



Interim Evaluation

*of the
National Rural Support Programme.*

1998
April



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Pakistan



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 NRSPs independence.

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**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.



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