       | <b>2,938</b> | <b>950</b>    | <b>3,888</b> |

**VOCATIONAL TRAINING**

| <b>SPECIALIZED COURSES FOR ACTIVIST</b> |             |               |              |
|-----------------------------------------|-------------|---------------|--------------|
|                                         | <b>MALE</b> | <b>FEMALE</b> | <b>TOTAL</b> |
| <b>AUTO MECHANIC</b>                    | <b>12</b>   | <b>0</b>      | <b>12</b>    |
| <b>CARPENTRY</b>                        | <b>3</b>    |               | <b>3</b>     |
| <b>ELECTRICIAN</b>                      | <b>19</b>   |               | <b>19</b>    |
| <b>REFRIGERATION &amp; AC</b>           | <b>1</b>    |               | <b>1</b>     |
| <b>RMG</b>                              | <b>0</b>    | <b>18</b>     | <b>18</b>    |
| <b>TAILORING</b>                        | <b>26</b>   |               | <b>26</b>    |
| <b>WELDING</b>                          | <b>2</b>    |               | <b>2</b>     |
| <b>TOTAL</b>                            | <b>63</b>   | <b>18</b>     | <b>81</b>    |



**Interim Evaluation of the  
National Rural Support  
Programme**

**TECHNICAL TRAINING**

| <b>SPECIALIZED COURSES FOR ACTIVIST</b> |             |               |              |
|-----------------------------------------|-------------|---------------|--------------|
|                                         | <b>MALE</b> | <b>FEMALE</b> | <b>TOTAL</b> |
| BEE KEEPING TRAINING                    | 320         | 12            | 332          |
| DATE POST HARVEST TRAINING              | 92          | 19            | 111          |
| EPIDEMIC PREVENTION                     | 34          | 1             | 35           |
| FISH FARMING                            | 19          | 0             | 19           |
| FOOD & NUTRITION                        | 0           | 5             | 5            |
| LIVESTOCK MANAGEMENT                    | 58          | 227           | 285          |
| LIVESTOCK SPECIALIST TRAINING           | 537         | 0             | 537          |
| NURSERY RAISING TRAINING                | 136         | 24            | 160          |
| ORCHARD DEVELOPMENT MANAGEMENT          | 21          | 0             | 21           |
| PITD/PIPE FITTING/WATER PURIFICATION    | 143         | 28            | 171          |
| PLANT PRODUCTION & PROTECTION TRAINING  | 54          | 0             | 54           |
| POULTRY SPECIALIST TRAINING             | 206         | 537           | 743          |
| TBA TRAINING                            | 0           | 289           | 289          |
| VEGETABLE PRODUCTION TRAINING           | 236         | 153           | 389          |
| <b>TOTAL</b>                            | <b>1856</b> | <b>1295</b>   | <b>3151</b>  |





**Interim Evaluation of the  
National Rural Support  
Programme**

| COMMUNITY ACTIVISTS ATTENDING REFRESHER WORKSHOPS |      |        |       |
|---------------------------------------------------|------|--------|-------|
|                                                   | MALE | FEMALE | TOTAL |
| ACTIVISTS' WORKSHOPS                              | 5190 | 1911   | 7101  |
| TOTAL                                             | 5190 | 1911   | 7101  |
| BEE KEEPING TRAINING                              | 59   | 3      | 62    |
| LEADERSHIP & MANAGEMENT SKILLS TRAINING           | 21   | 4      | 25    |
| LIVESTOCK SPECIALIST TRAINING                     | 193  | 9      | 202   |
| PLANT PRODUCTION AND PROTECTION                   | 13   | 0      | 13    |
| POULTRY SPECIALIST TRAINING                       | 15   | 19     | 34    |
| TBA TRAINING                                      | 0    | 36     | 36    |
| TEACHERS TRAINING                                 | 5    | 12     | 17    |
| TOTAL                                             | 306  | 83     | 389   |
| SUBJECT SPECIFIC                                  | 7121 | 1002   | 8123  |
| TOTAL                                             | 7087 | 1002   | 8123  |



**Interim Evaluation of the  
National Rural Support  
Programme**

| PHYSICAL INFRASTRUCTURE SCHEMES         |                |                 |              |                |
|-----------------------------------------|----------------|-----------------|--------------|----------------|
|                                         | By<br>Linkages | Direct<br>Input | By<br>Credit | Total          |
| <b>SCHEMES IDENTIFIED BY COs</b>        |                |                 |              | <b>2,893</b>   |
| <b>Estimated beneficiary households</b> |                |                 |              | <b>195,202</b> |
| <b>SCHEMES INITIATED</b>                | <b>243</b>     | <b>335</b>      | <b>372</b>   | <b>950</b>     |
| <b>Beneficiary households</b>           | <b>7168</b>    | <b>28732</b>    | <b>821</b>   | <b>36721</b>   |
| <b>SCHEMES COMPLETED</b>                | <b>239</b>     | <b>220</b>      | <b>352</b>   | <b>811</b>     |
| <b>Beneficiary households</b>           | <b>7057</b>    | <b>19207</b>    | <b>654</b>   | <b>26918</b>   |
| <b>DRINKING WATER SUPPLY SCHEMES*</b>   |                |                 |              |                |
| <b>INITIATED</b>                        | <b>78</b>      | <b>197</b>      | <b>1</b>     | <b>276</b>     |
| <b>Beneficiary households</b>           | <b>3587</b>    | <b>9244</b>     | <b>30</b>    | <b>12861</b>   |
| <b>NEW SCHEMES COMPLETED</b>            | <b>78</b>      | <b>106</b>      | <b>1</b>     | <b>185</b>     |
| <b>Beneficiary households</b>           | <b>3587</b>    | <b>4336</b>     | <b>30</b>    | <b>7953</b>    |
| <b>OLD SCHEMES REHABILITATED</b>        | <b>-</b>       | <b>11</b>       | <b>-</b>     | <b>11</b>      |
| <b>Beneficiary households</b>           | <b>-</b>       | <b>1028</b>     | <b>-</b>     | <b>1028</b>    |
| <b>OTHER INFRASTRUCTURE SCHEMES</b>     |                |                 |              |                |
| <b>INITIATED</b>                        | <b>165</b>     | <b>138</b>      | <b>371</b>   | <b>674</b>     |
| <b>Beneficiary households</b>           | <b>3581</b>    | <b>19488</b>    | <b>791</b>   | <b>23860</b>   |
| <b>COMPLETED</b>                        | <b>161</b>     | <b>103</b>      | <b>351</b>   | <b>615</b>     |
| <b>Beneficiary households</b>           | <b>3470</b>    | <b>13843</b>    | <b>624</b>   | <b>17937</b>   |

\*Including Link Roads, Culverts, Karez, Lift Irrigation, Street Soling, Check Dams, etc.





**Interim Evaluation of the  
National Rural Support  
Programme**

**COST OF COMPLETED  
PHYSICAL INFRASTRUCTURE  
SCHEMES**

|                                       |                      |
|---------------------------------------|----------------------|
| <b>TOTAL COST</b>                     | <b>Rs 23,828,549</b> |
| <b>CONTRIBUTION BY COMMUNITY</b>      | <b>Rs 8,284,627</b>  |
| <b>CONTRIBUTION BY NRSP</b>           | <b>Rs 9,585,212</b>  |
| <b>CONTRIBUTION BY OTHER AGENCIES</b> | <b>Rs 5,958,710</b>  |



**Interim Evaluation of the  
National Rural Support  
Programme**

**PROGRAMME INPUTS**

**NATURAL RESOURCE MANAGEMENT**

|                                                        |                  |
|--------------------------------------------------------|------------------|
| <b>o ANIMALS &amp; POULTRY VACCINATED<sup>▲</sup></b>  | <b>2,173,500</b> |
| Households benefited                                   | 254,660          |
| <b>o SAPLINGS PLANTED<sup>▲</sup></b>                  | <b>4,710,300</b> |
| Households benefited                                   | 15,100           |
| <b>o POULTRY UNITS<sup>▲*</sup></b>                    | <b>28,392</b>    |
| Households benefited                                   | 4,300            |
| <b>o PEST CONTROL MEDICINES<sup>▲</sup></b>            |                  |
| (value in rupees)                                      | 2,929,700        |
| Households benefited                                   | 12,400           |
| <b>o IMPROVED SEED (kg.)<sup>▲</sup></b>               | <b>549,700</b>   |
| (Maize, rice, wheat, oat,<br>oilseed & vegetable seed) |                  |
| Households benefited                                   | 41,300           |

▲Inputs taken by CO members/others at cost

\*One poultry unit consists of 6 birds





**Interim Evaluation of the  
National Rural Support  
Programme**

## PROGRAMME INPUTS

### NATURAL RESOURCE MANAGEMENT

|   |                                                                                  |                  |
|---|----------------------------------------------------------------------------------|------------------|
| o | <b>PLANT NURSERIES</b> ♦                                                         | <b>153</b>       |
| o | <b>PLANTS RAISED</b> ♦                                                           | <b>2,100,300</b> |
| o | <b>DEMONSTRATION PLOTS</b> ♦<br>(Rice, wheat, orchards,<br>oilseed & vegetables) | <b>925</b>       |
|   | <b>Households benefited</b>                                                      | <b>11,000</b>    |

♦ Inputs taken by CO members/others on contribution or credit



## SOCIAL SECTOR SERVICES (SSS)

|                             | MALE | FEMALE | TOTAL      |
|-----------------------------|------|--------|------------|
| <b>COMMUNITY SCHOOLS</b>    |      |        | <b>136</b> |
| NUMBER OF STUDENTS          | 1465 | 2849   | 4314       |
| EDUCATION COMMITTEE MEMBERS | 383  | 242    | 625        |
| TEACHERS                    | 62   | 105    | 167*       |

\* One female teacher is running two schools, one in the morning and one in the evening





**Interim Evaluation of the  
National Rural Support  
Programme**

## ITINERARY OF THE EVALUATION MISSION

|                        |                                                                                                                                |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Monday, February 23    | Meet with senior staff of NRSP<br>Review schedule<br>Meet with UNDP Resident Representative                                    |
| Tuesday, February 24   | NRSP programme briefing<br>Meet with HO sectoral specialists                                                                   |
| Wednesday, February 25 | Meet with HO sectoral specialists                                                                                              |
| Thursday, February 26  | Travel to Rawalakot<br>Briefing at Rawalakot RP<br>Field visits                                                                |
| Friday, February 27    | Participate in District Planning Meeting<br>Meet with group of Activists<br>Field visits (including Hajeera Field Unit)        |
| Saturday, February 28  | Meet with RP sectoral specialists<br>Meet with Rawalakot Field Unit staff<br>Debriefing at Rawalakot RP<br>Travel to Islamabad |
| Sunday, March 1        | Reading/Report writing                                                                                                         |
| Monday, March 2        | Reading/Report writing                                                                                                         |
| Tuesday, March 3       | Travel to Khushab RP<br>Field visit (including Chakwal Field Unit)<br>Briefing at Khushab RP                                   |
| Wednesday, March 4     | Meet with RP sectoral specialists<br>Field visit<br>Meet with District Officers, bank managers<br>and Deputy Commissioner      |
| Thursday, March 5      | Field visit (including Quaidabad Field Unit)<br>Meet with Joharabad Field Unit staff<br>Meet with RP staff                     |



**Interim Evaluation of the  
National Rural Support  
Programme**

|                     |                                                                                                                                                                                         |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Friday, March 6     | Field visit (including Noor Pur Thal Field Unit)<br>Debriefing at Khushab RP<br>Travel to Islamabad                                                                                     |
| Saturday, March 7   | Visit Applied Research Pilot Project<br>Report writing                                                                                                                                  |
| Sunday, March 8     | Travel to Badin<br>Field visit                                                                                                                                                          |
| Monday, March 9     | Briefing at Badin Mirpurkhas RP<br>Meet with group of Activists<br>Meet with Badin RP sectoral specialists<br>Field visit (including Digri Field Unit)<br>Travel to Mirpurkhas          |
| Tuesday, March 10   | Meet with Mirpurkhas Field Unit staff<br>Field visit<br>Travel to Karachi                                                                                                               |
| Wednesday, March 11 | Meet with President, Habib Bank<br>Meet with NRSP Chairman and General Manager<br>Report writing                                                                                        |
| Thursday, March 12  | Field visit to Orangi Pilot Project<br>Meet with Commissioner and other provincial government Officials<br>Report writing                                                               |
| Friday, March 13    | Travel to Turbat<br>Meet with Commissioner<br>Briefing at Turbat RP<br>Meet with Turbat RP sectoral specialists<br>Meet with Turbat Field Unit staff<br>Travel to Karachi and Islamabad |





**Interim Evaluation of the  
National Rural Support  
Programme**

|                     |                                                                      |
|---------------------|----------------------------------------------------------------------|
| Saturday, March 14  | Report writing<br>Meet with HO sectoral specialists                  |
| Sunday, March 15    | Report writing<br>Debrief NRSP Chairman                              |
| Monday, March 16    | Meet with GM and HO sectoral specialists<br>Report writing           |
| Tuesday, March 17   | Report writing<br>Meet HO sectoral specialists                       |
| Wednesday, March 18 | Debrief NRSP staff<br>Debrief UNDP<br>Report writing/editing         |
| Thursday, March 19  | Report writing/editing                                               |
| Friday, March 20    | Meet with UNDP Resident Representative<br>Finalize and submit report |



**Interim Evaluation of the  
National Rural Support  
Programme**

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