



ASSESSING THE IMPACT OF COMMUNITY- DRIVEN DEVELOPMENT

Twenty Six Years of Pakistan's Rural Support Programmes

A Third Party Evaluation by HTSPE Limited for the
Department for International Development (UK)

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Foreword

Despite six decades of development experience and structural change, about 65 per cent of the population of Pakistan depends on some 25 per cent of the country's GDP produced in rural areas. Between 1998-99 rural poverty has been persistently higher than urban poverty. It need not be overemphasised that the dream of poverty eradication will only come true if rural poverty is attacked with a clear focus on assisting the poor to discover and unleash their own potential. By mobilising rural communities to participate in their own development, the Rural Support Programmes have been striving to do precisely that. Starting with the AKRSP in Gilgit-Baltistan in the 1980s, there are now nine RSPs reflecting the enormous diversity of the socioeconomic landscape they cover, with the Rural Support Programmes Network (RSPN) acting as their chief spokesperson and advocate.

The RSPs engage in continuous self-evaluation as well as commission external evaluations for the dual purpose of learning and accountability. By their very nature, however, the RSPs are a complex phenomenon. The old adage that 'seeing is believing' applies much more to them than the run-off-the-mill, supply-driven anti-poverty projects and programmes. It is a pity that the deteriorating security situation prevents external evaluators from spending even a minimal amount of time in the field. There is a lot in the RSPs' work which is hard to fully fathom through data files or interlocutors. Much to our regret, the present evaluation has to be read with this caveat in view.

Community participation and building institutions of the people at the grassroots is the very essence of the RSP movement. With a support organisation acting as a catalyst, these institutions become a conduit for demand-driven initiatives and accelerate the process of social and economic change in a manner consistent with the felt needs of the poor. The approach has been tried and tested in all provinces and regions of Pakistan, in Tajikistan, in Sri Lanka and in the Indian state of Andhra Pradesh. As a high level of knowledge accumulation has taken place over nearly three decades of RSP existence, there is enough experience available to draw useful lessons for the future. In this light, the suggestion of the report for new pilots seems anachronous.

In some sense, the report has been overtaken by events. The RSPs had initiated a process of self-examination and soul-searching well before the initiation of the present report. They had discovered that the approach would have to change to reach the poorest of the poor. Poverty targeting through poverty scorecards and community validation of results, was pioneered in Pakistan by the RSPs.

While the RSPs have their reservations about some parts of the report, they feel it is important to publish it in the interest of an informed, wider debate. Whereas some parts of the report reassure the RSPs about some changes that they have been thinking of bringing to a closure, the RSPs will also pay attention to a number of valuable suggestions made in the report.

The RSPs are learning organisations. They have built a culture of monitoring and evaluation, accountability and transparency. However, a major lesson from working with HTSPE is that the RSPs need to do a better job of informing the outside world of the principles underlying their approach to poverty reduction and development and the efficacy of their principles in achieving desired outcomes.

RSPN would like to thank Mr James Morton and his team for the hard work put in by them in extremely trying circumstances. All this, of course, would not have been possible without the generous financial support of the DFID, a long term partner and supporter of the RSPs and the RSPN.

Shandana Khan
Chief Executive Officer
Rural Support Programmes Network

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The report is a summary of an impact assessment commissioned by RSPN's principal funder, DFID. Mr John Hansell, Mr Tim Hatton and Mr Abu Rehan gave the impact assessment team a challenging brief. It was this, and the encouragement they gave during the study, which allowed us to make this so much more than a standard evaluation assignment.

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Particular thanks must go to Mr Mir Quasmi, Mr Ajmal Khan and to the rest of the team at HTSPE Pakistan for the efficient support and logistics which kept the work moving, at a difficult period in Pakistan.

ABBREVIATIONS

AEDB	Alternative Energy Development Board
AGM	Annual General Meeting
AHKRC	Akhter Hameed Khan Resource Center
AJK	Azad, Jammu and Kashmir
AK	Aga Khan
AKRSP	Aga Khan Rural Support Programme
BHU	Basic Health Units
BoD	Board of Directors
BRAC	Bangladesh Rural Advancement Committee
BRSP	Balochistan Rural Support Programme
CCB	Citizen Community Board
CEO	Chief Executive Officer
CIF	Community Investment Fund
CLTS	Community Led Total Sanitation
CO	Community Organisation
COO	Chief Operating Officer
CRP	Community Resource Person
DERG	Development Economics Research Group
DFID	Department for International Development
EOP	End of Project
FALAH	Family Advancement for Life and Health
FP	Family Planning
GAD	Gender and Development
GBTI	Ghazi Barotha Taraqiati Idara
GLP	Gender Listening Post
GoP	Government of Pakistan
2 nd GSM	Second Generation Social Mobilisation
GRG	Gender Resource Group
HRD	Human Resource Development
IFAD	International Fund for Agricultural Development
INGO	International Non-Governmental Organisation
IRM	Institute of Rural Management
IRR	Internal Rate of Return
KS	Kotli Sattian
LGD	Local Government Department
LHV	Lady Health Visitor
LMDT	Leadership and Management Development Programme
LSO	Local Support Organisation
LUMS	Lahore University of Management Science
M&E	Monitoring and Evaluation
MER	Monitoring, Evaluation and Research
MFB	Microfinance Bank
MFI	Microfinance Institution
MinFAL	Ministry of Food Agriculture and Livestock
MNH	Maternal, Newborn Health
MoU	Memorandum of Understanding
MTDF	Medium Term Development Framework
NAC	Northern Areas, Chitral
NADRA	National identity card agency
NGO	Non-Governmental Organisation
NOVIB	Nederlandse Organisatie Voor Internationale Bijstand
NRDB	Northern Region Development Bank
NRSP	National Rural Support Programme
NWFP	North Western Frontier Province
ODF	Open Defecation Free
OED	Operations Evaluation Department
OTW	Orientation Training Workshops

PAG	Policy Advisory Group
PDC	Para Development Committee
PDP	Professional Development Programme
PDSM	Participatory Development through Social Mobilisation
PESRP	Punjab Education Sector Reform Programme
PIES	Pakistan Integrated Household Survey
PMN	Pakistan Microfinance Network
PPD	Pro-Poor Product Development
PPHI	President's Primary Healthcare Initiative
PPAF	Pakistan Poverty Alleviation Fund
PPI	Productive Physical Infrastructure
PPP	Public Private Partnership
PR&A	Policy Research & Advocacy
PSC	Poverty Score Card
PRSP	Punjab Rural Support Programme
RAB	Research Advisory Board
RSP	Rural Support Programme
RSPN	Rural Support Programmes Network
SANGAT	S. Asia Network of Gender Activists and Trainers
SEC	Securities and Exchange Commission
SES	Socio-economic Survey
SGA	Sindh Graduates Association
SMT	Social Mobilisation Team
SNV	Netherlands Development Organisation
SO	Social Organiser
SPCW	Special Projects and Consulting Wing
SRSC	Sarhad Rural Support Corporation
SRSO	Sindh Rural Support Organization
SRSP	Sarhad Rural Support Programme
SSS	Social Sectors Strategies
TA	Technical Assistance
TA/DA	Travel Allowance/Daily Allowance
TBA	Traditional Birth Attendant
TMA	Tehsil Municipal Administration
TNA	Training Needs Assessment
TOR	Terms of Reference
ToTs	Training of Trainers
TRDP	Thardeep Rural Development Programme
TREE	Training for Economic Empowerment
TRUU	Teacher's Resource Upgradation Unit
UC	Union Council
UCPRP	Union Council Poverty Reduction Programme Plan
USAID	United States Agency for International Development
VA	Village Activist
VB	Village Bank
VDO	Village Development Organisation
VO	Village Organisation
WAPDA	Water and Power Development Authority
WB	World Bank
WID	Women in Development
WLP	Women's Leadership Programme
WO	Women's Organisation

DISCLAIMER

The views reflected in this report do not necessarily reflect that of official DFID or UK Government policy.

Executive Summary

“to bring the poor into an organized fold.”

This third party evaluation was commissioned by the UK Department for International Development¹ and carried out by HTSPE Limited.²

Pakistan's Rural Support Programmes Network brings together nine organisations which share a common approach to rural development; an approach founded on the ideas which Akhter Hameed Khan first developed at the Academy for Rural Development at Comilla in E. Pakistan, later Bangladesh. Its starting point is social mobilisation for community-driven development: *“to bring the poor into an organized fold.”* The nine Rural Support Programmes (RSP) also share a common institutional structure. Each one is legally established as a not-for-profit company.

This nationally-inspired movement is now by far the largest non-government actor in rural development. By 2008, RSPs had a presence in nearly three quarters of Pakistan's districts, with 1.9 million 'organized households' involved in Community or Women's Organisations. The RSP approach has also won international recognition. It has been named as one of 13 'Ideas That Work' in the World Bank's book *Ending Poverty in S. Asia*. RSPs have a good relationship with both federal and provincial Governments. A number of them have been granted a government endowment, and social mobilisation and community-driven development are now fully mainstreamed into Pakistan's poverty reduction strategies. The aim is to take the approach to national coverage.

The RSPs are noted for capable management, dedicated staff and a flexible, yet organised approach to their work. This has been seen in the quality of their engineering work, in their ability to manage large microcredit networks and, in their rapid and effective response to major emergencies such as the Balochistan floods and the 2005 earthquake.

The Aga Khan Rural Support Programme (AKRSP) was the first RSP. It was founded in 1982 to work in the remote Northern Areas and Chitral regions of Pakistan. Over the next 18 years, it came to be seen as a model of community-driven development; making an important contribution to development in one of the poorest areas in the country.

The RSP approach can be seen as combining an Institutional Model, of social mobilisation and community organisation, with a set of activities designed to raise incomes and improve livelihoods and social welfare. These activities have been described as the 'Production Model' which gives the community organisation a purpose, and acts as a 'glue' to bind it together. This is over-simplified, but it is a helpful way to analyse what the RSPs do. Over the 18 years to 2000, AKRSP adapted the approach in various ways. By the end of the period, this experience had raised important questions about social mobilisation:

- Are different forms of community organisation needed at different development stages? Or do communities even graduate beyond the need for social mobilisation altogether?
- What are most appropriate 'production model' activities to give a community organisation a sustainable purpose and reason for being?
- What is the role of savings and credit in social mobilisation?
- What should be done if Government is unable, or unwilling, to respond to community needs? Should RSPs seek to build government capacity, or should they by-pass the public service to offer an alternative?
- Do RSPs have an exit strategy? If not, what is their long-term role?
- Does a model which depends on a community's existing social capital mean that the poorest will be excluded?
- In gender, should RSPs focus on women's practical needs, or should they work to meet women's aspirations and their potential as citizens?

¹ DFID has funded the Rural Support Programmes Network since 2000.

² See www.htspe.com and www.htspe.com.pk

How to take community-driven development to scale without creating an unmanageable bureaucracy is a common problem. Pakistan has solved it by replicating the RSP structure. Between 1989 and 1998, seven more RSPs were established to follow the AKRSP principles. Each one adapted the model to suit the regions where it works and, in particular, the funding available. Since 1998, the Pakistan Poverty Alleviation Fund has been the largest source of finance. Its emphasis on microcredit and, to a lesser extent, infrastructure has been reflected in RSP programmes. In the late 1990s, an apex organisation was established to pool resources and ideas, and to allow the RSPs to coordinate their work. This Rural Support Programmes Network provides advocacy, policy research and impact assessment support to its nine RSP members.

Social Mobilisation

RSPs have carried out innovative studies of the community organisations' institutional maturity. Some 20% of COs have been found to be well-established and taking their own initiatives for development. At the other end of the scale, up to a quarter may be inactive or dormant. Dormancy can be an indicator of success: of a community that has graduated from poverty and no longer needs a formal organisation. And dormant COs do revive when needed, as some did after the 2005 earthquake. Nevertheless, dormancy must also be a possible indicator that social mobilisation has failed.

Social mobilisation is an intensive process: up to 18 steps in the formation of a CO. RSPs face a trade-off between creating new organisations, to meet ambitious targets to expand coverage to all of rural Pakistan, and helping existing COs to remain active and develop their institutional maturity.

The Village Activist is a key figure. He or she is described as an individual who *'is not motivated by sentiments of altruism: he/she sincerely believes that his/her own welfare can be improved with the welfare of other members of the community'* Activists can be quite dominant in the formation and the running of some COs, but they seem to have the support of the membership. In this respect, the RSP strategy can be seen as mobilising a rural elite, and socialising it by giving it the skills and connections it needs to serve the community. This is a valid approach, even the best one in the current situation. However, the risk of capture, even of reinforcing exclusion, is clear. There has not been much analysis of this aspect.

RSPs are developing a new institutional model - 2nd Generation Social Mobilisation – grouping COs into Village Development Organisations and, at the Union Council level, into Local Support Organisations. The aim is to transfer part of the social mobilisation effort to representative organisations led by activists from the community, and to make it possible to manage infrastructure and other activities which involve more than one CO. The higher level organisations will be able to establish more effective links with local Government. 2nd GSM is relatively untested. Here too the RSPs may face a trade-off between ambitious targets to expand coverage and the level of support needed to help new institutions to stay active and develop their institutional maturity.

Physical Infrastructure

After microcredit, physical infrastructure has been the RSPs' largest intervention: a key element in the activity, or 'glue', which binds the community organisation together. Around a third of all COs have had an infrastructure project and some 28,000 units have been built: irrigation channels, micro hydro-electricity, drinking water, roads etc.

RSPs have implemented their infrastructure programmes effectively and, as is expected of projects managed by the community, they have been more economical than parallel government projects. Evidence on the impact of these programmes is more mixed. Full community involvement and high rates of return are reported but the supporting data is not strong, especially with respect to sustainability. Given the scale of the investment, more probing impact assessment is needed.

Micro Finance

RSPs are the largest single group working in Pakistan microfinance. They have led the development of the sector and contributed to a consensus that microcredit is essential for poverty reduction; and

that Pakistani Micro Finance Institutions (MFI) must scale up as fast as possible. National policy sets a short term target of three million borrowers by 2010. To meet this the sector will need to grow by 36% per annum. Given that 40% of active borrowers and 80% of active savers are members of RSP COs, they will have a crucial part to play.

Recent studies have highlighted a lack of rigorous research to “*to support or dispel many of the main assumptions about microfinance*”. Most Pakistani microfinance programmes, including the RSPs, do not cover their costs. It is increasingly recognised that microcredit is not reaching the very poor. A new, RSPN-supported, model of a Community Investment Fund aims to bridge the gap between microcredit and social protection. This implicitly accepts the view that sustainable, unsubsidised microcredit cannot reach the very poor.

Although termed microfinance, most programmes only offer microcredit. Savings and insurance are “... *still in their infancy*”. An exception is a work done by RSPN to support the development of health micro-insurance. RSPs now have 600,000 micro-insurance clients.

RSP microcredit represents a half-way house between the classic group-lending approach and a more individual model of lending to asset-poor clients. The larger RSPs now have a network of village branches and specialist credit staff dealing with individual borrowers, although the CO still approves and sponsors the loan. As a logical next development, AKRSP has transferred its microcredit operations to a Micro Finance Bank. NRSP, which is by far the largest RSP lender, is planning to do the same. This will separate microcredit from social mobilisation.

Impact surveys show that RSP borrower incomes have grown faster than non-borrowers. The surveys are designed to control for the possibility that better-off, more entrepreneurial people join COs, or that the COs are from better-off villages. However, the evidence on this point is uncertain. Good background information, on credit markets, alternative lenders, interest rates and social structures would strengthen the case for microcredit considerably.

RSPs have made a particular effort to make credit available to women borrowers. A higher proportion of RSP women members are active borrowers than men, with the same size of loan. A typical study finding is that “*seventy two percent of women reported that their own status within the household has improved moderately or significantly*” as a result of taking microcredit.

RSPs face significant challenges in micro finance, in particular how to square the circle between financial sustainability and reaching the poorest of the poor.

Skills Development

Capacity building is an integral part of the social mobilisation approach and more than 300,000 women and 600,000 men have been trained. On the institutional side, Village Activists and CO office holders are trained in administration and financial management. On the production side, village specialists are trained to maintain community infrastructure and provide services, while borrowers and small entrepreneurs are trained in a range of skills. The limited impact assessment material suggests this training can create new opportunities and build community members’ self-respect; and in the case of women, greater mobility outside the home.

Natural Resource Development

Natural resources are fundamental to rural livelihoods and RSPs have had a major involvement in the sector, often in cooperation with major Government agencies; for example by providing the social mobilisation component on the Prime Minister’s Special Initiative for Livestock. Measuring the impact of social mobilisation within a larger programme is difficult, and there is little material on which to assess this part of the RSPs’ work. Some central questions need to be answered: What part does social mobilisation have to play in natural resource development? and, linked to that, What value can RSPs add in the sector?

Social Services

RSPs have established 1,449 community schools. Arrangements differ and there is no overall assessment. One innovative Punjab RSP programme involved a three-way partnership with Government of Punjab and the community. An evaluation found that pupils in these community schools outperformed their peers from government schools, that teacher absenteeism was lower and female participation higher. This was at a much lower cost. Government/Community/RSP partnerships in health have given similar results, most notably under the Punjab Chief Minister's Primary Healthcare Initiative. Community organisations have also acted as an effective channel for preventive and public health awareness work: vaccination, training of Traditional Birth Attendants and others.

These programmes have shown how the RSPs can play an effective part in the delivery of public services. However, just as with natural resource development, they raises key questions about the RSPs' role in relation to government, and about the part social mobilisation can play in the social service sector.

Gender and Development

With 681,000 women members of Community and Women's Organisations, RSPs have the largest outreach to poor rural women of any Pakistani organisation. Women are proportionally more active than men in microcredit and training. Participation has improved women's livelihoods, and their status within the home. There has been less effect in increasing their role as decision-makers in community affairs, but in 2005, 775 women CO activists were elected as local government councillors. These important achievements are a measure of the effort the RSPs have put into making gender a major part of their work.

Since the early years of AKRSP, the balance between Women in Development (WID) and Gender and Development (GAD) approaches has been under intense discussion: the choice between helping women to improve their livelihoods and empowering them to improve their position in society. RSPs have mostly worked through separate Women's Organisations to improve incomes and livelihoods: more WID than GAD.

The debate is not necessarily helpful. Careful consideration of how to do WID better, and of how to do GAD effectively in a difficult context, is likely to be more productive than an attempt to make choices between the two approaches.

The Rural Support Programmes Network

The Rural Support Programmes Network has helped bring about the mainstreaming of social mobilisation into Pakistan's poverty reduction and development strategies. It has also helped RSPs to win funding from provincial governments, and to play a part in developing national policies on local government and provincial policies on other issues.

On the institutional side, RSPN's work on 2nd Generation Social Mobilisation is addressing critical strategic questions about the future of community-driven development. It has also supported the development of poverty targeting techniques and social protection policy, addressing a key RSP concern that they have not succeeded in reaching the poorest of the poor. Similarly, its work on the Community Investment Fund seeks to bridge the gap between microcredit and social protection. RSPN has also made a concerted effort to strengthen the position of women in the RSP movement and the way RSPs work on gender equality. On the 'production model' side, RSPN has helped RSPs develop new approaches in education, health and sanitation.

RSPs, apart from AKRSP, have not had the resources for a strong, sustained M&E function. Given the prominence social mobilisation now has in national policy, and the scale of the funds that are expected to be committed, something more comprehensive and systematic is needed. RSPN is starting to address this and this report is part of that process.

In all these ways, RSPN has demonstrated the value of an apex organisation supporting social mobilisation and community-driven development. How to fund such an organisation sustainably is, unfortunately, less clear. It is a question which all organisations supporting social mobilisation need to consider.

Social Mobilisation in 2008

Social mobilisation and community-driven development are one of the largest components of Pakistan's poverty reduction strategy. Internationally, community-driven approaches now form a very large part of the World Bank's portfolio, and the same is true for many other donors. International experience has raised important questions about the impact of these approaches and how they work. It is timely, therefore, to review Pakistan's experience with one of the largest programmes of community-driven development in the world. Yet the last substantial external evaluation of AKRSP was in 2000, and no other RSP has ever been examined in the same detail.

As a first step towards filling this gap, this report reviews the RSP impact assessment material that was available in mid-2008. It looks at the evidence on how the RSPs' social mobilisation contributed to rural institutions and the impact their infrastructure, microcredit and social service activities have had on the livelihoods and welfare of rural people. Equality, in particular gender equality, are central RSP concerns, and a key part of the review. It also looks at the role of RSPN as an apex organisation.

Many of the questions asked of AKRSP in 2000 remain relevant: Do communities graduate beyond the need for social mobilisation? What activities can give a community organisation a sustainable purpose and reason for being? How can RSPs best help communities to access public services? And, How can RSPs reach out to the poorest in society? This report does not seek to answer those questions. Instead it aims to show how RSPs, and RSPN are trying to answer them and suggest where those efforts might be heading.

This evaluation focusses on assessing the impact of community-driven development in Pakistan. It cannot capture the breadth and richness of the RSP experience. It should, therefore, be read together with three other important works: Mahmood Hasan Khan's *Community Organisations and Rural Development*³; Wood, Malik and Sagheer's *Valleys in Transition*⁴; and M.H. Khan's recently published *Participatory Development in Pakistan*.⁵ The first chapter of the last book – Rural Pakistan: Transition and Development - provides a vital overview of the context in which the RSPs have worked.

³ M.H. Khan, *Community Organisations and Rural Development: Experience in Pakistan*, Lahore, Vanguard Books, 2001

⁴ Wood, Malik and Sagheer Eds, *Valleys in Transition: 20 years of AKRSP's Experience in Northern Pakistan*, Karachi, Oxford University Press, 2006

⁵ M.H. Khan, *Participatory Rural Development in Pakistan: Experience of Rural Support Programmes*, Karachi, OUP, 2009

1. INTRODUCTION

“... the poor, landless and asset-less, are willing to do many things themselves to help improve their situation and the community as a whole is interested in helping the poor to attain their potential ...” Shoaib Sultan Khan

Pakistan's Rural Support Programmes Network (RSPN) brings together nine rural development organisations which share a common institutional structure, as legally established not-for-profit corporations, and a common approach to social mobilisation for Community Driven Development. This combination is unique to Pakistan. Also unique is the fact that this one single, nationally-inspired movement is by far the largest non-government actor in rural development.

The Rural Support Programmes (RSPs) have received considerable international attention. In 2007 they were named as one of 13 Ideas That Work in the World Bank's book *Ending Poverty in S. Asia*⁶. It introduces the RSPs as follows:

“For decades, a service delivery gap has co-existed alongside high levels of poverty in rural Pakistan. The inability of successive governments to deliver basic social services to millions of poor people has left the country near the bottom of many human development rankings. In the early 1980s, however, the vision of one of South Asia's foremost development practitioners helped transform Pakistan's approach to rural development. Dr Akhter Hameed Khan inspired the launch of an experimental scheme in an impoverished region in northern Pakistan, planting the seeds of what would later become a nationwide movement.

“... From modest beginnings the scheme scaled up rapidly nationwide, led and promoted energetically by Shoaib Sultan Khan, the head of the first RSP. By 2005 there were 10 rural support programmes working in more than 70 of the country's 106 districts. The work reaches 1.2 million members and their households, ... and is helping transform the face of rural Pakistan.”

By 2008, RSPs had achieved an unparalleled reach into rural Pakistan: a presence in nearly three quarters of all Pakistan's 127 districts, and over half of 5,375 Union Councils. 1.9 million households had been mobilised to form Community or Women's Organisations (CO/WO): 14% of all rural households.

Social mobilisation is the foundation of the RSPs' work, in the belief that poor people are willing and able to work to improve the welfare of their communities. Although they work in partnership with government, each RSP is an autonomous organisation which maintains its independence and gives priority to the wishes and needs of the communities they support. This independent but cooperative relationship with government contrasts with major social mobilisation movements in other countries, where NGOs have sought to distance themselves from the state.

This approach is now fully recognised in Government policy. A special supplement to Pakistan's 2005/10 Medium Term Development Framework puts Social Mobilisation at the centre of poverty reduction strategies, and \$75 million of World Bank funding has been allocated for Participatory Development through Social Mobilisation. The target is to mobilise an additional 1.1 million households in three years. A participatory, social mobilisation element has also been included in other major programmes such as the Prime Minister's Livestock Initiative and the Crop Maximisation Project.

To sum up, taking the RSP approach to scale now contemplates full national coverage.

⁶ Narayan & Glinskaya Ed., 2007 - *Ending Poverty in Asia, Ideas That Work*, World Bank, Washington

1.1 THE IMPACT OF COMMUNITY DRIVEN DEVELOPMENT AT SCALE

The RSPs' current coverage of 1.9 million rural households makes them one of the largest, if not the largest example of Community Driven Development in the world. With nearly 30 years experience, it is also one of the longest established. The World Bank summed up the impact, and importance, of their work, saying:

"Pakistan's experience with Rural Support Programmes demonstrates that social mobilization can work on a large scale even in an unfavourable climate of low growth, high poverty, weak democracy, and frequent changes of regime."⁷

An accurate assessment of RSP impact has, therefore, great importance, not just for Pakistan but for international understanding of how Community Driven Development works. A 2004 Critical Review of Community-Driven Development, in which the World Bank looked at worldwide experience, highlighted how central this approach has become to international programmes. It also emphasised how much still remains to be learnt about its effectiveness:

"Community-based and -driven development projects have become an important part of development assistance, with the World Bank's portfolio alone approximating \$7 billion. A review of their conceptual foundations and evidence on their effectiveness shows that projects that rely on community participation have not been particularly effective at targeting the poor. There is some evidence that such projects create effective community infrastructure, but not a single study establishes a causal relationship between any outcome and participatory elements of a community-based development project. Most such projects are dominated by elites, and both targeting and project quality tend to be markedly worse in more unequal communities. A distinction between potentially 'benevolent' forms of elite domination and more pernicious types of capture is likely to be important"⁸

The review raised a number of critical issues:

- That sustainable community initiatives depend on an enabling institutional environment, in other words on government commitment
- The risk of "supply-driven demand-driven" development⁹
- The importance of external actors, such as facilitators, and the fact that many are young and inexperienced, especially where rapid scaling up means time is not taken to develop a sufficiently experienced cadre of field workers.
- That "naive application of complex contextual concepts like participation, social capital and empowerment is endemic"

Perhaps the most striking finding of all was that "there is virtually no reliable evidence on community participation projects actually increasing a community's capacity for collective action." The RSPs have done innovative work on this key aspect, seeking to measure the institutional maturity of community organisations.

This report reviews all material on the impact of RSP programmes that was available in late 2008, including four RSP evaluations, summary data on all nine RSPs and a range of specific studies. It presents the first overall assessment of the way the social mobilisation approach developed by AKRSP in northern Pakistan has been replicated and taken to national scale by the other RSPs.

The World Bank's 2004 Critical Review concluded that "community-based and -driven development projects are best undertaken in a context-specific manner, with a long time horizon and with well-designed monitoring and evaluation systems." The Rural Support Programmes Network assists its member RSPs with the policy analysis and development work that is needed and also with monitoring

⁷ Narayan & Glinskaya Ed., 2007 – idem

⁸ Mansuri & Rao, 2004 – Community-Based and -Driven Development: A Critical Review, World Bank Research Observer, Vol 19, No 1

⁹ ie where demand is, at bottom, a response to what development agencies offer and what development workers think.

and evaluation. The importance of this apex organisation and also what a 'a well-designed M&E system' might look like are also discussed, in chapters 4 and 5.

1.2 DEVELOPMENT OF THE RURAL SUPPORT PROGRAMME MOVEMENT

The RSP approach to rural development is founded on the work of Akhter Hameed Khan and the ideas he first developed at the Academy for Rural Development at Comilla in East Pakistan, later Bangladesh, and later on the Daudzai project in North West Frontier Province.

In 1982, the first RSP was set up at the initiative of His Highness Prince Karim Aga Khan, with advice from Akhter Hameed Khan, whose close associate Shoaib Sultan Khan was appointed General Manager. This Aga Khan Rural Support Programme (AKRSP) worked in the Northern Areas and Chitral districts of northern Pakistan. Over the next two and a half decades, continuous support from the Aga Khan Foundation, and from international donors, allowed AKRSP to implement a community-driven approach at a larger scale and, crucially, over a longer time period than previously: allowing sufficient time and space for communities to decide their own needs and how best to address them. Between 1986 and 2002 four evaluations by the Operations Evaluation Department of the World Bank documented AKRSP's work. From the first evaluation onwards, the positive results recorded have encouraged Government and its development partners to look for ways to extend the approach to other areas.

The first step was in 1989. USAID was looking for a new way to carry forward work it had been supporting in North West Frontier Province. The Sarhad Rural Support Corporation (later Programme – SRSP) was established with the same corporate structure, and working to the same principles as AKRSP. Since then, scaling up by replication, as opposed to expansion, became central to the RSP approach. SRSP was followed in 1991 by the Balochistan Rural Support Programme (BRSP) and the National Rural Support Programme (NRSP). Federal Government provided NRSP with Rs. 0.5 billion which was used to set up an endowment. Since then, the concept of an endowment to provide stable core funding has been taken up by other RSPs and become another common element in the RSP approach.

AKRSP has had long-term support from the Aga Khan Foundation and a small group of donors, in particular Canada and the UK. Other RSPs have not had this advantage and they have sought funding in various ways. Sources have included federal and provincial Government, even borrowing from commercial banks, as well as international donors and INGOs. However, it was the establishment in 1998 of the Pakistan Poverty Alleviation Fund (PPAF) which provided the opportunity for large scale replication of the RSP model. PPAF secured \$90 million from the World Bank for micro-credit and community infrastructure programmes, to be implemented by NGOs, between 1998 and 2004. As a group, the RSPs were PPAF's largest single partner and took over 60% of its funds; contributing to a success which secured larger funding for a second phase.

During the mid-1990s, the RSP approach was taken up by two more programmes. Ghazi Barotha Taraqiyati Idara (GBTI) was set up to mitigate the impact of a major hydro-power project, mobilising communities to participate in their own development and claim their rights over resettlement and compensation. The Thardeep Rural Development Programme (TRDP) grew out of an existing programme in SE Sindh.

The establishment of the Punjab Rural Support Programme (PRSP), in 1998, marked a further important development of the RSP model: a direct partnership with the provincial Government of Punjab, which committed \$10 million to it. The Sindh Rural Support Organisation (SRSO), followed the same model with Government of Sindh. In both cases, the provincial government's first contribution went to create an endowment for the RSP.

The ninth member of the current RSP Network is the Sindh Graduate's Association, which was founded in 1972 by a group of graduates to work with the rural poor and joined the Network in 2001.

By 1998, NRSP had identified a need '*to create an umbrella to coordinate and expand the RSP process*'.¹⁰ In 2000 DFID agreed to fund a new umbrella institution: the Rural Support Programmes

¹⁰ UNDP, 1998: Interim Evaluation of NRSP

Network. Like its members, RSPN was incorporated as an Association-Not-for-Profit. The Chairpersons and CEOs of the nine RSPs make up the RSPN Board of Directors, together with eight non-RSP members .

While they share a common institutional structure and approach, each RSP has its own, different experience and a different set of relationships with stakeholders in national and provincial governments, with international donors and with civil society. Some have solid endowments and some do not. Some have many years' experience with the communities they support; others are starting to build a first relationship. Some have robust management systems; others are only beginning to develop them. NRSP works in all provinces, alongside the provincial RSPs; and Sindh has three RSPs, four including the SGA.

This diversity is one of the RSP's greatest strengths: a justification of the decision to scale up by replication rather than expansion. It allows each region, even each district to develop its own solutions and move at its own pace. For RSPN as the umbrella organisation, the challenge is to provide a service that is useful to all, or at least a majority, and to find ways to promote the common principles of social mobilisation to exploit diversity rather than stifle it.

Two things hold the RSP movement together. The first comes from the shared principles and structure, from common experiences and from the common constraints that all the RSPs face: funding, staffing, and many others. The second, just as important, comes from the leadership, initially from Akhter Hameed Khan and Shoaib Sultan Khan, but increasingly from a core group of experienced RSP CEOs and managers whose shared experience in AKRSP, even in Daudzai before that, and elsewhere, has been the driving force behind the movement's development. A group of informed champions within the Government service have also played an important role.

1.3 THE RSP APPROACH

This section describes a model RSP approach. Some in the RSP network are reluctant to talk of a model at all, arguing that the RSPs work to a "*simple conceptual package and a set of principles*", not a model. This is paralleled by an emphasis on the diversity of the situations each RSP faces, a diversity which "*makes the task of evaluating the RSP phenomenon very complex.*" This is undoubtedly true and, as will be described, the model has undergone many variations in the 27 years since AKRSP started work.

Nevertheless, it was a belief that the RSPs offer a useful, replicable model which attracted so much international support for the movement. In the World Bank's words, "*with a working model on the ground, the Aga Khan Foundation, as the founder of AKRSP was able to market this model of rural development to a wider audience*".¹¹ While accepting, therefore, that the model is an over-simplification, it helps to set a framework for analysis.

Two things distinguish the RSPs: the development approach; and, the formal status and role of the RSPs.

The RSP Approach to Development

The RSP approach to development has been summed up by Shoaib Sultan Khan under three headings¹²:

A Conceptual Package

RSPs' work is based on the assumption that people especially the poor, landless and asset-less, are willing to do many things themselves to help improve their situation and the community as a whole is interested in helping the poor to attain their potential.

¹¹ Narayan & Glinskaya Ed., 2007 – op cit

¹² SS Khan & JK Tareen, 2004: Presentation 'Scaling Up Poverty Reduction'

Three Principles

- **SOCIAL ORGANIZATION**
 - *Bringing the poor into an organized fold.*
- **HUMAN RESOURCE DEVELOPMENT**
 - *Upgrading of human skills of the poor, such as managerial, productive and cooperative skills to enable them to make best use of available resources.*
- **CAPITAL FORMATION**
 - *Generation of capital by the poor, through the discipline of savings as capital is power, without which the poor can never hope to be self reliant.*

Three Essentials for Success

- *Willingness on the part of the poor to help themselves*
- *Honest and competent activists*
- *A support organization*

Strict adherence to these principles, to the Purity of the Concept, is enjoined and a watchword within the RSP movement.

To put the concept into practice, “*the three central elements of the organizational model are (i) a support organization, (ii) a social (beneficiary) organization, and (iii) a program of activities and services.*”¹³ The RSPs are the support organisation and the beneficiary organisations are variously described as Village, Community or Women’s Organisations (VO/CO/WO). (The description which follows continues to draw on MH Khan, Community Organizations and Rural Development.)

The underlying strategy is to ‘glue’ the members of each CO around ‘*a commonly needed project or service by pooling labor, savings etc.*’ The original focus was on production and economic development. ‘*Accumulating equity capital through regular savings is a central part of the experiment.*’ In the case of AKRSP in the 1980s and 1990s, this focus on an economic ‘production model’ matched the needs of the area. In other parts of Pakistan, especially down-country, the match was not so good. How RSPs have handled the development of alternatives to this ‘production model’ has been a key question.

A full RSP programme would include:

- One grant-funded physical infrastructure project, to give a focus to each newly formed CO
- Savings and credit
- Enterprise development
- Skills development
- Linkages: to Govt, NGOs etc

The model depends on three figures. The Social Organiser (SO) is a professional employed by the RSP. The Village Activist is a member of the community who is described as the ‘*moving spirit behind the CO*’. The Village Specialist is a member of the community who is trained to provide services: typically maintaining the physical infrastructure, assisting village enterprises or providing extension advice. Plant protection and animal health workers were early examples in AKRSP. Skills development, to give the activists and specialists the skill they need to play their part, is a central part of the programme.

The Village Activist is a key figure. (Box 1) A fundamental statement is that ‘*the activist is not motivated by sentiments of altruism: he/she sincerely believes that his/her own welfare can be improved with the welfare of other members of the community*’ How this works under different circumstances and social structures is likely to have an important influence on the success of failure

¹³ MH Khan, 2001: Community Organizations and Rural Development, Vanguard Books, Lahore

of a CO. Although not clearly stated, it is also implicit that the more capable members of a community, in some sense an elite, are likely to be the ones who take up the activist role.

A graduated process sees the Social Organiser start by holding a dialogue with the community, which identifies the Village Activists it wishes to appoint as President and Manager for their Community Organisation. The SO then works with the activists as a team. Over time, the activists take over some tasks, while the organiser moves to a more supportive role: providing technical assistance on new, more complex enterprises such as village banking.

Box 1 The Social Activist

The most effective VOs appear to center around a "social activist" who is the manager or possibly the president of the VO. This individual has frequently worked outside the village for a number of years and has a broader vision and experience organizing people to get things done. This person often is considerably richer than average villagers, having saved over the years and often having a pension that is a material sum by village standards. This exceptional activist leader is able to encourage his VO to undertake additional large projects following the completion of the PPI. This type of VO goes from strength to strength and continually engages its members. AKRSP – 3rd OED Evaluation

The primacy of the Community Organisation is a fundamental principle from Day 1. Decisions about infrastructure projects, credit and all other activities are made by the CO, not just in their name, and RSP staff do not involve themselves in settling internal issues. This relationship is embodied in a Terms of Partnership between each CO and the RSP. This agreement sets standards for the CO: regularity of meetings, savings, management, etc. The RSP holds it to those standards but does not dictate how they are to be met.

Processes and procedures are an important part of the approach. After discussions at the District Level, a Situation Analysis gives a snapshot of the context and opportunities at the Union Council level. The RSP's programme is publicised and dialogues start with communities which wish to join it. CO Micro Investment Plans are developed to identify the community's infrastructure and other needs and household Micro Investment Plans analyse the need for credit and enterprise development support.

The Status and Role of an RSP

The establishment of AKRSP as an Association-Not-For-Profit under Section 42 of the Pakistan Companies Ordinance, 1984 set an influential example; one that has become standard for the RSP movement. It has also been followed by other institutions such as the Pakistan Poverty Alleviation Fund.¹⁴ The main features are as follows:

- Section 42 Associations are supervised by the Securities and Exchange Commission and have to submit audited accounts in accordance with the Ordinance.
- The Association may not distribute dividends to its members and all income must be devoted to its charitable or social purposes.
- On liquidation assets "*shall not be paid or disbursed among the members, but shall be given or transferred to some other institution or institutions having similar objectives to those of the Company ...*"

Section 42 allows a small group of committed people, as few as seven, to create a legally recognised institution to work on development. The legal strength of this status is shown by the fact that when a new Government sought to reclaim funds granted by the previous administration, NRSP was able to resist the pressure to do so.

In 1982, AKRSP's aim was to work itself out of a job, by establishing self-reliant community organisations which would be able to access services and investment for themselves. This goal never seemed close and in 2001 the last evaluation reported that the "*efficacy in the AKRSP's earlier objective of 'working itself out of a job' has been negligible*". It suggested that it had never been a realistic objective. This is a significant shift in the original model. It raises questions about what the RSPs' long-term role should be, and how it is to be sustainably funded.

¹⁴ Thardeep Rural Development Programme which was established under the societies act is an exception among RSPs.

It also raises questions about the RSPs' relationship with Government. One reason advanced for the failure of the original objective is that Government is still too weak to act as the partner which the COs will need to continue their development after RSP support is withdrawn. If that is correct, it implies that the RSPs' job is either to act as a substitute for Government; or, as was suggested in the last AKRSP evaluation, to take on the task of strengthening government capacities.

2. A RURAL SUPPORT PROGRAMME SYNTHESIS

The Aga Khan Rural Support Programme made a significant investment in Monitoring and Evaluation and in commissioning the series of four evaluation studies by the World Bank Operations Evaluation Department. This investment has clearly paid off, through its contribution to the prominent position that the RSP movement has won for itself in Pakistan and internationally.

No other RSP has had the benefit of comparable evaluations. Only three have had impact evaluations which cover their entire programme: NRSP (1998), SRSP (1996 & 1998), and TRDP (2006). None of these went into the same depth as the OED studies of AKRSP. The synthesis which follows also draws on a larger body of single-issue studies carried out by various organisations at different times and for different purposes. The result is, however, some way short of a definitive overview of the RSP movement.

RSPs have pointed out that M&E can only be effective if both the RSP and its donors wish for it, and there has been relatively little support for this work. The World Bank, for example, committed large funds to PPAF, but there was no equivalent of the four evaluations of AKRSP; which were carried out by the Bank's OED but paid for by the Aga Khan Foundation and its partners.

2.1 AKRSP: A MODEL OF COMMUNITY DRIVEN DEVELOPMENT

At the last World Bank OED evaluation, in 2002, AKRSP had reached some 900,000 people in 1,100 villages in Northern Areas and Chitral (NAC): Over 80% of the population in one of the most isolated regions of northern Pakistan.

NAC saw rapid development in the 20 years following the founding of AKRSP. There is no data for the 1980s but the figures for the period 1991 to 2005 are impressive:

- Real incomes more than doubled, from Rs 2,940 to Rs 8,680; this took NAC from 30% of the national average to 49%.
- The proportion living in poverty fell from 67% to 25%: from nearly twice the national average to just equal to it.
- Adult literacy increased from 36% to 59%, female adult literacy from around 20% to 43%; in both cases NAC moved faster than Pakistan as a whole. By 2005 NAC literacy was higher than the national average.¹⁵

Attribution is difficult but it is clear that AKRSP, the largest and most active development agency in the region, made an important contribution to the speed at which the NAC was able to catch up with the rest of Pakistan. It is suggested that up to one third of the income gain can be attributed to AKRSP.¹⁶

AKRSP was very successful in meeting its other objective, that of developing a replicable approach to community driven development. It has been one of the most influential rural development programmes in S. Asia, even worldwide. As already mentioned, RSPs are internationally recognised as an Idea That Works for reducing poverty. The position that they now hold, at the forefront of rural development in Pakistan, is still largely based on the achievements of AKRSP.

Box 2, taken from a 1995 IFAD Country Portfolio Evaluation¹⁷, sums up the fundamental assumption of the RSP movement: that the social mobilisation approach developed by AKRSP can be applied in a wide range of circumstances; indeed that the approach is essential to poverty reduction and development in poor communities under most circumstances.

Box 2 The RSP Assumption

"The implicit assumption ... may be described as follows: *although the AKRSP programme itself cannot be repeated elsewhere, its working methodology aimed at beneficiaries' involvement is applicable in other socio-economic circumstances.*"

¹⁵ AKRSP Socio-Economic Survey 2005

¹⁶ World Bank: OED, The Next Ascent, 2002

¹⁷ www.ifad.org/evaluation/public_html/eksyst/doc/country/pi/pakistan/cespa95e_5.htm

The following paragraphs summarise the four OED evaluations of AKRSP. They seek to identify lessons which are relevant to other RSPs: which parts of its work were specific to the Northern Areas/Chitral and which are parts of the core RSP 'working methodology'. They also show how the RSP model was adapted over the 20 years since AKRSP started work in 1982.

Many of the main themes were identified by the first OED evaluation in 1986.¹⁸ AKRSP was found to have changed the attitudes of villagers, to have created a favourable environment for programme activities, and to have won the good opinion of government officials and others. This success was attributed to the 'institutional model' and its principles of 'primacy to the Village Organisation (VO)' and 'continued attention to innovation'.

A key statement, echoed many times since, was that "*the order of priorities and phasing of AKRSP is unique. The institutional model is well honed, and the early and almost exclusive emphasis on institution-building deserves special attention. In some respects the first four-years of AKRSP correspond to the missing years in many 'delayed' rural development schemes.*"

This statement has, perhaps, obscured the fact that grant-funded Productive Physical Infrastructure (PPI) was a central element in the institutional model¹⁹. This concrete project provided the 'glue' to bind the VO together. Which project did the village need most was discussed from the first Diagnostic Dialogue between AKRSP and the villagers. In almost all cases the answer was a PPI. VO primacy was established, and its relationship with the RSP was worked out, through the process of enabling it to decide what PPI it would construct and how to manage it. Villagers were paid for their labour contribution to the PPI.

The evaluation noted AKRSP's reliance on "*the demonstration effect to spread support and participation in the program rather than devoting resources to difficult cases.*" This was felt to be justified on the grounds that there was no shortage of villages seeking AKRSP's assistance. It does raise a concern, however, that the most vulnerable might be left out, precisely because they fall into the 'most difficult' category. In 2008, it is some years since RSPs have become concerned that they are not reaching the poorest groups. With hindsight, it can be seen that relying on demonstration, effectively on self-selection by the communities may have been a factor.

What came after the 'institution and infrastructure-building phase' was less clear. The evaluation identified two sides to AKRSP's work. Alongside the 'institutional model' there was a 'production model'. This aimed to build on the PPI, to develop VO capability and create access to credit through VO savings. However, this seemed "*less well studied and conceptualized than AKRSP's 'institutional model'*". More needed to be learnt about the household economy, in particular the labour burden on different household members. 60% of the PPIs were for irrigation infrastructure and the 'production model' can be seen as something of a meld between three different institutional forms: water user groups, extension farmer groups and savings groups.

It will be suggested later that defining a workable 'production model' continues to be a challenge for the RSP movement. The 'institutional model' defines clearly what a community organisation is. It is more difficult to see a 'production model', or set of alternative models, which define clearly what it is for.

AKRSP was well managed and its dedicated staff were able to make the most of the flexibility gained from its status as an independent NGO. They had an "*image of professionalism that is impressive to observe.*" Senior staff, from the General Manager downwards, were in the field leading the social mobilisation effort.

AKRSP is still, in 2008, debating where and when it is appropriate to establish Women's Organisations, separate from male-dominated COs and LSOs. It is notable, therefore, that having set up separate women's groups, by 1986 AKRSP had "*recognized that since women do not function independently of the household, the desirability of separate WOs is doubtful.*" (This recognition did

¹⁸ World Bank, 1987 – The Aga Khan Rural Support Programme, An Interim Evaluation

¹⁹ Statistics in the report seem to indicate that many VOs were allocated more than one PPI.

not seem to last long, as the promotion of WOs continued.) The evaluation suggested that the 'production model' should be tailored more carefully to the needs of women. The focus on income generation implied extra work for women. Labour saving inputs to reduce women's drudgery might do more to improve their lot. It can also be suggested, although the evaluation did not, that few WOs had a PPI or equivalent project to act as the 'glue' and focus for their organisation. In that respect, the AKRSP 'institutional model' for women's organisations was also lacking.

The way RSPs work with government is a challenge that continues to face the movement. The first evaluation saw AKRSP as a 'self-liquidating organization' which would work itself out of a job, 'in any location', within 10 years. Its work complemented that of government programmes and, in this way, "*AKRSP manages to increase the effectiveness of government without making the VO or program entity dependent on government*". One element in the complementary relationship came from AKRSP paying government staff honoraria to help with the skills development programme and purchasing inputs, such as seedlings from government nurseries.

The first evaluation identified a number of special factors which had contributed to AKRSP's early success:

- "*pent-up development potential of a formerly isolated area*" [i.e. before the Karakoram Highway];
- "*lack of institutional competitors due to the partial political and social vacuum*" [following the abolition of the princely states in 1974];
- "*easy contacts and working relationships due to AKRSP's affiliation to the Aga Khan*";
- "*two sister organisations working in the area for many years*" [the AK Education and Health Services];
- "*unusual government support and attention due to the area's strategic and political significance*".

It can be added to this list that the 'pent up development potential' lay in irrigation technologies that were traditional in the area and largely within the communities' own capabilities. 60% of PPI were for irrigation and a significant proportion of those were to rehabilitate existing channels.

RSPN and RSP staff with experience on AKRSP do not agree that these factors are as special to the Northern Areas as the World Bank concluded. They think the situation is similar in many areas where they work; areas where strong communities struggle to deal with difficult circumstances.

Nor do these factors detract from the clear AKRSP achievements reported by the OED. The 1986 evaluation concluded that the AKRSP approach had been a 'considerable success', that it compared very well with other rural development programmes, and that there was potential to replicate it.

In 1989, the second evaluation found there had been a fall in the number of members per VO, partly because some 50 organisations had sub-divided.²⁰ It has also been learnt that for many activities, farming in particular, villagers did not wish to work collectively, as AKRSP had sought to encourage. New land that had been developed was distributed to individuals; although any landless who had contributed to the PPI were given an allocation.

As with the first evaluation, the greatest concerns were about the Production Model. Credit was one example. For both saving and credit AKRSP was only one among a number of providers; "*only a small part of the credit operations of the villages*". This was a significant finding, given the importance given to VO savings and credit. AKRSP sponsored micro-finance had not necessarily opened up a wide range of new opportunities. The evaluators felt more needed to be done about understanding what would nowadays be called rural livelihoods: "*the overall structure of resources and resource use (especially labour)*". And once again, the women's programme was seen as too focussed on income and credit, not on reducing drudgery.

The evaluators were critical of AKRSP's Monitoring and Evaluation. There was still no baseline, and 'assiduous' monitoring documented inputs, not outputs. Partial evaluations had been done but few

²⁰ World Bank, 1990 – The Aga Khan Rural Support Programme, A second interim evaluation

yielded useful information for decision making. In only one or two instances was there an appropriate concept of 'with/without' analysis. The emphasis was on answering questions "that fall into the 'What?' category, while giving much less attention to the "Why?" and "How?"

Though more questioning, the second evaluation still assessed AKRSP as 'remarkably successful'. "At a time when 'rural development' as a development strategy is out of favor, the AKRSP experience provides a hopeful prospect that rural development can be made to work, given half-way favorable circumstances."²¹

By the time of the third OED evaluation, in 1995, there was evidence that household incomes in NAC had nearly doubled since the start of AKRSP.²² The evaluation stated, somewhat guardedly, that "agriculture should have been an important contributor to this improvement. Consequently, as AKRSP has had major activities in the agricultural sector, it can reasonably be linked to the improved income, although there are no means to identify the extent of this contribution."

AKRSP had responded strongly to criticism of its M&E and the third study has more detail about individual programmes. AKRSP's 'Production Model', combining PPIs, access to credit and support for new agricultural technologies, had helped participants in the programme to raise production and earn more from their marketed produce. Studies of WOs showed significant benefits from new poultry packages etc. To achieve this, AKRSP had become more of a full-service development organisation: developing technologies, supplying inputs and training specialists.

The evaluation reviewed AKRSP's credit programme in detail. It paints a complicated picture. Medium term group loans had been withdrawn, replaced by Micro Enterprise Credits to individuals, and a new class of loans under a VO/WO Credit Programme. The latter allowed members to draw loans, up to the value of their savings, on attractive terms. Prior to this savings levels had been falling. Most of the changes seemed to imply some relaxation of restrictions on borrowers, despite the fact that recovery rates were falling. Perhaps to counter this, the position of Field Accountant had been introduced and AKRSP Social Organisers were spending up to half their time on credit. As a result the credit operation was absorbing considerable resources. It was calculated that AKRSP would need to charge 40% to fully cover all costs, including the cost of capital.

Overall, the concept behind the credit programme seemed unclear. The original objective had been for communities to raise their own capital and invest it locally. This ignored the possibility that, as savers, they might get better returns by investing outside the area; and, as borrowers, they might be able raise capital more cheaply elsewhere.

Although not highlighted in the evaluation, a review of the data annexed shows low levels of participation in some AKRSP programmes. In 1994, only 147 out of 768 WOs (19%) were participating in any of the production packages. 25% of VOs accounted for 70% of saving.

The third evaluation raised the question of an AKRSP exit strategy. Once the majority of a district had been organised into established VOs, new issues arose: "how to ensure that savings and credit mechanism are sustained after AKRSP? how to strengthen VOs/WOs so that they can function as semi-permanent entities for the good of all community households?" A Strategic Development Committee had outlined a new definition of AKRSP's role:

"The [new] strategy would result in some activities being delegated to successor institutions in the form of a N[orthern] R[egion] D[evelopment] B[ank] and the E[nterprise] S[upport] C[ompany] AKRSP itself would be consolidated into a support function to provide services which are required to develop local capabilities, and an implementation function in areas where AKRSP can offer significant comparative advantage. In both its support and implementation functions, AKRSP would use its established capacity to link communities organized in VO/WOs with other providers of services, investments and funds."

²¹ This statement is perhaps more revealing than intended of the evaluators' wish to find positive messages in rural development.

²² World Bank, 1995 – The Aga Khan Rural Support Programme, A Third Evaluation

In other words, the long term goal of establishing community organisations capable of managing their own destiny and dealing directly with Government and the private sector was maintained. However, AKRSP's role, working to build capacities on both sides and linkages between them, would need to continue for the foreseeable future. On the community side, a majority of VOs still needed help to become "*continuing self-help institutions*". On the Government side there were still important gaps.

The concept of how VOs would work was also changing. Clustering was being considered, to allow a number of VOs to work together on larger infrastructure and other interests that affected more than one village. It was being found that once a VO had completed its PPI, and taken the benefit of the wages paid for working on it, the 'glue' that bound the organisation together tended to weaken. An exception was where a VO was an active user of AKRSP credit, but this was a narrow interest serving individual borrowers. It was also seen that agriculture only contributed half of household incomes, pointing to a change in a model focussed on agricultural production. In response to community demand, AKRSP was becoming more involved in health and education, although the presence of separate Aga Khan Health and Education Services limited its role.

Against this background, the evaluation report emphasised that a Village Organisation's future depended on "*a perception in the community that the VO will continue to provide significant benefits which are not likely to be obtained by other means.*" It was indicated that some VOs were 'dormant'. This presumably reflected the fact that those communities no longer had that crucial perception. Unfortunately statistics on how many were not reported.

The question of what a community organisation is for and, above all, what the community thinks it is for, is one that runs through much of the rest of this paper: How to define a role for a community organisation; one which will provide benefits beyond the initial programme of support and so justify the organisation's long-term existence? Without such a role, the RSP model becomes little different from many other rural development projects based on group participation.

The fourth and last OED evaluation of AKRSP was in 2001, 19 years after the programme started.²³ Once again it judged that the programme's achievements had been 'highly satisfactory'. Incomes in the area had increased substantially and although AKRSP's contribution was difficult to measure, it was "*more than sufficient to justify the cost*". Economic cost benefit analysis of the different AKRSP programmes showed high rates of return.²⁴

However, the relevance of AKRSP's work had "*been threatened by continued weakness in government capacity; declining frequency of infrastructure investment at the village level that in the past served to bind community organisations to a common purpose; increased pluralism in community organisations; too little progress in bringing women into the mainstream; declines in saving and credit flows; and increased overdues in finance*".

Echoing the third evaluation, an important section reviewed the relevance of AKRSP's Institutional Model, which seemed to be undergoing fundamental changes:

- Relevance Today – . "*.. many villages continue to have active organizations. In others they are less active, or in some cases dormant. In most areas VOs now coexist with a plethora of sub- and supra-village organizations, including LDOs, cluster organizations, and Social Welfare Societies. Some of these have arisen out of the need to coordinate mohallah-based (hamlets) VOs. Others have developed independently in response to specific functional interests or other funding sources.*" VOs which have disbanded need not be seen as a failure but rather as "*a positive indication that villagers have sufficient maturity and confidence ... to feel comfortable letting go of an organization that has outlived its usefulness – perhaps to spawn another one .., with a different objective.*"
- Relevance in the Future – "*new institutions such as function based farmer interest groups [may take the VOs'] place.*"

²³ World Bank, 2002 – The Next Ascent: An Evaluation of the Aga Khan Rural Support Programme

²⁴ Unfortunately, the report did not explain or justify its assumptions on opportunity costs.

- Relevance of WOs – AKRSP’s WOs were very lacking in confidence and *“the problem, perhaps, is that [the WOs] have been too relevant. They have responded to women’s practical needs but not to their aspirations or potential as public citizens.”*
- Relevance for the Poorest – For the first time it is acknowledged that the VOs were not reaching the poorest. A newly initiated Pilot Poverty Program aimed to enable the poorest households to join VOs, but in one village *“it was not clear to the evaluation team that the targeted families had really wanted to join a community organization or that their better-off neighbors had welcomed them. a reminder that high levels of social capital within a group ... can make it exclusive ...”*

The observations on Relevance Today highlight, again, the fact that the life of a community organisation depends on its purpose. If, for example, it is to build a PPI, then some VOs will become dormant or disband once the infrastructure is complete. In terms of the twin-sided model, once the Production Side is finished, then the Institutional Side has completed its task and can dissolve. Unfortunately, the evaluation report did not give numbers on how many VOs were active and how many dormant, to show how significant this issue was.

With incomes as much as doubled and many VOs ‘graduating’ in some way or other from the need for intensive social mobilisation, it could have been concluded that AKRSP had indeed worked itself out of a job. However, this was not the evaluation’s conclusion. On the contrary, it reported that *“efficacy in AKRSP’s earlier objective of ‘working itself out of a job’ has been negligible, it is questionable whether this was a realistic objective at the time. Even today it is probably unrealistic at a program level.”*

A new long term goal, in 10 to 15 years, was suggested. That AKRSP should become a more modest player among institutions in NAC, *“as much a think tank for new development ideas as an area program.”* In the interim, however, AKRSP should fine tune its approach to developments in the area, giving greater attention to the poor and women, remaining fully engaged in micro finance and offering a more differentiated range of support *“according to individual community needs”*. It should also work together with the other Aga Khan institutions *“to raise significantly government’s development capacity in a specified period.”*

AKRSP has been described as a high-input, high output model. Taking data across all four evaluations helps to see how this developed:

- Up to 1994, there was a steady decline in average VO membership: from 71 households in 1986 to 41 in 1994. This may reflect a drift from community-based to function-based organisations, as discussed above. AKRSP funding for smaller projects may also have been a factor.
- The relationship between Social Organiser and VO is critical. In 1986, there was one SO for every 30 VOs, indicating that the target of at least one SO visit a month was just achievable.
- Between 1986 and 1989, the number of professional staff per VO fell by nearly 50%, implying that one visit per month was no longer possible. After that the staff:VO ratio was stable.
- Annual operating costs per beneficiary household were also remarkably stable.

Compared to many programmes, and indeed to all other RSPs, AKRSP was very well funded. It is worth noting, therefore, that after 1986 even AKRSP was probably not able to stay in direct and regular, monthly contact with its VOs.

It is unfortunate that the OED evaluations do not provide standard data on beneficiary participation in AKRSP programmes, for example: how many VOs are drawing credit each year; how many households take loans each year; how many WO members take the poultry package; and so on. There is also no standard data presented on infrastructure use, and disuse, after a PPI is completed: how many are working one year after construction, two years, etc; number of beneficiaries; area irrigated; etc. This is an important gap in the impact assessment.

The AKRSP evaluations give a clear description of how the community-driven development approach developed over 18 years. By the end of that time, the workings of both the Institutional and

Production Models were much better understood. Yet, as is always the case, greater understanding raised important questions:

- Does the Institutional Model offer a long-term basis for community organisation, or is social mobilisation only needed at certain stages of development or for particular functions, after which community organisations (CO) can be expected to become dormant or disband?
- If the former, should the model develop over time, perhaps by clustering or forming networks? If the latter, does it just become a version of well-known water-user, farmer or savings group models?
- What is the most appropriate Production Model to act as the 'glue' for a CO? Or are there a range of models to suit different contexts?
- What is the role of savings and credit in both the Institutional and Production Models?
- In situations where Government is unable, or unwilling, to respond to attempts to build linkages, is the only alternative to try to build its capacity? Or should an RSP offer substitute services, and funding?
- Must RSPs work themselves out of a job? If not, what is their long-term role?
- Does a model which depends on a community's existing social capital mean that the poorest will always be excluded?
- If WOs focus on women's practical needs, does that mean they are '*too relevant*', ignoring women's aspirations and their potential as citizens?

In different ways all four reports indicate a need to look more closely at the context. The early evaluations urged more work on farming systems and household livelihoods. The fourth and last noted the need for AKRSP "*to assess why some villages have more mature institutions than others. The evaluation team does not feel that the 1998 Institutional Maturity study really achieved this.*" Micro finance is another example. Limited observations in the evaluation reports reveal that there were active credit and savings markets in NAC before AKRSP started its operations. Greater understanding of those markets might have allowed the programme to develop much more rapidly, and also to avoid the risk that it was crowding out useful alternative sources of credit and savings.

2.2 THE RSPS IN 2008

Table 2.1 presents RSP Coverage and Outreach at March 2008.²⁵ It shows the variation between the northern areas, where AKRSP has a presence in almost every Union Council and has reached 84% of the rural population, and the Punjab, where NRSP and PRSP together are present in three quarters of the UCs but have only reached 11% of rural households. This might indicate that the RSPs, especially those in the down-country provinces, are spreading themselves too thin, going for breadth rather than depth; tending to work with the more accessible communities in each UC and moving on, rather than seeking to get strong coverage across the UC. It may also reflect the fact that new funding sometimes comes tied to a commitment to extend work to new regions and districts. An example is the Social Mobilisation for Poverty Reduction Project, which targets the 23 poorest districts. The risk is that pockets of poverty in better off districts will be overlooked. A scattered approach is also likely to be more expensive, at least in terms of the cost per CO and per household.

RSPs are conscious of this issue and the new three-tiered 2nd Generation Social Mobilisation Approach discussed below is intended to address it.

²⁵

Source – RSPs Progress Update, March 2008, RSPN Islamabad

Table 2-1 RSP COVERAGE AND OUTREACH (March 2008)

By RSP	RSP Districts	RSP UCs	UC Coverage	RSP Households	Hhd Coverage
AKRSP	6	117	99%	127,189	84%
BRSP	5	92	85%	25,662	22%
GBTI	3	20	12%	22,161	5%
NRSP	43	1,696	74%	816,618	14%
PRSP	20	692	42%	351,787	8%
SRSO	9	92	22%	44,305	4%
SRSP	14	341	64%	352,539	33%
TRDP	5	126	56%	160,893	23%
Total	93	3,124	67%	1,882,054	15%
By Province					
ICT	1	12	100%	11,469	26%
Balochistan	7	143	90%	63,039	30%
NWFP	19	495	64%	459,020	31%
Sindh	21	419	49%	317,339	13%
Punjab	34	1,875	71%	858,939	11%
AJK	6	87	56%	78,247	26%
Northern Areas	5	93	99%	94,001	81%
Total	93	3,124	67%	1,882,054	15%

Table 2.2 shows the cumulative RSP achievement, since AKRSP was formed, separately for Women's Organisations (WO) and men's Community Organisations (CO).

Table 2-2 CUMULATIVE RSP ACHIEVEMENT (March 2008)

	WOs	COs	Mixed	TOTAL
COMMUNITY ORGANISATIONS				
COs - formed	35,714	82,051	4,467	122,232
%	29.2%	67.1%	3.7%	100.0%
Members Per CO	19	18		
Women as % of Total Membership	31.1%			
CUMULATIVE SAVINGS (Total Rs 1,915 Million)				
Rupees Per Organisation	Rs 11,375	Rs 18,399		
Rupees Per member (Men + Women)				Rs 874
CUMULATIVE CREDIT (Total Rs 30,347 Million)				
Rupees Per Organisation	Rs 255,293	Rs 258,747		
Per member	Rs 13,379	Rs 14,044		
Loans Per Organisation	23	25		
Loans Per Member	1.2	1.3		
Loan Size – Rupees	10,898	10,484		
Loanees as % of Membership	65	95		

Cumulative figures over the 20 years and more of RSP operations are not very informative. It does not, for example, allow any comparisons to be drawn between, say, AKRSP, which has been in operation of 26 years, and SRSO which only started work in 2003. Data on current levels of CO activity and on member participation give a better picture. Table 2.3 shows some limited RSP benchmarks of this kind.

Table 2-3 RURAL SUPPORT PROGRAMME BENCHMARKS

	WOs	COs
CURRENT CREDIT (= RS. 6,058 Million)		
Portfolio Per Organisation- Rupees	Rs 71,135	Rs 42,871
Active Borrowers	248,734	340,603
Credit per Active Borrower	Rs 10,214	Rs 10,328
Active as % of Membership	36.5%	22.5%
MICRO INSURANCE (Total Clients 783,428)		
Clients as % of Membership	28.5%	39.0%
COMMUNITY INFRASTRUCTURE (CPI Completed = 27,409)²⁶		
Completed CPI per CO (Men)		0.3
Beneficiary Hhds per CPI		65
TRAINING		
Trainees per Organisation	10	8
Trainees as % Membership	50.4%	41.9%

Other points to be noted from the RSP Progress Update are as follows:

COMMUNITY ORGANISATIONS

- The proportion of WOs is twice as high in some RSPs as in others. NRSP is well below the average. As it is the largest RSP and accounts for over half of all community organisations, this has a big impact.
- CO size also varies. The two northern RSPs – AKRSP and SRSP – have COs that are between 50 and 100% larger than the average membership of just less than 20. Even then, the COs are barely half the size of the VOs in the earlier years of AKRSP.

SAVINGS

- Savings per CO/WO and per member are three times higher for AKRSP than for NRSP and TRDP, the next highest. At the two other large RSPs – PRSP and SRSP – savings per member are barely Rs. 200 – \$2 to \$2.5. These are cumulative figures. The amounts currently on deposit may be lower.

CUMULATIVE CREDIT

- In four of nine RSPs, including the dominant NRSP, lending per organisation is higher for WOs than COs, and lending per member is higher for women than men. Loan sizes are equal or lower, implying either that women are more frequent borrowers or that a higher proportion of women are taking loans. SRSO, AKRSP and TRDP are the exceptions, with lower lending to women than men.
- Lending coverage depends on two factors: the proportion of members borrowing and the number of borrowers who take multiple loans. Only at AKRSP is the number of loanees substantially greater than CO/WO membership: indicating that the proportion borrowing or the number of multiple borrowers is high, or both. Even at NRSP, cumulative loanees is only 81% of membership. This indicates that at least 20% have never taken a loan. More probably, a smaller percentage have taken multiple loans and a higher proportion have never had a loan.

CURRENT CREDIT

- Six RSPs report their current portfolio and numbers of active borrowers.
- For four of the six, less than 10% of the membership are active borrowers. For PRSP it is 20%. Even for NRSP, only 40% of the male membership are active borrowers. The striking exception is for women members of NRSP, where 85% are active borrowers.

²⁶ TRDP numbers excluded. Statistics include Household as well as Community Infrastructure.

COMMUNITY INFRASTRUCTURE

- AKRSP has completed just over one PPI/CPI per CO. TRDP's numbers are not comparable. None of the remaining seven has completed a CPI for more than half its COs.
- At 65, the average number reported of beneficiary households per CPI is three times the CO membership.

TRAINING

- On the perhaps unlikely assumption that no trainee has been on more than one course, half of women RSP members have been on a training course, ahead of the men at 42%.
- NRSP and PRSP have been the most active: 61% of women members for NRSP and 83% of men for PRSP.

GENDER BALANCE

- Although WOs are only a third of all community organisations, it is notable that women members match the men in several respects - Cumulative Credit per Member, and Current Credit per Active Member – and surpass them on some other measures, notably the proportion of Active Borrowers and the proportion receiving Training.
- This is particularly the case for NRSP. Women are only a quarter of the total membership but 33% of trainees and 42% of Active Borrowers.

The conclusion which stands out is that there are only a small proportion of COs where the complete RSP model has been applied at the same level of intensity as AKRSP. Outside AKRSP barely a third of COs have a CPI to act as a focus for the social mobilisation effort. The fact that so many CPI beneficiaries are not CO members is another sign that the link between infrastructure and social mobilisation is not as strong as the model indicates.

Assessing the efficiency of RSP operations is difficult. Each RSP runs a large number of different programmes. Several have separate credit, social mobilisation and project wings. Data is not presented showing how staff time and costs are divided between the different activities. Key KPIs, such as the cost of social mobilisation per CO, cannot be estimated realistically from the published data.

2.3 RSP PROGRAMME EVALUATIONS

This section reviews evaluations of NRSP (1998), SRSC (later SRSP, 1996 and 1998) and TRDP (2006).

2.3.1 NRSP Interim Evaluation 1998²⁷

In 1998, NRSP had been operating for six years, funded from its initial Rs. 0.5 billion endowment and loans from Habib Bank under a Government scheme to encourage banks to lend to the rural sector. The evaluation describes NRSP as 'remarkably successful', principally through having demonstrated that COs could manage small, productive loans and having established a special relationship with Government.

There was a clear difference between NRSP's work and the theoretical RSP model. Instead of physical infrastructure as the entry point for social mobilisation, it is the "*individual entrepreneur who becomes the engine of development. ... small loans at commercial rates for productive purposes are a distinguishing characteristic of NRSP.*" There were three reasons why infrastructure was 'not prominent' for NRSP: a) there was no grant funding available; b) line agencies in the NRSP areas were funded and competent; and c) CO members were less interested in community projects. Overall, 68% of the NRSP budget was disbursed as credit, 15% on Social Mobilisation, and 10% on CPIs and training.

NRSP Community Organisations (CO) were significantly smaller than the AKRSP Village Organisation (VO). This seems to have been partly because the smaller unit, 20 households or less, was better adapted to credit operations and partly because villages in the NRSP regions were much larger. It was more effective to work with a '*muhalla*', or sub-section of the village.

²⁷ UNDP, 1998 – Interim Evaluation of the NRSP

Linkages were particularly important: the *“primary task of NRSP field staff is to serve as catalysts linking CO needs to line agency programmes and services. NRSP serves as an extension of line agencies.”* The good relations between NRSP staff, many of them ex-government, and officials in the line agencies were noted.

Given that that it had received very little external grant funding, NRSP’s achievements were considerable. In numbers at least, it had reached as many rural people as AKRSP, in half the time and at a considerably lower cost.

The evaluators saw NRSP COs as changing rural relationships significantly and as *“a ray of hope. Multiplied throughout rural society that change has significant implications for governance.”* Credit was a particular strength, with *“rigorous, transparent and effective procedures”*. The impact on women and their ability to manage their own savings for the first time was also important. NRSP flexibility and ability to respond rapidly was another strength. During floods in Balochistan, *“unhesitatingly the local authorities turned to NRSP”*. The achievements of the Human Resource Development unit, soon to become the Institute for Rural Management, were also a highlight.

The evaluation raised a number of issues:

- Monitoring and Evaluation - The evaluation made no attempt at a full impact assessment, for which there was no data.
- Overstretch - Concern was expressed about the risk of over-extending the Social Organisers.
- Technology Development – Although included in NRSP’s mandate, not much was being achieved. One difficulty lay in deciding where government line agencies could take the lead and where NRSP might step in.
- Participation and Poverty Targeting – Some households do not choose to join COs. The reasons needed to be found out. NRSP’s *“impact on the poorest of the poor has, to date, been modest.”* Most benefits were going to the *“progressive poor”* or above. *“Rather than expanding quickly into 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 ...”*
- Distraction by Funding – NRSP’s engineering function was expanding in response to donor funding for water programmes but a *“distinction must be made between responding to community needs and becoming the surrogate for ineffectual government.”*
- Purity of the Concept – *“government departments and donor agencies want to be associated with a success story and, in some instances, want to impose their own agenda on NRSP”*.

2.3.2 SRSC Evaluations 1996²⁸ and 1998²⁹

SRSC had started with the AKRSP model in mind but like NRSP it moved away from it fairly quickly. By 1996 it had concluded that it had *“pushed [SRSC] into an over-emphasis on physical infrastructure.”* It would be better for training and credit to be the first entry point, with an infrastructure project perhaps 18 months later. Many COs and WOs might not need a PI at all. If they did, it might be social rather than productive infrastructure, drinking water in particular.

The mid-term evaluators were concerned that SRSC might be rushing delegation to Village Activist: *“premature and overly optimistic withdrawal tactics can damage all the work that has gone before.”* The end-of-phase evaluation took the opposite position. *“The concept of activists at community level to subsume much of the responsibility of SRSC’s front line staff is basically sound and should increase chances of sustainability and programme effectiveness”*.

For gender, SRSC had made moved from a Women in Development (WID) towards a broader Gender and Development (GAD) approach but there was a need for *“deeper conceptualisation and a review of expected outcomes.”* Women’s enterprise development needed to focus on viable opportunities and only capable women should be selected as trainees. There were urgent needs in the health sector and SRSC might not have the technical capability to address them.

²⁸ NOVIB/SRSC 1996 – Sarhad Rural Support Corporation, Mid Term Review

²⁹ NOVIB/SRSC 1998 – Sarhad Rural Support Corporation, End of Phase Evaluation

Unlike AKRSP, SRSC had no substantial lead donor. Dealing with a number of different agencies led to *“problems caused by differential conditions in SRSC’s agreements with donors.”*

Overall, the 1998 evaluation reported that SRSC had made good progress, with a comprehensive M&E system. Reflecting the then donor’s interest, *“SRSC [had] made considerable progress in the intervention of gender in its programme sections.”* There was more concern over poverty targeting. Records suggested that ‘a reasonable proportion’ of CO/WO members were from the poorest but this was not clearly stated in impact studies.

2.3.3 TRDP Mid Term Evaluation 2006³⁰

The TRDP Mid Term Evaluation in 2006 concluded that TRDP had created job opportunities; raised national and international awareness of the region’s needs, empowered poor people in Thar to participate more freely in public life, and carried out activities that *“**may have made a difference in the life of rural people.**”* At several points the evaluators report positive, even strongly positive ‘anecdotal evidence’ about TRDP’s performance. However, it also highlights a lack of efforts to dig deeper and distinguish between a handful of positive experiences and an activity that was reaching and having a real impact on large numbers of poor people.

The report raised many of the same issues as for NRSP and SRSC but they were expressed in less positive terms. More strongly than any other evaluation, it suggested that TRDP programmes lacked strategy and a clear assessment of needs. Neither technical or social options had been analysed effectively and activities lacked follow-up.

The criticism is so strong that it is tempting to discount it. Certainly the evaluators could have made more of some of their positive findings: for example, the positive impact of community training and the fact that Village Activists were *“serious about their work”* and had *“found personal fulfilment and empowerment.”* However, the conclusions are supported by credible data and thoughtful discussion. Key data items were that in 2004:

- 40% of PDCs (TRDP equivalent of COs) were classed as non-functioning.
- Savings per PDC member were static at Rs. 500 (\$10), declining in real terms.
- A small random check showed 37% of PDC members had never borrowed from TRDP and less than 20% were had borrowed three or more times.
- CPI schemes generated four days of paid employment per beneficiary household, an important benefit and incentive.

Funding was an important factor. TRDP *“depends on what financial support it can get from donors but not necessarily on what the organisation and communities really need.”* A donor-funded extension to two new districts was more than TRDP could handle and had left it even more vulnerable to donor agendas. Between 2000 and 2004, donor funding doubled and then the two largest donor contributions fell by 50%. If it had not been for the entry of a third large donor, income would have fallen back to the 01/02 levels immediately.

Like NRSP, TRDP was working much more rapidly and with less resources than AKRSP. In five years since 1998/99, TRDP had expanded from 381 COs to over 3,000, including Children’s COs: about three quarters of the number it took AKRSP 18 years to reach. Yet in 2004 TRDP spent only Rs 1,600 per beneficiary household (excluding credit). Four years earlier, in 2000, AKRSP spent Rs 3,400 per household, over twice as much. In the same year, AKRSP had one professional staff member for every 17 community organisations supported. In 2004, the TRDP ratio was 1:50.

The evaluation showed how the pressure to expand on limited resources was affecting TRDP’s social mobilisation effort. The organisation was dependent on *“a very thin layer of well trained and experienced supervisors”* and there were *“serious questions about the quality of Social Organisers and PDCs (i.e. COs).”* The evaluators interviewed Social Organisers and Activists and reviewed TRDP’s 18 step PDC formation process. They paint a picture of a mechanical routine that was poorly understood by those who were following it; one in which key steps such as the preparation of Village Situation Analyses were completed by rote, and then never looked at again.

³⁰ M.H. Khan et al, 2006 – Mid Term Evaluation of Thardeep Rural Development Programme

Perhaps the evaluation's most striking finding was that "*There is little evidence that the programme was driven by demand. The trial-and-error approach, implied in the model of development through participation, was by and large displaced by a blue-print approach in which achieving targets tended to occupy a prominent position for the implementation of programme components.*" Although more strongly put, this echoes the AKRSP evaluations' repeated finding that more work was needed on things like farming systems and livelihoods, to analyse more accurately what was relevant to the needs of the COs and their members and what was not.

2.3.4 Conclusion

The three RSP level evaluations were completed between four and 10 years ago. They cannot be used to make any judgement about current performance. A first clear conclusion is that there is a need for more frequent evaluations of this kind. It will be difficult for the members of RSPN to make a solid case for the worth of what they are doing, if six of the nine have never been evaluated and the most recent study is over four years old.

The NRSP evaluation was positive and saw it as 'remarkably successful'. The two SRSC reports show how the RSP overcame a difficult start and made progress, even when funding was uncertain. Even the critical TRDP evaluation concluded that some aspects might be making a difference, with significant anecdotal evidence of success. An important strength had been the RSPs' ability to respond rapidly to emergency needs, for example NRSP's response to flooding in Balochistan.

The three RSPs had all adapted the social mobilisation model to suit circumstances in their regions and the funding that was available. For most COs, credit was the main entry point, not physical infrastructure. Reflecting these differences, COs were half the size of AKRSP's Village Organisations.

Resources at all three RSPs were spread much thinner than AKRSP: forming more COs, in less time, and with less money and fewer Social Organisers per CO. Evaluators were concerned about 'overstretch'.

In terms of the theoretical RSP model, the impression is that all three were having most difficulty, as AKRSP had, with the Production Model; finding an activity or project that could give a purpose to and act as the binding agent for each CO. The only options were CPIs and Credit, and neither seemed a complete solution.

2.4 INSTITUTIONAL IMPACTS AND SOCIAL MOBILISATION MODELS

A clear institutional objective is the most important distinguishing feature of the RSP approach to community-driven development; one that sets it apart from many other international programmes. The concept starts from the principle that the poor should be brought into 'an organised fold'. This section of the paper looks at how that concept has developed and changed over the years and what has been learnt about the institutional impact of the RSP.

The questions put at the conclusion of the review of AKRSP serve as a starting point:

- Does the RSP Institutional Model offer a long-term basis for community organisation, or is social mobilisation only needed at certain stages of development or for particular functions, after which COs can be expected to become dormant or disband?
- If the former, should the model develop over time, perhaps by clustering or forming networks? If the latter, will the COs narrow their focus to single or closely related functions, perhaps by becoming versions of well-known water-user, farmer or savings group models?

Current RSP strategies are based on the assumption that COs are long-term institutions, which will develop through clustering into a three tier network. A new model of Second Generation Social Mobilisation (2nd GSM) is being developed which groups COs into Village Development Organisations (VDO) and, more often at the Union Council level, Local Support Organisations (LSO).

RSPs have monitored CO activity. In an important innovation, they have also sought to make more complex assessments of the organisations' Institutional Maturity. Although it is still in its early stages,

there have already been some case studies and institutional assessments of the 2nd GSM model. This material is reviewed in the next three sub-sections. The Village Activist is a central figure and he or she is expected to play an even more important role in 2nd GSM. The limited evidence about this key actor is reviewed separately.

2.4.1 CO Activity and Dormancy

The later AKRSP evaluations noted that VOs were becoming dormant as their interest in the PPI waned and communities evolved. The TRDP evaluation highlighted, for the first time, that there could be a significant proportion of dormant or non-functioning COs. Not all RSPs report data on CO activity but there are three sets of data which measure this aspect.³¹

Table 2.4 summarises the TRDP data on functioning and non-functioning COs. (The definition of a functioning CO was not reported.) It can be seen the proportion of non-functioning COs increased steadily as TRDP expanded its programme. This suggests there is a trade-off between supporting COs, to keep them functioning, and forming new ones. It is possible, for example, that by diverting resources from forming new COs to supporting existing ones, TRDP could have held the proportion functioning in 2004 at 75%. Even if 20% less COs had been formed (606) it would still have had the same number functioning in that year.

RSPs argue that CO formation creates social capital which is useful even when there is no current activity; that even non functioning COs have a value. Deciding the balance between support to existing COs and the formation of new ones depends on a judgement about how important this social capital is, and how sustainable it is, in the absence of any 'function' or activity.

Table 2-4 TRDP Proportion of 'Functioning' COs

	Total COs	Functioning COs	% Functioning ³²
1998/99	381	343	90.0
1999/00	515	412	80.0
2000/01	920	690	75.0
2001/02	1,566	1,096	70.0
2002/03	2,250	1,462	65.0
2003/04	3,030	1,818	60.0

The second set of data comes from NRSP, which regularly reports the activity levels of its COs against a four point scale:

- A Regular meetings & saving, CO initiative taken, 95% credit recovery
- B Regular meetings & saving, 95% recovery, local initiatives not taken, dependent on NRSP
- C Inconsistent meetings & saving, credit overdue but likely to be recovered, not ready for any activity
- D No meetings & savings, inactive after specific intervention, not ready for any activity

Table 2.5 shows the grading for NRSP COs in July 2008. On the definitions quoted, it shows that 88% of COs are still 'dependent on NRSP' and over a quarter are 'not ready for any activity'.

Table 2-5 NRSP Community Organisation Grading – July 2008

Grade	Number	Percent
A	7,922	11.5
B	42,513	61.7
C	6,040	8.8
D	12,317	17.9
TOTAL	68,915	-

The last data set was collated by RSPN on COs in the 28 poor districts that are to be the target for the Social Mobilisation Project. Using the same ABCD classification, there was a greater spread between the two extremes. Nearly 20% fell into category A, but 41% were C or D: 'not ready for any activity'.

³¹ RSPN advise that SRSP and PRSP have data on CO activity which the assessment team did not see.

³² The precise nature of the percentages seems to indicate that 'COs Functioning' is an estimate.

CO dormancy can be an indicator of success; a sign that a CO has met its infrastructure requirements, graduated from poverty and no longer needs close social cooperation. It can also happen that a community will retain the social capital that has been created in the process of forming a CO and find it valuable later on. A good example of this was provided by dormant COs in areas affected by earthquakes. SRSP staff reported that these revived and made an important contribution to emergency relief. Things moved significantly slower in areas where COs had not been formed. Dormancy might also indicate irrelevance, that a CO had been formed in a community that was not poor and was already managing its public goods effectively, perhaps through existing traditional institutions.

Nevertheless, dormancy must also be a possible indicator that the social mobilisation effort has failed. It also raises questions about the RSP assumption, for 2nd GSM, that COs are sustainable institutions with a long-term purpose.

2.4.2 Institutional Maturity Studies

AKRSP first carried out an institutional survey of all COs and WOs in 1992. The exercise was repeated in 1998. In 2006 a similar model was used for a sample survey. SRSP, RSPN on behalf of IFAD and some others have carried out similar studies. There has been debate about the value of the approach, some feeling it to be too elaborate. The fourth AKRSP Evaluation did not feel that the 1998 study had helped to understand why some VOs were stronger than others. Only one of those studies will be reviewed here, the 2006 AKRSP Assessment of Institutional Development of Village and Women's Organisations.

The study used a questionnaire covering six major areas: Participation, Management, Finances, Functionality, Technical Capacity and Effectiveness. Between four and 30 indicator questions were asked under each of the six headings and all the responses ranked between zero and five. VOs and WOs were then graded as follows:

Category	Av. Indicator	Status	% of VOs	% of WOs
A	3+	"demonstrated capability of undertaking their own development"	25	25
B	2 – 3	"clear potential but need to further build capacity"	61	55
C	1	"yet to show ownership of development process and continue to require extensive SO support"	14	20

On most indicators a score of 3 was equivalent to performance of between 36% and 55% of maximum. For example, if a VO was meant to hold 12 meetings a year but only held 5, it would qualify for category A. This is not a demanding standard. There were questions on credit, but the questionnaire did not mention the possibility of default, a key measure of institutional strength, or allocate a score for it.

Performance varied widely across the six areas. VOs scored highly on Participation (57% Category A) and Effectiveness (80%). Scores on more tangible aspects were much lower. 85% of VOs fell into Category C for Functionality, the actual delivery of services, and 71% for Technical Capacity.³³ The survey report noted that the high Effectiveness score, a measure of the VOs' expressed satisfaction, was "*disproportionate to the achievements of VOs with respect to management, technical capacity, financial sustainability and functionality*".

Overall, it is not clear that this study's results are substantially different from the CO Activity Monitoring statistics shown above. With 85% of VOs in Category C for Functionality and 71% for Technical Capacity, it is quite likely that the same proportion of AKRSP VOs was effectively 'not ready for any activity' as the 25% of NRSP COs which fell into that category.

³³ RSPN comment that this was due to 'reduced donor funding at that time'.

2.4.3 A Field Perspective

To give some, limited field perspective to this discussion, the RSPN Impact Evaluation team visited 16 COs in SRSP, NRSP, PRSP and TRDP.

COs are commonly described as being based on a *muhalla*, ie neighbourhood, and it could be expected that they would be formed by a group of closely related families living together. This did not seem to be the case. Some COs had members from outside the *muhalla*. In a few cases, as more COs were formed, people left to join a CO nearer their homes. The field team found many instances of people from different *biraderis*, or clans, coming together in one CO. It was difficult to judge if the poor or vulnerable are being left out of COs, either systematically or through self-selection. When asked, members explained that if others in the *muhalla* did not wish to join the CO, it was because they are better off. The RSP literature says very little about traditional social structures like the *biraderi*, or indeed the make up of individual COs. This is an important gap.

The evaluators found most COs visited were largely dominated by the office bearers (in most cases the Village Activist). These office bearers could explain the organisation's objectives but few other members could. Most cited expected benefits from facilities, or micro credit, rather than the less tangible benefits of social organisation. Most of the COs visited were four or more years old and the lack of member participation in discussion was disappointing. This was even more marked in women's COs; in some cases a male activist spoke on their behalf.³⁴

Speaking up in discussion is only one measure of participation, a rather poor one at that. The evaluators were only able to meet CO members as a group and could not probe questions of participation and dominance more closely. It was not, for example, possible to distinguish between genuine leadership by activists, working for the welfare of the whole community, and dominance for the purposes of capture. It must be emphasised, therefore, that the evaluators found no indication that COs members were disgruntled about their office bearers or the way CO benefits had been distributed.

CO records showed that meetings were held regularly and attended by most members. However, the proceedings were short and most only recorded that savings and credit had been discussed. There was little evidence of active involvement in the CO or of a capacity to generate self-initiatives and linkages with government. Some examples of self-initiatives were presented but the evaluators felt that many were arrangements that already existed, eg for funerals etc, that had been 'packaged' as self-initiatives. More positive examples included an activist who had provided free training to other members; a CO which organises monthly clearing of street drains; and a few COs which have decided that members must reduce expenses on weddings and social events, to cut the burden on the poor.

CO savings ranged from Rs 8,000 to Rs 400,000, most of them at the lower end of the scale. Most COs do not use their savings, but some lend them internally to their members; usually for emergencies and at a low interest rates, intended to assist the borrower rather than to make an income. Only a few, such as the TRDP CO with Rs 400,000, lend internally at a larger scale. One CO had used Rs 70,000 of its savings to pay for school improvement, which demonstrated the members' commitment to village development, but could not be considered as savings.

At an average membership of 20, a CO's savings of around Rs 20,000 would equal Rs 1,000 (US \$ 12-15) per member household. This can be compared with the national poverty line (at 2005/06) of approximately Rs 57,000 per household per year.³⁵ At this level, most COs have savings equal between 2 and 5% of annual household expenditures. This is not likely to be a significant factor in the way poor households manage their finances. To sum up, the earlier evaluations' suggestion that the purpose of RSP sponsored savings was unclear, seems to be confirmed.

On the other side of the microfinance equation, the COs visited had few problems with micro credit repayments. Some members had taken credit but said that they no longer need it. There were no

³⁴ Most unfortunately, it had not been possible to include a woman in the field team, which must have affected this.

³⁵ Monthly adult equivalent poverty line in 2005/06 (Pakistan PRSP II, Ch 3, Annex) = Rs 944 x 5 Adult per household x 12.

complaints about any members not getting their share of the facility. Only at a couple of COs was there any link between savings and credit: a requirement that borrowers should have 10% of the loan in savings. Overall, the evaluators found that COs which concentrated on credit seemed less active in other respects, even weaker in terms of institutional maturity and social organisation. Some RSPs, such as NRSP, run a separate credit operation. Where that was not the case, the Social Organiser has to deal with credit appraisals and recoveries. In some areas, evaluators were told, credit takes up to 70% of the SOs' time.

2.4.4 2nd Generation Social Institutions

Since the mid 1990s, AKRSP found groups of Village Organisations which sought to work together to address common interests. Since then various forms of higher-level social institutions have been supported to allow this. More recently, this shift has been given a structure under the title 2nd Generation Social Mobilisation, which is now an important part of the RSPs' future strategy. This is discussed in more detail later. Here the aim is to review experience to date with these higher level institutions, now known as Local Support Organisations (LSO).

By March 2008, 87 LSOs had been established, the majority in AKRSP and NRSP (33 and 36 respectively). On average, each LSO had 65 member COs and 23 member WOs. Each one represented some 1,400 households, 64% of the population of their respective Union Council.

It is hoped that the LSOs' wider geographical coverage will allow more meaningful partnerships to be developed with government and others, and larger development challenges to be addressed. The bargaining power that comes from size is part of this. To date, various models have been tried.

The first of these was developed by AKRSP.³⁶ It was a relatively formal model. AKRSP provided managerial support and Rs. 30,000 a month to cover operational expenses and salaries. The LSOs were registered as Section 42 Associations-Not-For-Profit, with the same legal obligations as an RSP. These were professional organisations, each having three to four graduate staff, including two social organisers.

A 2007 assessment reports a complex situation. Two of the three LSOs were previous VO organisations which had '*morphed into a new entity*'. One was built around a religious mission that was founded in 1954. It was not clear that any of them was representative of a majority of the VOs in its area. The move to LSO status seemed to have been largely at AKRSP's initiative, not a response to grassroots demand. In one case it was even stated "*that the drive to establish the LSO originated from and was led by AKRSP.*" In another it seemed that the "*LSO is largely viewed as another .. platform through which to access development assistance.*" The cost of maintaining the formal structure was another issue and it was proving difficult for the LSO to retain professional staff.

Other RSPs have developed less formal models, staffed by volunteer local Activists instead of professionals. The RSPs' new 2nd GSM strategy seems more likely to follow this route. Brief 2008 evaluation reports describe two examples: Khuski LSO and Mithi LSO.³⁷

The evaluations found the LSO records were in good condition and that they were taking the initiative in managing their credit funds and raising revenues. As with the AKRSP evaluation, the main concern was over relations with the wider CO membership. At Mithi, for example, no strategic planning workshops had taken place which would clarify mission, purpose and objectives for the General and Executive Body members to understand them fully. The LSO did not have "*a formal procedure of involving the needs/thoughts of the community.*" More practically, credit was managed by the top tiers of the LSO, not by the COs, with a risk of elite capture; even more so as only one or two individuals were judged capable of leading the LSO.

The RSPN Impact Evaluation team visited LSOs supported by four RSPs. They found the LSO office bearers and key activists to be impressive in their awareness and commitment. They were putting significant time and effort into the LSO, and they had obtained assistance for their COs from various

³⁶ AKRSP, 2007 – Preliminary Assessment of Four Emerging LSOs

³⁷ RSPN, 2008 – LSO Evaluations: Aurat Development Programme, Mithi LSO & Khuski LSO

agencies. They are also trying out new approaches such as varying credit charges according to poverty ranking of individuals. However, as RSPN had found, the rest of the membership did not seem to be involved. In meetings with the evaluation team, almost 90 percent of the members were silent and were not very aware of the process. Some did not even know about the LSO. When probed, the response was: *"We are happy with our CO leaders, whatever they do we are satisfied with their work, they are the ones who can efficiently run all the affairs of CO/VO and can best represent us in LSO as well as at any/every other forum"*. They further added *"they have ample time to sacrifice for us; we are happy with them and would not like to replace them"*.

Several of the LSOs visited had existed in a different form before they became an LSO. In SRSP, for example, two had been established as 'cluster organisations' and registered under the societies act in 2002, before the LSO concept emerged.

How an LSO will relate to local government is not yet clear. A number of those visited were closely linked to the Union Council. In one case the LSO chairperson and vice are also the UC Nazim and Naib Nazim, and RSP community organisations are strongly represented on the tehsil and district councils.

2.4.5 The Village Activist

RSP social mobilisation has always depended on the Village Activist (VA), that individual who *'is not motivated by sentiments of altruism: he/she sincerely believes that his/her own welfare can be improved with the welfare of other members of the community ...'* The activist under different circumstances and social structures is likely to have an important influence on the success or failure of a CO. Although not clearly stated, it is also implicit that the more capable members of a community, in some sense an elite, are likely to be the ones who take up the activist role.

Under 2nd GSM, the VA is being asked to extend his or her activities in two ways. First, they will represent their COs at the higher VDO and LSO level. Some of them will become the leaders in these new organisations. Second, it is they who are expected to staff the LSOs and take over some of the social mobilisation functions of the RSP's Social Organiser, under the title of Community or Village Resource Person (CRP/VRP). RSPs have prepared lists of experienced activists who are considered ready to do this and some are already working on re-activating dormant COs, a key objective for 2nd GSM, and forming new ones. Some are being paid an incentive per CO formed.

The evaluators have seen no written analysis of the social make-up of the Village Activists. It would appear that they are from various groups: from the traditional leadership, retired soldiers and other returnees to the community, teachers, religious leaders, shopkeepers and traders, and others. Similarly, there is no clear description of how they work and what motivates them. It is intended to transfer a substantial portion of the social mobilisation task to this group, at a lower cost. In effect, they are being asked to convert from volunteer to what can perhaps be described as semi-professional status. Their willingness and ability to take on this extra burden has been explored at some extensive Community Resource Person conferences.

It is important to consider the implications of the RSPs' reliance on VAs, in both 1st and 2nd generation social mobilisation. In essence, the process is to socialise and mobilise a rural elite, and to give it the skills and connections it needs to serve the community. Managing the modern process of development using external resources is the most important service: planning projects, accessing and managing resources, contacting government agencies and so on. There can be concerns that this might allow the elite to 'capture' the development process. However, it can be argued that it is better that community leaders have some training and are exposed to concepts of social responsibility. Rural people have to deal with several different elite groups – landlords, the bureaucracy, politicians and merchants. To try to create one that accepts a duty to work on their behalf seems well worth the attempt.

Given the importance and complexity of these processes, there is an urgent need for research on how the VAs are working.

2.4.6 The Social Mobilisation Team

The Social Mobilisation Team is at the heart of the RSPs' social mobilisation effort. The SMT of a typical RSP field unit consists of one male Social Organiser, one female SO and an Intern. Several evaluators have commented on the risk that this team would become overstretched if coverage was expanded too fast. SMTs in most RSPs are carrying a much higher burden; at least in terms of COs supported than was ever the case in AKRSP. On a rough estimate, each SO has between 60 and 200 COs to look after.

There are indications that these pressures are having an effect on the quality of the social mobilisation effort. At least one evaluation report indicates that the process of dialogue - situation analysis - investment plan process has become mechanical. The evaluators' own observation in the field, that many COs are now just 'project COs', indicates the same.

Most RSPs now set targets for the rate of CO formation: six a month per SMT (PRSP); eight a month (NRSP); and, 34 a month (TRDP). The TRDP figure depends on the assistance of activists as Community Resource Persons. Even the lower figures indicate that each SO will have barely a week working with each CO. And, as the number of COs rapidly increases, there will be less and less time available to support the COs that have already been formed. This is likely to affect the extent to which those COs stay active and productive.

2.5 POVERTY TARGETING

Since the NRSP evaluation of 1998 and the fourth AKRSP evaluation, RSPs have recognised that they were not reaching the poorest of the poor. There is a growing consensus that microcredit cannot, sustainably, do this. Attention is now turning towards some form of social protection: either subsidised credit or direct income transfers of one form or another. How to target such programmes to the poorest is a key concern. RSPs have always sought to understand the structures of poverty in the community using Participatory Poverty Assessment techniques. It is now felt that these do not go far enough. Because they assess relative poverty within a community, they cannot be used to compare between communities, or to measure poverty against a national standard such as the poverty line.

The RSPs are now seeking to address these issues. To improve poverty targeting a Pakistan Poverty Score Card (PSC) is being developed. A Union Council Poverty Reduction Plan has been drawn up, focussed on substantial transfers to the rural poor. It proposes that Rs. 17 million per annum be allocated to each Union Council. Of this Rs. 11 million would be for different forms of social benefit: food subsidy, health micro-insurance subsidy and a rural employment guarantee.³⁸

The Union Council Plan represents a major change of direction for the RSPs: away from supporting economic growth and towards the management of income transfers. There are important issues to consider: about how this move towards social protection affects the social mobilisation model; about whether income transfers are the only way to help the poor; and, about whether RSPs are the right institutions for this task.

The UC Plan depends on a robust mechanism to determine who is entitled to its benefits. The Pakistan Poverty Score Card is expected to do this. It uses data from the 2001 Pakistan Integrated Household Survey (PIHS) to "*construct an easy-to-use, objective poverty scorecard that estimates the likelihood that a participant has expenditure below the national poverty line. The scorecard uses 10 simple indicators that field workers can quickly collect and verify. Scores can be computed by hand on paper in real time. With 90-percent confidence, estimates of groups' overall poverty rates are accurate to within +/-1.1 percentage points. The poverty scorecard can help programs target services, track changes in poverty over time, and report on poverty rates.*"³⁹

It is important to note that the PSC only estimates the likelihood that an individual participant is poor. It is only accurate, at '*+/- 1.1 percentage points*' for groups. Statistically an individual who has a low score on the card has a higher probability of being poor, but he or she may still have an income above

³⁸ Figures from RSPN presentation to HTSPE Mission 22 August 2008.

³⁹ M. Schreiner, 2006 – A simple poverty score card for Pakistan.

the poverty line. RSPs plan to use the PSC to allocate people into five bands: three poor, two non-poor. The probability that any one individual will be placed in the wrong band is significant. Results in the middle band are likely to be particularly unreliable, i.e. the band where the individual has a nearly even likelihood of being poor or not poor. RSPN has learnt that community validation of score card results is critical to its greater accuracy.

The 10 point card first used by NRSP had one feature that seems quite against intuition. It gave 23 points, out of a hundred, to families that had no children. This made it close to impossible for childless families to qualify as poor. Other concerns are that only buffaloes are used as an indicator, where cattle are more important in many regions, and that electrical equipment like refrigerators is an unreliable indicator when there are areas which still do not have electricity. The PSC can only use indicators that are recorded in the PIHS, with the result that it is heavily dependent on the results of that one survey. RSPN is supporting work to adapt the PSC, but while it depends on that one national survey, there may not be much scope to do this without undermining the statistical basis.

RSPN has done a direct comparison of PSC results against a socio-economic survey (SES) in Sindh⁴⁰. Against the SES, it was found that the PSC gave 7% false negatives, i.e. people who were poor in the survey but not the PSC, and 21% false positives, people who the survey found to be above poverty line but who scored as poor on the PSC. These results do not invalidate the PSC, which only measures the likelihood of poverty. But they do underline the danger of using the PSC as a means to identify which individual households are qualified for benefits. Uncorrected, these results would have meant that nearly 40% of those receiving benefits would not have qualified. The RSPN study only looks at the reasons for false negatives, implying that false positives will be accepted as valid. Apart from the fact that it raises the cost by 40%, there is also a risk of generating resentment, even social tension, if the community feels some recipients do not deserve their benefits. RSPN and the RSPs hope to revise the PSC to reduce the level of false outcomes. It is argued that the benefits of this quick and cheap method outweigh its drawbacks, and that the Community Organisations will be able to correct any errors by applying a set of gateway questions.

Targetting individual poor households is not the only way to improve the RSP contribution to poverty reduction. An alternative would be to work to overcome the placement and selection biases which mean that RSPs are mostly working with the better-off people, in better-off communities. More work on identifying what the poor really need would also be important. Consumption credit, new saving products, insurance, health and education services might all have a more positive effect than bureaucratically controlled income transfers, with all the issues those are likely to create. They are also more in the original spirit of social mobilisation and community-driven development.

2.6 PHYSICAL INFRASTRUCTURE

Physical infrastructure is an important part of the RSP concept. In the early years of AKRSP it was the 'glue' which bound the Village Organisations together. Community participation also ensures that the infrastructure meets the community's needs and is appropriate for their capabilities. From this it is expected that infrastructure built by the COs will be cheaper, better and more sustainable than that built by government departments or external projects. This expectation underlies almost all international programmes based on community-driven development.

With only one in three COs outside AKRSP having a CPI, infrastructure is no longer as central to the RSPs' work. Nevertheless, if it is assumed that microcredit funds are recoverable, then infrastructure is by far the biggest single item of RSP expenditure: Rs. 8.5 billion at March 2008. (\$169 million @ Rs. 50/\$).⁴¹

There is no overall assessment of RSP work on infrastructure. This section is based on a review of two more limited studies: an Impact Assessment of CPI Projects commissioned by PPAF and a study of CPI Schemes in Rawalakot Region for NRSP.⁴²

⁴⁰ F.A. Saadi, 2008 – A comparison of PSC and Quantitative Socio-Economic Survey Results, RSPN October 2008

⁴¹ RSPN, 2008 – Coverage and Progress Update, March 2008

⁴² PPAF, 2002 - Impact Assessment of Community Physical Infrastructure Projects; NRSP, 2004 - NRSP Implemented CPI Schemes in Rawalakot region (AJK)

The first study used traditional Cost Benefit Analysis techniques to evaluate 356 CPI projects funded by PPAF and implemented between 2000 and 2001. A sample of approximately 20% of projects was surveyed and the report gives a clear picture of the programme.

The programme had supplied four classes of infrastructure: roads and bridges (53 CPI, 15%), irrigation (68, 20%), drinking water (231, 67%), and flood protection (3, 1%). In irrigation, the majority was for the extension/rehabilitation of *karez*⁴³ and lining water channels. Hand pumps and dug wells were the major item for drinking water.

The report found 100% community participation in the identification, survey and execution of the project. (This was the basis of three simple Yes/No questions that cannot give any depth on which members of the community were involved and how.) Project records were reviewed and generally found to be good. RSP support was also solid. Social Organisers had visited each CPI eight times, and RSP engineering staff between four and sixteen times. 92% of CPI were found to be operational. This was barely a year after most of them had been constructed, and it would seem that technical problems such as dry wells were the main reason for non-operation.

The impact assessment found very high rates of return and benefit cost ratios for almost all classes of CPI. The figures for hand pumps were particularly high with IRRs between 180% and a scarcely credible 1,822%.

Overall, the study showed a programme that had been well implemented, even impressively so. The impact assessment, however, is less clear, partly because it was carried out too soon after the construction of the CPIs for the full effect, or lack of effect, to be measurable. A re-survey after two or three years might be revealing. A close look at the impact assessment shows some implausible results and it appears that all data - on numbers of beneficiaries, area increases, time saved etc - was reported, not measured. Calculating IRR from this kind of estimate can lead to a spurious impression of precision. Similarly, three Yes/No questions are unlikely to reveal the true nature of community involvement.

The 2004 study by NRSP reviewed 337 drinking water supply schemes built by COs between 1993 and 2003. The schemes were compared with a parallel Local Government Department Rural Water Supply and Sanitation Project which had constructed 778 schemes in the same region. Both schemes required a community contribution: 20% for Local Government and 25% for NRSP. In the mountainous area of AJK, the majority of the schemes were gravity-fed, leading water from springs to stand-pipes in the community. Although not reported, the savings in time spent carrying water from the springs were likely to be substantial, especially for women.

Local Government schemes were larger and concentrated in larger settlements. On a total cost per household, they were nearly 50% more expensive than the NRSP schemes. On these figures, at least, a key benefit of social mobilisation seems supported: that community managed schemes are better managed schemes.

A field study classed 23 (66%) NRSP schemes as Excellent condition: fully functioning as designed, in good condition and supported by competent village specialists and a working operation and maintenance system. A further five schemes were Satisfactory: some leakage, less than 20% reduction in beneficiary numbers and less structured operation and maintenance. Of the remaining seven, six were Poor and one was Defunct. Unfortunately the Local Government schemes were not visited in the field.

These two studies showed that RSPs had implemented their physical infrastructure programmes effectively and more economically than parallel government projects. The Rawalakot study showed that most CPIs were in good working order after some years of operation. The PPAF evaluation programme was too early to make that judgement, and both the evidence of community involvement and the very high estimates of economic impact are questionable.

⁴³ Underground water channels, equivalent to the Iranian *qanat*.

2.7 MICRO FINANCE

RSPs are the largest single group working in Pakistan microfinance. In a number of ways, they have led the development of the sector. A 2007 study summed up AKRSP's leadership, while emphasising how research and analysis has lagged far behind:

“The Aga Khan Rural Support Programme’s development model has been replicated all across Pakistan, and since microcredit became a major instrument in dealing with the problems of the rural poor, it is assumed by all the actors in the microfinance sector, that principally, microcredit should be used to reduce the near 30 percent poverty – much of it rural -- in the country. This central belief, albeit largely unsupported by data and evidence, informs most of the debate around microfinance in Pakistan. In fact, one can argue as well, that research related to microfinance to support or dispel many of the main assumptions about microfinance, is woefully lacking, and hence many presumptions remain untested,”⁴⁴

AKRSP's microcredit programme has now been handed over to the First Microfinance Bank. Even without that, the RSPs, NRSP in particular, are the largest group of lenders in all activities except micro insurance.⁴⁵

	<u>RSP Share</u>
Active Borrowers	39%
Gross loan portfolio	41%
Active Savers	82%
Savings	31%
Micro insurance clients	30%

The future for microfinance is under intensive discussion. Three issues are central: scaling up, sustainability, and poverty targeting. The present consensus is that Pakistani MFIs must scale up as fast as possible to catch up with their peers in S. Asia. In 2008, there are some 1.6 million active borrowers, compared with an estimated microfinance market of 27 million. A short term target of three million borrowers by 2010 has been set, which would need a growth rate of 36% per annum. Rates at this level have been achieved in recent years, but from a low base.

Most MFIs are not sustainable and still depend on subsidised funding. The consensus is that this must change. It is argued that poor people are not sensitive to interest rates. What they need is access to credit, not cheap interest rates, and only institutions that are sustainable can provide that in the long term.⁴⁶

Table 2-6 Top 5 Micro Credit Providers in Pakistan and Bangladesh

	Number of borrowers	Gross loan portfolio (\$)	Average (\$)		Number of borrowers	Gross loan portfolio (\$)	Average (\$)
Pakistan				Bangladesh			
Kushhali Bank	168,105	23,541,911	140	BRAC	3,993,525	234,146,287	59
NRSP	88,401	14,298,074	162	Grameen Bank	3,700,000	337,700,855	91
Kashf	67,552	8,068,304	119	ASA	2,772,719	201,102,659	73
PRSP	54,555	6,057,269	111	Proshika	997,090	63,657,960	64
Taraqee	18,194	2,593,057	143	TMSS	372,374	24,652,287	66
Total	396,807	54,558,615		Total	11,835,708	861,260,048	
Mean	79,361	10,911,723	137	Mean	2,367,142	172,252,010	73

⁴⁴ S Akbar Zaidi et al., 2007 - Social Impact Assessment of Microfinance Programmes, Draft Report, EU-Pakistan Financial Services Sector Reform Programme

⁴⁵ Pakistan Micro Finance Network, 2008 – Annual Report

⁴⁶ Mix Market Database quoted in OPM, 2006 - PSIA: Pakistan Micro Finance Policy

There is considerable concern that micro-credit is not reaching the poorest. The consensus is that ways must be found to do so. Table 2.6 compares average loan sizes in Pakistan and Bangladesh: the smaller Bangladeshi loan size indicating that the latter is more successful in reaching the poor.

The broad consensus over the need to scale up micro-credit, make it sustainable, and at the same time extend access to the poor is not matched by a clear strategy to achieve these objectives. Nor is there a strong body of research and impact assessment material on which to base such a strategy.

In the RSP movement, for example, the only significant attempt to review the savings and credit operation as a whole was in the third OED evaluation of AKRSP. Apart from that there have been two surveys to assess the impact of RSP micro-credit activities: one for PPAF in 2002⁴⁷ and one for the EU-Pakistan Financial Services Sector Reform Programme in 2007⁴⁸. Smaller case studies include credit under NRSP's Urban Poverty Alleviation Project and the Lachi Poverty Reduction project and an RSPN study on Women's Access to Credit. These are used to review the savings, credit and insurance aspects of RSP microfinance in the next three sections.

2.7.1 Savings

Saving to generate productive capital is central to the RSP model. The social mobilisation process is founded on regular meetings, as frequent as every two weeks, at which CO members deposit their savings. However, as Box 3 notes, it was not clear how COs would use the savings. To a considerable extent that gap remains and there is no clear RSP policy on savings. Nor does the wider Pakistani microfinance discussion pay attention to savings: "... the term 'microfinance' has been used interchangeably with 'microcredit' in Pakistan, Savings and insurance ... are still in their infancy. Debate about microfinance in Pakistan, continues to be largely about microcredit ..."⁴⁹ This is unfortunate, especially so as there has been an insistence on production credit. For vulnerable people, health insurance, pensions and high-return, secure and accessible savings accounts can all be more useful than production credit. The former are all ways to reduce risk, where production credit inevitably increases it.

AKRSP's approach was described as being to "*mobilize funds locally and deploy them locally*": to generate employment, higher incomes and women's empowerment. (Box 3) In the early years, CO members were not allowed to withdraw their deposits, which served only as collateral for credit provided by the RSP or for bank loans. This effectively froze them as part of a poor household's livelihood assets. Perhaps not surprisingly, savings rates tended

Box 3 An Uncertain Savings Strategy

"... the objective of keeping money in the local area for investment in local employment- and income-generating activities. at the outset it appears that AKRSP had no concrete strategy or expectation about how savings would be channeled to productive uses. The separation of savings from credit was an excellent policy, however, because it safeguarded villagers' savings.

AKRSP – 3rd OED Evaluation

to decline, especially once a CO's infrastructure project was completed. The second AKRSP evaluation reported that a significant proportion of CO savings came from wages earned working on the PPI. It can be suspected that members saw their CO savings as nothing more than a price that had to be paid for the benefits of having a PPI. The 2nd evaluation also reported a study showing that CO members held only 8% of their total savings with the CO.

The 'mobilise locally, deploy locally' model went against what was happening in NAC finance markets. Commercial banks were taking deposits in the region but lending in Karachi, Lahore and elsewhere. It was possible that subsidised lending by AKRSP was doing little more than fund that outflow. The commercial banks should, perhaps, have worked harder to develop creditworthy borrowers in NAC. However, it is equally likely that economic returns in down-country Pakistan were higher and that it was entirely rational for all parties to move their resources in that direction.

Most RSPs have promoted internal lending to the CO membership as the best way to use their savings. Some have established 'Village Banks' and topped the CO's funds up with loans.

⁴⁷ Gallup Pakistan, 2002 – PPAF Micro Credit Financing, Assessment of Outcomes.

⁴⁸ S Akbar Zaidi et al., 2007 - Social Impact Assessment of Microfinance Programmes, Draft Report, EU-Pakistan Financial Services Sector Reform Programme

⁴⁹ S Akbar Zaidi et al., op. cit.

Spreading risk is especially important for poor people. It is important to note, therefore, that both internal lending and the 'mobilise locally, deploy locally' approach will concentrate risk, not spread it. For a CO member, fellow members are most likely to be hit by the same shocks and be unable to repay at the same time as he or she needs the money back. For farmers in Chitral, returns on investments in the region are likely to be highly correlated with the profits of their own enterprises. Even if an investment in Karachi or Lahore does not pay more, it may still be the best choice because it spreads their risks.

2.7.2 Credit

PPAF has been by far the largest funder of RSP credit operations. It commissioned an evaluation of its microcredit operation in 2001/2.⁵⁰ The results are presented in the form of 17 hypotheses tested by analysing the difference between interview responses of a sample of microcredit borrowers and a sample of non-borrowers. As an example, the first hypothesis was: "*participation in micro-credit leads to increase in personal income*".

Of the 17 hypotheses about the beneficial effect of being a borrower, 10 were 'held', four were 'not held', and three were 'partially held'. An example is:

"Change in Household Income

Hypothesis: Participation in micro-credit leads to increase in household income

On the whole around 44% of borrowers and 33% of non-borrowers experienced positive change in their household income over the last one-year period. The difference is statistically significant. Further increase in the mean income of the borrower group is proportionally higher (9%) as compared to non-borrower (6%). The difference is statistically significant."

Overall, the survey indicates that PPAF funded micro-credit had had a significant impact. However, a number of points need to be made about the strength of this result. First, the underlying assumption is that "*the benefits of participation in the financial service offered by PPAF would be manifested in a period of one year.*" This seems to be a very strong assumption; one which leaves open the clear possibility that the benefits of micro-credit came from consuming the money, not from any long-term improvement in income. It can be noted, for example, that borrowers spent more on "*funerals, recreation, animal keeping, [etc]*"

Second, the analysis is based on a comparison of responses from borrowers and non-borrowers about their situation now and at an earlier time. This 'difference in difference' methodology seeks to combine 'with-without' and 'before-after' comparisons. The validity of the results depend, critically, on the samples of borrowers and non-borrowers coming from broadly the same kind of people. This is to be sure that it is borrowing that has made a change in their circumstances, not some other factor. The survey report states that the two groups came from the 'same profile', but that is something that can be difficult to achieve. As an example, in the 'before' situation, PPAF non-borrowers spent less than half as much on house repairs as borrowers. It is difficult not to see this as a sign that non-borrowers were poorer to start with.

An EU funded Social Impact Assessment of Microfinance programmes followed a similar design: surveying 324 Active Borrowers and a control group made up of 356 New (or Pipeline) Borrowers and Non-Borrowers.⁵¹ Among six MFIs, the study included NRSP. It showed that for the NRSP sub-sample Active Borrowers "*are 'better off' than new clients and non-clients*" and that "*NRSP is having a positive and significant effect on income and total expenditure.*" Per capita income for borrowers was some 20% higher. Although the survey design sought to ensure the comparison was valid, it is still not wholly certain that the higher income of Active Borrowers was the result of their borrowing, and not just because they were they were better off before they started with NRSP. (This technical issue is discussed in more detail in Section 5.1 below.)

⁵⁰ Gallup Pakistan, 2002 – PPAF Micro Credit Financing: Assessment of Outcomes, PPAF

⁵¹ S Akbar Zaidi et al., op. cit.

Many programmes have sought to use microcredit to support women's incomes and empowerment. A surprising result of the EU-funded study just reviewed was that non-borrowers scored higher on women's incomes and empowerment.

An RSPN study of Women's Access to and Control over Microcredit looked more closely at this issue.⁵² It focussed on concerns that credit can, in the worst case, do the opposite of empowering women. Instead, they can become "doubly oppressed. First, within the household by the males who pressure women to join [the credit programme] and beat them if they do not qualify for larger loans; second by the micro credit institution that passes monitoring costs on to women to keep their costs low." The report's conclusions were largely positive, with a high level of recipient satisfaction and "seventy two percent of women report[ing] that their own status within the household has improved moderately or significantly." This compared with 59% for non-borrowing CO members and 46% for non-members.

The report did, however, show that 89% of women needed male permission to take a loan, and 58% took it at the "husband's urging/encouragement" with a few cases of domestic violence over repayment. Intra household relations are difficult to interpret. In a stable family, husband and wife may work together and share decisions about everything. Nevertheless, these findings are not really consistent with the expressed improvement in the woman's status. It is, however, this study's final conclusion which is most important: "an almost two-fold gap in average household income between those members getting credit and those not getting credit." Unlike the other studies, it was not concluded that this showed the benefits of credit. Instead, it was taken to show that credit was going to the less poor and, to the extent that it accelerated their progress, "the large income gap appears to have gotten bigger."

Box 4 notes the lack of analysis of microfinance markets in Pakistan. There is an implicit assumption that without micro-credit the poor would not have access to any form of finance. The limited evidence available makes it clear that this is not the case. The 2nd OED evaluation of AKRSP showed that it only supplied 6% of the credit taken by active COs. The rest came from commercial banks, village lenders and friends. Curiously, inactive COs were more dependent on the RSP, which supplied 40% of their borrowings.

Box 4 Microfinance in Pakistan

"Currently in Pakistan there is very limited primary data or secondary analysis with which to understand how the poor use microfinance services (both formal and informal) or to understand whether the poor had access to the services being provided by the new wave of microfinance institutions"

PSIA: Pakistan Micro Finance Policy – OPM, 2006

A 1999 NRSP study in Vehari district, Punjab, showed that the RSP's lending had not created a new market for credit so much as it had replaced existing suppliers: principally agricultural input stores and moneylenders. Micro-credit can still create benefits, even where it is only substituting for existing credit supplies. However, those benefits must come from lower interest rates and easier access and terms. It is unlikely that they will be on the same scale as the benefits that would have come from a major new flow of capital to poor people who had no previous access to any credit.

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From the beneficiary's point of view, micro-credit can offer the following benefits:

- access to credit where there had been none before
- lower interest rates
- reduced transactions cost: i.e. easier and simpler access to credit
- less or no collateral, and reduced risk as a consequence
- more appropriate payment and other terms

There is little analysis of which of these benefits are provided by RSP credit programmes. Simplicity and ease of access seems to be the most important, followed by lower interest rates and a lower collateral requirement. An evaluation of lending under the Dera Ghazi Khan project showed clearly how NRSP's major advantage, Unique Selling Point even, was its relative ease of access. Farmers could use a range of other formal credit sources but their procedures, collateral requirements etc were more cumbersome. However, higher costs to the lender are the converse of these benefits to the borrower.

⁵² RSPN, 2007 - Women's Access to and Control over Micro Credit in RSP Areas - 2007

RSPs offer a limited range of credit products, predominantly six month and one year loans for productive purposes. The principle still seems to be that credit must be for productive investment, not for consumption or income smoothing. There seems to be no research on what borrowers actually need or would take, if given a free choice.

2.7.3 Insurance

RSPN has led the way piloting an innovative programme to extend hospitalisation insurance to rural areas. Four RSPs have now taken this up. Between them they now have over 600,000 clients and Government of Pakistan has shown keen interest in expanding the programme as part of its social protection strategy.

On the RSPN pilot the insurance was provided by a private company, Adamjee. A review showed a range of practical issues to resolve over payment for hospital treatments and the management of insurance claims. It also showed that the programme appeared to be "*staggeringly profitable for Adamjee*". Especially so since the RSPs were covering most of the administration expense.

Some of the implementation issues have been addressed by the RSPs and Adamjee, eg by creating a cashless system in some areas, where clients do not have to pay hospitals. The key challenges concern the RSP's cost of delivery and the real demand for the service. CO members whose claims had been paid were pleased with the scheme, but this was balanced by dissatisfaction with cumbersome procedures, especially where claims had been turned down.

At present, the insurance is tied to RSP credit. The study did not show that micro-insurance was a service that large numbers of CO members would have taken even if it were not linked to a loan. If they do, this will have been an important extension to the range of microfinance services in Pakistan.

2.7.4 Subsidy and Sustainability

There is general agreement that micro-finance has a fundamental role to play in poverty reduction. How to do this is not so clear. Box 5 sums up the contradictory position that seems to be the current consensus: that MFIs must be sustainable but that sustainable MFIs may not reach the poor.

The PMN 2007 Annual Review shows that only five Pakistani MFIs are 'operationally sustainable'. NRSP is the only RSP that falls into that category. The only large Pakistani MFI that is financially self-sufficient, ie truly sustainable for the long term and including the cost of capital is Kashf. But Kashf charges interest of more than 36%, where most RSPs charge 20% or less. The PMN figures show that full, financial self-sufficiency depends on high interest rates, low costs and relatively large loan sizes. None of these are compatible with micro-lending to the very poor.

The current RSP operational model for micro-credit represents a half-way house between the classic group-lending approach, where it is the social capital of the group which maintains credit discipline, and a different, more individual model of lending to asset poor clients. This second model, which is more common in developed and middle income countries, depends on close monitoring and frequent collection by field credit agents. The higher cost of field agents makes it more difficult to offer the small micro-loans that are most useful to the very poor.

NRSP has established a separate microcredit operation, with village branches and credit officers whose performance is targeted on recovery. Although loans are approved by the CO and appraised by the Social Organiser, recoveries are paid direct to the village branch. As a logical continuation of these developments, NRSP is now gearing-up to set up its own MFB. This will complete a process of separating microcredit from social mobilization, just as AKRSP and other NGOs have done as they moved to expand and strengthen their microcredit operations.

Box 5 A Conflicted Consensus on Credit?

"The first issue is that MF providers need to be financially sustainable. That is, their revenues need to cover their operating costs and also the costs of loan losses and raising capital."

The second issue is that whilst MF can be an effective tool for poverty reduction, it is not necessarily the case that financially sustainable MF institutions (MFIs) are effective in reaching the poor."

PSIA: Pakistan Micro Finance Policy – OPM, 2006

These developments represent a significant step away from the pure RSP concept of social mobilisation. In effect, it means that a key aspect of the production model which is intended to provide the 'glue' for the community organisation has fallen away.

2.7.5 Conclusion

Like almost all Pakistani MFIs, the RSPs offer a limited and unsophisticated microfinance service. The savings side is quite undeveloped. Where there is a solid body of creditworthy borrowers, principally in irrigated farming and in the informal urban sector, systems are strong and there is good recovery. This depends on close monitoring by field agents. CO group collateral on its own has not been enough to maintain credit discipline and RSP credit operations are increasingly decoupled from the social mobilisation effort. Most studies indicate that microcredit in Pakistan, including the RSPs, is not reaching the poorest of the poor.

RSPs have led the way in group saving and micro-credit in Pakistan and they are, as a group, the largest single microfinance actor. If they are to maintain this lead, they face significant challenges, in particular how to square the circle between financial sustainability and reaching the poorest of the poor. RSPN is supporting the development of a new product for the very poor: a Community Investment Fund. RSPN describes this as *"not a traditional microcredit operation; It is a community-managed fund. Future expansion of CIF is linked to advocacy for accessing public resources, probably under government's social protection strategy."* This would imply that sustainable, unsubsidised microcredit cannot reach the very poor and that the CIF will serve one of two functions, possibly both. As subsidised credit, it can help the poorest onto a credit ladder which will ultimately qualify them as clients for a formal MFI. Alternatively, it can provide a safety net distributing resources to the poorest.

NRSP, which has by far the largest RSP credit portfolio, is actively pursuing the establishment of a Microfinance Bank (MFB). AKRSP has already done this and it no longer offers microcredit through the RSP itself. The evaluators did not review MFBs or NRSP's plans. However, there seems to be a risk that the creation of a MFB will complete the process of decoupling credit from social mobilisation, and further limit the RSP's ability to provide microfinance to the poorest. In the worst case, the MFB will cream off the most bankable clients and leave the remainder behind. The new concept of an LSO-operated CIF is a coherent attempt to provide an alternative. However, sections 4.1.2 and 4.1.3 describe some of the issues that a pilot CIF is encountering. Considerable work is still required to complete the concept, to develop effective operating mechanisms and, in particular, to secure guaranteed long-term funding for the subsidy element that seems likely to be needed. Given the imminence of NRSP's move to an MFB model, this work is urgent.

There is a great deal of research that needs to be done on what poor, rural Pakistanis – and different categories of poor people - really need from microfinance. The question of sustainability and subsidy needs more thoughtful consideration. For the truly poor there remains the possibility that targeted subsidy is justified, but it is important to distinguish what form that should take. Three aspects of microfinance can be subsidised: the finance cost; the cost of transactions and the risk of default. Each one raises different issues and helps the poor in a different way. Evaluations indicate that it is the subsidy to the transactions cost which has made RSP credit most useful for rural borrowers: simple procedures and short distances to collect and repay.

2.8 SUPPORTING ACTIVITIES

All RSPs have provided a range of activities to support the basic combination of social mobilisation, infrastructure and micro-finance. Skills development, to manage the community organisation and to make productive use of the infrastructure, is a central part of the RSP concept. As time went by, the lack of adequate government support, and clearly expressed community demand, made it necessary for the RSPs to undertake work in natural resource development and social services as well.

2.8.1 Skills Development

Training has been a very important part of the RSP effort: more than one million CO members have been trained, an average of 40,000 a year over the 25 years since AKRSP's foundation. However,

there has been little direct evaluation of this major effort, perhaps because it was assumed to be just a component of the total RSP package.

A small 2005 study of training carried out by NRSP under the ILO-supported Training for Rural Economic Empowerment Project (TREE) found that 73% of trainees gained a job as a result.⁵³ Young unemployed men had got work and won esteem not just in the family but in the community as well. Women had gained income, but that had also brought with it a degree of independence and mobility outside the home.

If the conclusions of this small, limited study are supported more widely, it would show the potential of a greater RSP focus on skills development.

2.8.2 Natural Resource Development

Natural resources are a fundamental part of many rural Pakistani's livelihoods and, consequently, to the RSPs' work. Natural resource development is the mandate of major government agencies such as MinFAL. Much of RSP work in this area has been in cooperation with these agencies, in some cases by funding their activities or purchasing services and inputs from them. Box 6 summarises the approach. In areas where the agencies are not strong, RSPs have also established their own agricultural development sections to offer training, inputs and credit for small horticultural, dairy, poultry and other enterprises.

Providing social mobilisation support to major natural resource projects has become an important RSP activity. For NRSP, examples include the Swabi SCARP, Barani Village Development, Dera Ghazi Khan Rural Development and Farmers Participatory Saline Agriculture Development Projects. RSPs are now providing the same kind of support to the national Crop Maximisation and Prime Ministers Special Initiative for Livestock programmes. NRSP's Sugarcane Productivity Enhancement Project is an interesting example of the same kind of cooperation with a private sector enterprise, in this case the Jamal Din Wali Sugar Mills.

Box 6 Agricultural Linkages

The productivity of the agriculture and livestock sectors in the rural areas is often low because of the lack of access to improved and appropriate technologies, the inadequacy of skills to take up those technologies and the absence of efficient systems for supplying inputs. NRSP has tried to address the situation by building strong linkages with relevant organizations and by providing farmers with the necessary technical information and skills. These include training modules, manuals and leaflets, many of them developed by Government departments.

NRSP Annual Report, 2005/06

A central question for RSPs is: How social mobilisation interacts with natural resource development? And, linked to that: What value can RSPs add in the sector? There is little material that can be used to assess the impact of RSP work in natural resource development. Separating the contribution of their social mobilisation effort from the broader benefits of, for example, an irrigation project presents considerable difficulties and it does not appear to have been attempted.

2.8.3 Social Services: Education

Social services did not form an explicit part of the original RSP concept but they have become increasingly important in the RSPs' work. Relatively soon after AKRSP started work, there was clear community demand for primary education. The RSPs now have a total of 1,449 community schools established. The majority (867) are in AKRSP's area where it assisted government in setting up schools through VOs under the World Bank Social Action Programme in the 1990s. NRSP (182), PRSP (284) and SRSP (85) also have significant programmes.

A comprehensive evaluation of PRSP's community schools was carried out in 2003⁵⁴. The schools were established under an agreement between Punjab Government and PRSP. Each school was given an endowment of Rs. 200,000, to fund operating costs, but the community supplied the classrooms and equipment. On an annual basis, this meant that Government contributed Rs. 25,000 (i.e. the revenue from the endowment) and the community Rs. 10,000 in the form of an imputed rent

⁵³ Management Systems International, 2005 - Training for Rural Empowerment Project, Mid-Term Evaluation

⁵⁴ M.J. Khan, M.A. Saleem, 2003 - Evaluation of PRSP Community Schools, Punjab Economic Research Institute, Lahore

on the school building and depreciation of the equipment: a community contribution of 29%. Tuition fees contributed a further Rs. 8,000, but 23% of poorest students were exempted from the fee.

The key difference between the community schools and official government primary schools was in teachers' salaries and qualifications. The average salary for Government teachers was Rs. 5,000, plus pension, compared with barely RS. 1,000 in the community schools. Where all Government teachers had a minimum of a Primary Teacher Certificate, most Community Teachers only had the Matriculation.

Despite this and despite very high teacher turnover in the community schools, the report showed that community schools performed markedly better:

- In written tests, pupils in the community schools performed better at all five levels than in a sample of Government schools
- Teacher absenteeism was lower: 7% compared with 21%
- Female participation was higher, thanks to the schools being located in the villages

PRSP is just one example of a developing partnership with Government, often donor sponsored, in the education sector. In 2005/6, NRSP was working on four different education programmes. In keeping with the RSP's social mobilisation principles, strengthening community based School Management Committees was a key element.

Although broadly similar, RSPs have started work on education at different times and in different ways. There has been no attempt to see how it might fit into the overall concept of social mobilisation. It has been suggested above that RSPs have had most difficulty with the 'Production Model' side of their work: with defining what a community organisation is for, in the longer-term. With positive results and strong demand, there is perhaps reason to believe that education, and other public services, might provide an answer to this question.

2.8.4 Social Services: Health

RSPs have supported the better management of public health facilities, mainly Basic Health Units and Mother and Child Centres, as well as a range of other interventions: vaccination campaigns, traditional birth attendants, family planning etc.

A well known model for a partnership with Government is in Punjab. A small experiment at Lodhran was expanded to a pilot in Rahim Yar Khan under the Chief Minister's Initiative for Primary Health Care. This has now developed to the extent that PRSP is managing more than 1,000 primary health facilities, together with Government budgets for those facilities. Government seconded a group of specialist staff to PRSP, to provide the technical capacity needed to manage the programme.

A World Bank evaluation reported significant improvements in performance, comparing Rahim Yar Khan with Bahawalpur, a district still within the government system:⁵⁵

- 50% greater utilisation of each BHU
- BHUs in better condition
- Much lower out of pocket expenditures
- Significantly lower cost per patient visit

The study showed that the technical quality of care was not better and both areas suffered from shortages of drugs and staff. However, on cost alone the programme was a clear success.

The Punjab Chief Minister's Initiative is the only programme where sustained government funding was allocated to support RSP-managed health facilities. Others, such as TRDP and NRSP, have supported facilities out of project funds, but found no solution to the problem of sustainability. TRDP handed its facilities over to Government but the 2006 evaluation reported that few remained functional for long. Box 7, from NRSP's Annual Report, highlights the same difficulty.

⁵⁵ World Bank, 2006 – An External Evaluation of the Chief Minister's Initiative on Primary Health Care

Specialist knowledge is needed to manage health services and they are expensive. A poor community might be able to pay most of the costs of running its own school, but not the cost of a Basic Health Unit. Nevertheless, better health services are among the most pressing needs of the poor rural people the RSPs seek to serve. If ways can be found to link social mobilisation with the technical side of primary health care, and build community linkages to the health service, this could become another part of the answer to the question: What is a community organisation for?

Box 7 Community Health Centres

This is NRSP's first effort of this kind. The experience so far has shown that achieving financial sustainability would require very high costs for the patients, which would defeat the purpose of providing medical services to the poor. NRSP Annual Report, 2005/06

2.8.5 Conclusion

If microcredit operations are transferred to Micro Finance Banks and the main infrastructure gaps are filled, skills development, natural resource development and social services are all likely to become more central to the RSPs' work. They have an important opportunity, therefore, to build on their experience in these areas. At the same time, there are some key questions that need to be resolved about how social mobilisation can best contribute in these sectors and what is the most appropriate role for the RSPs.

PRSP's work under the Chief Minister's Primary Health Care Initiative illustrates the issues. It had relatively little relation to the community-driven concepts of social mobilisation. It did not build new linkages between the community and the government health service. Instead, it replaced the latter with a separate, RSP-managed service. Nevertheless, it was successful and it demonstrated a new way to deliver basic services to poor people. There are other examples where RSPs have acted directly to provide public services. This can be seen as no more than a short-term substitute for the Government service, or as a catalyst for its improvement; not as a long-term role.

However, it might be a mistake to take such a limited view. In an essential analysis of how to meet the MDGs, the World Bank has demonstrated that a variety of approaches are needed to deliver different public services effectively under different circumstances. Their slogan "*eight sizes fits all*" indicates the number of basic options. Each one allocates responsibilities in a different way between government, the public service and to the private sector.⁵⁶ The breadth of the RSPs' experience and their very wide coverage puts them in a unique position to work out which of the "*eight sizes*" will best meet the circumstances and needs of different Pakistani rural communities.

⁵⁶ World Bank, 2004 – World Development Report 2004, OUP/IBRD Washington

3. GENDER IN THE RURAL SUPPORT PROGRAMMES

From the earliest years of AKRSP, gender has received a great deal of attention. RSPs have mainly sought to empower women economically: through enterprise development, microcredit, savings and skills training. There has been less of a focus on health and education and RSPs do not see rights-based advocacy as part of their remit. They have mainly worked through separate, women's community organizations (WOs); established to allow women to work collectively to identify their needs and have a voice in community development. The standard RSP field unit, the Social Mobilisation Team, has one male and one female Social Organiser and RSPs have hired women specialists to lead their gender programmes. However, outside AKRSP women only make up between 20 and 30% of professional staff. At times, gender units have been kept separate, at others they have been integrated with the RSPs' main social mobilisation and technical units. RSP approaches to gender are constantly evolving, partly in response to donor preferences.

RSPs face difficult choices on gender. They need to move forward by connecting women's economic empowerment with social and political empowerment. However, they are sometimes forced to take a step back, to preserve the gains women have made from being snatched back by conservative lobbies in the community. Sectarian violence in the Northern Areas affected AKRSP's work in this way. SRSP and BRSP's work in the conflict zones of NWFP and Balochistan is also affected.

The limited gender assessments available indicate that community mobilisation has succeeded in reaching out to poor women and involving them in development activities. This is perhaps best seen in the high levels of activity among NRSP's women members (see Section 2.2). Participation has been found to improve women's livelihoods, and their status within the home. There has been less impact in increasing their role as decision-makers in community affairs and local institutions. Nevertheless, in 2005, 775 women CO activists were elected as councillors to different tiers of local government.

3.1 AKRSP'S LEAD ON GENDER

AKRSP's work led the way for other RSPs. The starting point was a recognition, in the early 1980s, that greater school enrolment and male emigration were increasing the burden on women. It was found that women were unable to articulate their needs and responses freely in the Village Organisation, leading to the establishment of separate Women's Organisations. By 1990, evaluators were recommending a gender focus for all interventions, not just for women's programmes, and investment in education and social services for women. However, increased sectarian rivalry and religious conservatism meant that AKRSP had to proceed with care. Male and female staff members still cannot travel together in some areas.

AKRSP sought to listen to the WOs and alter its approaches according to what it heard. Examples include a switch from providing labour-saving devices to training and credit, and from collective to individual schemes (to avoid the problem of free-riding). Through regional conferences AKRSP also tried to encourage WOs to discuss common problems and to enhance the identity of women and their organisations. As the number of WOs increased, female specialists were hired, including women from the region who had been sent for training, on livestock and forestry for example.

Evaluations have regularly suggested that more should have been done to promote women's livelihoods and empowerment. "*Donor representatives have often over the years expressed concern that the pace of the (AKRSP) programme has been too slow and cautious, and too focused at the practical rather than the strategic level of women's needs ...*"⁵⁷ The balance between Women in Development (WID) and Gender and Development (GAD) approaches has been a constant theme. In essence the choice is between working with women alone, mainly to provide better economic opportunities, and working with women as an integral part of the family, community, and larger society. RSPs have sought to move towards the latter GAD approach. One step has been to abolish separate Women in Development sections and integrate female technical staff into their respective professional sections. AKRSP did this in 1994.

⁵⁷ Gloekler & Seeley in Wood, Malik, Sagheer, 2006 - Valleys in Transition (173 ff)

A recent report on AKRSP's Water Supply Project, Sultanabad provides a typical summary of what has been achieved. *"The formation of women's organizations had an affect on gender roles at the community level by demonstrating women's leadership potential. Improvement in women's decision making in matters of control over the household budget and farm related decisions have been recorded as a result of their own income earning capacity or due to their husband's out migration. Women's decision-making power however, is largely restricted to the domestic sphere and within the home depends upon a particular woman's status within the household. Moreover, gender inequality is reducing gradually, to narrow the still pervasive gender imbalance stereotypes, access and control is slowly improving to hinder women's empowerment."* (IRM-NRSP, June 2008 – AKRSP Water Supply Project Sultanabad).

The gender discussion can hide the fact that women's organisations face the same issues as those for men, in particular questions of leadership and dominance. The 1996 AKRSP evaluation noted that stronger individuals were attempting to monopolise the benefits of the WO. As with the men's VOs, it is difficult to judge between active leadership and domination and capture of benefits by an elite.

3.2 OTHER RSPS

Three other RSPs have made particular efforts to promote women's livelihoods and empowerment: TRDP, SRSP and NRSP. More recently, PRSP has taken up some new interventions to support poor women.

TRDP was one of the first RSPs to hire a Gender Focal Person and it has had a greater interest in issues of rights and vulnerability. Examples include child labour and land tenure. It can be suggested that the presence of Hindus in Tharparkar has created more room for a women's programme. A TRDP project, Creating Assets for Rural Women, provided food stamps to poor, rural women to build infrastructure at the household and community levels. Evaluations showed a low to medium level of success. 60% of economy stoves had disintegrated; the use and sustainability of latrines was questionable; only 6% of households had kitchen gardens; and only 2% used seasonal water tanks. However, the major conceptual weakness was that women did not actually do the building work funded by the project.⁵⁸

A 2003 report found similar results to the AKRSP study quoted above. Even within the household, 75% of decisions were made by males. Women were consulted in 60% of cases on matrimonial decisions and 33% of cases for crop, land and livestock management. Livestock and handicrafts were the main sources of income for women, but wages were very low. 17% of women own livestock and 13% land, in fragmented holdings.⁵⁹ In other words, progress towards women's empowerment was limited.

In 1998, it was reported that NRSP's overall approach was to make credit and training available equitably to both sexes, albeit through separate male COs and WOs. As discussed in section 2.2, the high proportion of active women members indicates that this simpler goal been achieved. Unfortunately, there is little evidence on how much it has contributed to women's incomes and empowerment. More recently NRSP established Women's Village Reconstruction Committees in earthquake-affected AJK. Project staff were trained in gender sensitization and psycho-social training and a gender action committees created to build a gender perspective into all activities. A 2007 evaluation reported that women's empowerment was restricted to vulnerable women, who were either very poor or household heads. Women were included in decisions about project interventions and activities, but these were limited to income generation, self-enterprise, skills training in agriculture and livestock and water supplies.⁶⁰

The importance SRSP assigns to gender is shown by a directive of the Board of Directors stipulating gender responsive budgeting and the allocation of 40% of funds to women-related projects. In 1999 SRSP designed a gender policy. Nevertheless, SRSP evaluations have returned regularly to the question of WID versus GAD. Typical recommendations were: the adoption of a gender policy; more

⁵⁸ Assessing the Impact of the Project Creating Assets for Rural Women – TRDP-RSPN, 2008

⁵⁹ Socio economic and environmental aspects of Coal Mining in Tharparkar District, TRDP-NOVIB, 2003

⁶⁰ Post Disaster Livelihood Reconstruction in Muzafarabad AJK, Mid Term Evaluation, NRSP-Oxfam NOVIB, 2007

gender training; a common vision of gender and development; equal allocations for women in development programs; and, gender sensitive criteria for monitoring and evaluation.⁶¹

SRSP is supporting eight women's Village Banks (VB) which make microfinance more accessible for poor women living in difficult and remote areas. This follows the common RSP strategy of supporting women through a separate channel. The VB was to make it possible for women, whose men would not allow them to visit the SRSP office, to access credit. A VB in Abbotabad has been particularly successful. The COs belonging to it have 330 members, of whom 167 (51%) have taken a loan from the VB. The chairperson of the VB is also a local councillor who has been able to win government funding for vocational centres for women, especially orphan girls and widows. SRSP has also supported three enterprise development projects and created community Business Development service providers to develop women entrepreneurs.

With RSPN support, PRSP is now implementing two programmes to improve the livelihoods of poor women: the Community Investment Fund (CIF) and the Land to the Landless Households Project, both in Jamal Chapri Union Council, Layyah District. The objectives of the CIF are summed up in the title *Including the Excluded: Extending the social and financial frontier for the poorest women in remote areas of southern Punjab*. Lending from the CIF will be more flexible than under the mainline RSP credit programmes. Borrowing for emergencies such as medical bills will be allowed and the LSO will have the option of providing some funds, up to 20%, as grants to the destitute. So far, however, loans have mostly been used for 'livestock, agriculture and in some cases entrepreneurship'.⁶²

The explicit strategy is summed up in two statements from the report just cited:

- *"By-passing men completely has brought a new found respect for these women as their bargaining power has significantly increased due to CIF."*
- *"CIF enables people to manage (with simple methods) a credit fund, it enables them to learn how to be good borrowers, it provides flexible mechanisms of access to credit and makes poor clients ready for regular micro-credit and micro-finance access."*

As these statements make clear, the CIF continues the gender empowerment strategy followed by most RSPs: that women are supported through separate processes, parallel to rather than with the men; and that the purpose of credit is to support investment and increased economic activity by the borrower. A proposed Land for Landless Households Project is intended to be linked to the CIF.⁶³ The plan is to provide a grant of up to Rs 20,000 to poor homeless women for a two-*marla* house plot.

Drawing on the work of AKRSP and SRSP, RSPN has sought to assist RSPs to develop gender policies and action plans and to address internal issues of gender equality. It has also supported the development of a pool of gender trainers. There remains much to be done. The number of women staff, particularly at a senior level, is low. It has also been difficult to fill gender-focussed posts at a high enough level to be effective and to retain the staff.

A Gender Resource Group of all RSPs has been established, at RSPN's initiative. To date the group has not met frequently and needs to strengthen attempts to critically examine RSP gender programmes from a strategic standpoint.

3.3 CONCLUSION

With 681,000 women members of CO/WOs, RSPs have the largest outreach to poor rural women of any Pakistani organisation. The fact that women are proportionally more active than men in both microcredit and training is a further measure of the effort the RSPs have put into making gender a major part of their work. It is an important achievement.

⁶¹ NOVIB/SRSC 1998 – Sarhad Rural Support Corporation, End of Phase Evaluation

⁶² Including the Excluded: Extending the Social and Financial Frontiers for the Poorest Women in Remote Areas of Southern Punjab, RSPN 2008

⁶³ A pilot project to provide land to the poorest landless households for shelter/housing to Union Council Jamal Chapri, District Layyah, PRSP-RSPN Grant Agreement, 2008

Some have argued that more could, and should have been done. In a challenging environment, it is matter of judgement, and opinion, whether that criticism is fair. Some in the RSP movement question whether rural Pakistan is even ready for a GAD approach. A typical opposite view is that “.... *‘learning by doing’ has meant that AKRSP has failed to learn from the experience of other organizations within Pakistan, and more broadly in Asia or engage with the development of gender policy at the national level. gender issues in NAC are dynamic and are not so different from those faced in many other places, both within Islamic cultures and elsewhere.*”⁶⁴

RSPs have concentrated their programmes on women’s ability to generate an income from micro-enterprise, supported by loans for livestock and other inputs. This is a standard WID, anti-poverty approach. It seems to have been welcomed by WO members and evaluations indicate that it has improved women’s incomes and status within the household. However, most evaluations question whether it has been well thought-through and linked to a good understanding of women’s needs and aspirations.

There is little RSP material on what life is like for women in rural Pakistan, and not much to show that gender programmes have been tailored to a real understanding of that life. How, for example, in rural Sindh and Punjab women’s incomes depend on paid labour in cotton picking and sowing rice. And how those incomes may be threatened by greater male involvement in these tasks. Microfinance is another example. In many societies, women’s main financial needs are for consumption, for education and for health; for savings not credit. Yet the RSP offering is limited to microcredit for production purposes.

RSP have been reluctant, in most cases, to enter into more complex issues, such as women’s rights to land, a fair wage and their own property. Instead there has been a focus on less radical aspects of empowerment, such as participation in community affairs and mobility. This has limited their ability to have a real impact on gender relations. It is a question of judgement whether the RSPs could, or should attempt more in this area. Here too there is a lack of material on what women’s rights are recognised in rural societies and how far they are realised in practice.

Almost since the first years of AKRSP, the choice between WID and GAD has been raised repeatedly. Rather than insisting that WID is the wrong approach, the RSP experience shows that it would be more productive to look for better ways to do it. The same is true for GAD. It is unarguable that attempts to give women equality in the public space presents particular difficulties in modern Pakistan. That need not mean that there is not scope to find more effective ways to improve the situation both within the household and without.

RSPs have made a strong effort to reach out to poor, rural women. The impact could be strengthened if interventions – WID or GAD – were more carefully tailored to the realities of women’s lives, and to their wishes. AKRSP found that the women of NAC preferred to maintain separate WOs. And if the women members are the best judges of that, they are also the best judges of the right balance between WID and GAD. The fact is, however, that there seems to be rather little direct information about women’s needs, opinions and aspirations.

⁶⁴ Gloekler & Seeley, op. cit.

4. THE RURAL SUPPORT PROGRAMMES NETWORK

From its establishment in 1999, RSPN has won a leading position in national discussions about poverty reduction strategies and devolution.⁶⁵ The RSPs' Social Mobilisation approach to community driven development is now a central element in Pakistan's Poverty Reduction Strategy Paper and its Medium Term Development Framework 2005-2010. A supplement to the MDTF committed Government to the social mobilisation of all seven million rural households.⁶⁶ To put this task into perspective, RSPs currently reach just under two million households, after 25 year's work. Adding five million more households in five years will mean working at a completely different pace. Trebling the number of households is no ordinary 'scaling up'.

To meet this commitment, RSPN is to have a "key role to play in supporting the RSPs to effectively and rapidly scale up their programmes ..."⁶⁷ Its core mandate is as a support organisation for RSPs and "organisations subscribing to the RSP approach":

- RSPN is a **capacity building** network for the RSPs and other RSPN members;
- RSPN's **policy advocacy** agenda seeks to build on RSP lessons and inform and impact government, donor and other stakeholder policies, to make them more responsive to the needs of poor people;
- RSPN support to its members seeks to diversify their pro-poor agenda by supporting such 'product' innovations, as a **value-addition** by the RSPN;
- RSPN extends support to the RSPs for setting **minimum standards** for 'quality assurance' of the work of the RSPs
- RSPN actively promotes **networking, coordination and experience sharing** within its members community and with a wider 'external' audience of key stakeholders in order to share and advocate best-practice in social mobilisation and pro-poor service delivery models⁶⁸

The logical framework agreed with DFID sets RSPN's strategic objectives:

GOAL – Improved quality of life for poor men and women in Pakistan

PURPOSE – To mobilise society and the state to meet the development needs of poor women and men in RSP areas throughout Pakistan

OUTPUTS:

1. Stronger Government policies for increasing incomes and access to services for the rural poor.
2. Enhanced local government capacities to deliver improved social services and tackle income poverty.
3. Capacity building of RSPs and partner organisations to support local government efforts.
4. Development of a cadre of mid and senior level development professionals to take forward and scale-up community-based development in Pakistan.
5. Support to the Pakistan Microfinance Network to build the capacity of MFIs and promote the enabling environment in Pakistan.
6. RSPN's own capacities sustainably enhanced.

This Chapter reviews RSPN's achievements against this mandate and considers the future role and strategy of the Network. It looks at RSPN's work in seven areas: Social Mobilisation, Policy Research and Advocacy, Social Services, Gender and Development, Monitoring & Evaluation/Research, Professional Development, and Special Projects/Consulting.

⁶⁵ The Rural Support Programmes Network was established with DFID support, which runs to December 2010.

⁶⁶ Rural Poverty Reduction Through Social Mobilisation, Pakistan Medium Term Development Framework, 2005-2010

⁶⁷ DFID, Pakistan, 2005 - Rural Support Programmes Network, Programme Memorandum

⁶⁸ RSPN, 2006 – DFID Phase II Support, Revised Inception Report

4.1 SOCIAL MOBILISATION

For 25 years, RSPs have led the social mobilisation movement in Pakistan. This has enabled them to build an unparalleled outreach and a presence in 93 out of 127 districts of Pakistan. Until recently, RSPs have predominantly worked with small community organisations at the village or, predominantly, the smaller, *muhalla* level. In 2008, average CO membership was 20. This can be considered as the first generation of social mobilisation. As discussed in Chapter 2 there are many questions to be answered about how this first generation model has worked in practice and how it can best be taken forward. However, most RSP attention, and most of RSPN's work, is now focussed on what is being described as 2nd Generation Social Mobilisation and on a new approach to microfinance, the Community Investment Fund.

4.1.1 2nd Generation Social Mobilisation

For many years, ways have been discussed to enable community organisations to address rural issues which go beyond the *muhalla*, by grouping the COs into larger units at the village and UC levels. Some such groupings have emerged spontaneously and others have been promoted by the RSPs. There are two reasons why this is now being considered more urgently. The first is to allow the RSPs to meet the MTFDF commitment to mobilise all rural households, and an immediate target of 1.1 million new households, without the cost that it would take following current SM structures and methods. Table 4.1 summarises this task. The second reason springs from the recognition that RSPs have still not succeeded in reaching the very poor.

Table 4-1 Planned Expansion of Social Mobilization in Pakistan

	COs (m+f)	VOs/VDOs	LSOs
Current (June 08)	131,319	2,594	98
MTDF 3 year plan	50,000	3,250	813
Total	181,319	5,844	911

The new structure of social mobilisation is based on a model developed in Andhra Pradesh (AP), India⁶⁹ and on Pakistani experience with higher level structures. The key elements of this 2nd Generation Social Mobilisation model (2nd GSM – see section 2.4.4) are:

- A three-tiered structure, grouping COs in Village Development Organisations (VDO) and Local Support Organisations (LSO), commonly at the Union Council level.
- Transfer of most ground-level RSP functions to the representative LSO: CO formation and monitoring, support to VDOs and linkages to government departments.
- The use of capable Village Activists as temporarily-paid Community Resource Persons (CRP), to support the RSP social mobilisation teams.

2nd GSM has been one of RSPN's most important tasks. It has introduced the model to the RSPs and is supporting its development, adaptation and extension. Visits to Andhra Pradesh by high Government officials and RSP management have been sponsored, as well as national workshops on the AP experience. Deputy Chairman Planning Commission, officials of the Ministry of Finance and others have visited RSPs to see their LSOs. External research has been commissioned on 'local level institutions' and RSPN has carried out best practice studies on three LSOs.

A Social Mobilisation training manual has been prepared, in cooperation with IRM, along with training modules, draft LSO bye-laws, guidelines, checklists etc. RSP staff have been trained in the 3-tier approach and SRSP and NRSP have been assisted in developing a Social Mobilisation strategy. 87

⁶⁹ The work of the Andhra Pradesh Society for the Elimination of Rural Poverty drew on Pakistan's experience with community driven development, in particular the advice of Mr Shoab Sultan Khan, Chairman RSPN, in implementing the District Poverty Initiative Project and, from 2003, the Rural Poverty Reduction Project.

LSOs have already been established and RSPN has assisted communities with training on LSO formation and leadership. DFID funds have been used to give governance grants of between Rs. 1 and 2 million to 45 LSOs, and to pay for the hire of CRPs. In some cases the governance grants have been used to establish Community Investment Funds.

2nd GSM combines the Indian model with more limited Pakistani experience with multi-tier structures. It is important to recognise some key aspects of the Indian experience. The Society for the Elimination of Social Poverty is a Quasi Autonomous Non-Government Organisation. It has Government of Andhra Pradesh's mandate to implement its poverty reduction programmes. Its chairman is the Chief Minister and its CEO a member of the Indian Administrative Service. It works through a professional structure of district project management units. The Mandal Samakhya, equivalent to the RSPs' LSO, has up to 10 professional or para professional staff.⁷⁰ Under the Andhra Pradesh Rural Poverty Reduction Project this is supported by a \$210 million, five-year commitment from Government and the World Bank.⁷¹

Without that structure and equivalent funding support, the RSPs are advancing a model which seeks to lower costs and accelerate scaling up. A three-stage process has been proposed⁷²:

1. RSPs and CRPs mobilise households into COs and WOs at the sub-village, *muhallah* level.
2. When 30% of households, including the poorest, are mobilised, Village Organisations will be formed and continue the formation of COs through the CRPs, with the target of mobilising 60% of households in three years.
3. Once 30% of villages have formed VOs, RSPs and CRPs will promote the formation of LSOs at the UC level.

This process transfers a substantial proportion of the social mobilisation effort to the VOs and LSOs, using Activists as CRPs, either voluntary or paid, to do most of the work. How far it is realistic to shift these responsibilities onto the activist, and what effect it will have on the quality of the social mobilisation and other activities, are matters to be thoroughly monitored and researched. As discussed in section 2.4.4, there are still many questions to be answered. RSPN's small Social Mobilisation team (2 staff) does not have the capacity to give direct support to more than a very small proportion of LSOs, or to carry out the rigorous action research that is needed to test the strengths and weaknesses of the model. This will largely be left to the RSPs themselves.

By taking 2nd GSM to this scale so rapidly, RSPs have created what can be described as a very large scale pilot. This has the advantage that it will allow it to be tested in a range of difference situations, but it will also make it more difficult to bring the results together and learn replicable lessons. To some extent, the decision to go ahead with the three-tier model is being taken by default, while key aspects remain to be tested and the process of transferring from 1st to 2nd GSM is not yet clearly mapped out.

4.1.2 Community Investment Funds

RSPs have recognised that their microcredit operations are not reaching the very poor. The concept of a Community Investment Fund, once again drawn from Andhra Pradesh, is seen as a way to overcome this. The aim of the CIF, which is aimed at poor rural women, is twofold, to act as a catalyst in:

- *“capital formation at local levels and offer great leverage for inculcating financial discipline for linking up the poor women with financial sector institutions ...”*
- *“promoting community institutions by facilitating members in fund and loan management, book keeping and regular follow up and recovery.”*

In terms of the earlier discussion, the first objective of capital formation and linking to financial institutions can be seen as the Production Model, providing the 'glue' for an Institutional Model '*promoting community institutions*'.

⁷⁰ T.V. Kumar, 2007 – Presentation: Poverty Elimination in Andhra Pradesh, SERP

⁷¹ World Bank, 2003 – Project Appraisal Document, Andhra Pradesh Rural Poverty Reduction Project

⁷² RSPN, 2007 – Increasing Microfinance Outreach to Poor Women Through Community Investment Funds

The CIF will be managed by the community, reversing the trend among RSPs towards professional microcredit operations and micro finance banks. This will cut down the overhead cost. In the longer term successful COs will graduate by linking up to RSP-sponsored MFBs and other formal financial markets. Although there is scope for grants to be made from the CIF, it is expected to be sustainable and increase over time *“due to interest income and increased savings by the COs”*.⁷³

Following Andhra Pradesh, the larger part of CIF funds will be allocated to women's organisations and to the poorest, using the Poverty Score Card (PSC) to identify which households are eligible.⁷⁴ Limiting access to credit to certain groups is a new direction for the RSPs, which have always sought to create inclusive community organisations.

The CIF concept draws on international experience with Community Managed Loan Funds. That experience provides two critical lessons. Firstly, there should be no external funds, or *“such funding arrives in modest amounts after the group has a solid track record of lending and recovering its own savings.”* The second lesson is that community groups need high quality external support, *“on a continuing basis, not just at the inception of the groups.”*⁷⁵

4.1.3 The Jamal Chapri CIF Pilot

PRSP and RSPN are piloting aspects of 2nd GSM together with the CIF at Jamal Chapri UC in Layyah district of Punjab. Rs.10 million has been committed to the pilot. The RSPN Impact Evaluation team visited Jamal Chapri UC to review progress.

The Social Mobilisation Team in charge of Jamal Chapri handles six other UCs. Before work started, there were 20 COs among the 25 villages in the UC. At 15 members per CO, that equates to 300 households or 10% of the UC population. This was some way short of the 30% set down for Stage One of the ideal process described above. In order to create new COs, a team was formed of seven or eight activists, as CRPs, working initially with a supervisor. The evaluators were told that the CRPs had been identified by the RSP district staff, without strict qualification criteria. Their only training was a one-day orientation session. Not all of them had had a long association with the RSP's work. Since late 2007, this team has formed 132 new COs and 20 VDOs. Household coverage has now reached 45%. An LSO has not yet been established and CIF funds have been transferred to the VDOs for distribution to the COs and WOs. The Poverty Score Card was part of the pilot. Out of 3,100 households, the Score Card showed 2,665 (86%) in the destitute, very poor and poor categories.

The Jamal Chapri pilot has been running for less than two years and it was too soon for the evaluators to assess the results of the credit activity. There were, however, signs that this complex and challenging project was stretching both PRSP and RSPN's capacity to manage it. The evaluators were informed that not all VDOs have formal MOUs for the CIF and that there had been errors in the social mobilisation work: COs of less than ten members, more than one household member in the CO, people from one household in different COs, and even children as members.

Both community members and PRSP staff had concerns about the PSC, similar to those discussed in section 2.5: for example that the refrigerator and buffalo indicators are not relevant where there is no electricity and most people have cattle. Some of this reflects a misunderstanding of how the PSC is supposed to work, but they indicate the kind of misconceptions it may create. Some of the scorecard results were known by community members to be incorrect, and were adjusted accordingly through community verification.

RSP staff report that some male COs are complaining about being excluded from the CIF and questioning why they should continue to deposit in their CO accounts if they are not eligible for credit. The answer should be that they are still eligible for the regular RSP credit programme, but there still may be resentment that they have to borrow on harsher terms than the women. There seems to be no clear strategy about how to manage the dividing line between the two programmes. It was not clear in the field, for example, whether women will be able to borrow from both credit windows, or

⁷³ RSPN, 2007 – Increasing Microfinance Outreach to Poor Women Through Community Investment Funds

⁷⁴ The PSC is discussed in more detail in section 2.5.

⁷⁵ CGAP, 2006 – Community Managed Loan Funds: Which Ones Work? Focus Note No 36.

whether a household will be able to take one loan from the CIF and another, through the husband, from the RSP.

4.2 POLICY RESEARCH AND ADVOCACY (PR&A)

RSPN aims to carry out : policy research and analysis; action research to test new approaches; and, dialogue and advisory work with government to develop and strengthen pro poor policies.⁷⁶ In the programme from 2005, it was expected that RSPN would make policy contributions in, for example: the inclusion of Social Mobilisation in government policy frameworks; the National Social Protection Strategy; Devolution; National Policies on Water, Education, and Sanitation, Access to Land; and, Micro Insurance. This work was to be overseen by an RSPN Policy Advisory Group (PAG), including academics, research/policy institutes and key policy makers as well as RSP representatives. A separate Research Advisory Board (RAB) was to be based in the Akhter Hameed Khan Resource Centre.

Action research was to focus on two areas: Public Private Partnerships (PPP) and Pro Poor Product Development (PPD). For PPPs, the aim was to “*establish a number of effective, replicable public-private partnership and financing models to demonstrate that RSPs-local government’s partnership can work effectively to strengthen the service delivery of local governments to the poor.*” Projects were to fulfill the core social mobilization spirit of the RSPs and have “*potential to demonstrate effects, share lessons, and become a replicable pro-poor model of public private partnership focused on poverty alleviation.*” Similar provisions covered the management of PPDs.⁷⁷

In event the PAG did not happen, and the RAB eventually also became inactive. For most of Phase II, the Specialist Policy Research & Advocacy position has remained unfilled and the section currently has no staff. COO RSPN has been doubling up as Specialist PR&A and other sections, in particular MER have covered the work. One result is that PR&A is heavily underspent: only 14% of RSPN expenditure as opposed to the planned 25%. Despite these limitations, RSPN has had an important influence in a number of policy areas:

The biggest achievement has been to establish social mobilisation at the heart of Pakistan’s Poverty Reduction Strategy. The Chairman of RSPN headed the Planning Commission’s Working Group on Rural Development and Devolution and RSPN conducted Community Consultations for both the first and second PRSPs. The 2005 Planning Commission Supplement to the MTDF, entitled Rural Poverty Reduction through Social Mobilisation, marked an official commitment to social mobilisation as a strategy for rural poverty reduction. RSPN has also worked with the NRB and made inputs to the design of Citizens’ Community Boards (CCB) and the Local Government Ordinance. Chairman RSPN chaired the Group on Just Society for the Government’s high profile Vision 2030 effort.

RSP capacity to implement national level programmes is now clearly recognised. Supporting this, RSPN has coordinated RSP efforts in earthquake relief and rehabilitation and work to promote RSP involvement in three major government initiatives – the PM’s Special Initiative for Livestock, the President’s Primary Health Care Initiative and the Crop Maximisation Project II.

Other policy initiatives supported by RSPN include:

- The Union Council Poverty Reduction Plan: an NRSP proposal for a package of interventions implemented through social mobilisation and poverty targeting: social protection, short term employment, village sanitation, vocational training, etc. The aim is to offer a concentrated multi-sectoral approach for development. NWFP and Sindh provincial governments are supporting the approach.
- Sindh Land Grant Programme: RSPs are to assist with the identification of Sindh Government’s programme using the Poverty Score Card.

76 Prog Memo, Sept '05, Pg 8

77 RSPN, 2006 – DFID Phase II Support, Revised Inception Report

- **Community Led Total Sanitation:** This internationally proven approach is part of Pakistan's National Sanitation Policy. RSPN has supported pilot implementation and assessment; extension to 19 districts; and advocated its inclusion in provincial government policies.
- **Bio Gas Generation:** Another international approach piloted by RSPN.

The Poverty Score Card has been one of RSPN's most important pieces of research. This tool was originally developed by the Grameen Foundation. It uses 10 indicators, statistically tested against national socio-economic surveys, to identify the poor. It is claimed that the PSC can identify the poor accurately, quickly and at a low cost. Following initiatives by PMN and NRSP, RSPN has supported further work to test the score card and adapt it for use in Pakistan. Apart from RSPN's own work on the CIF, at Jamal Chappri, and the Sindh Land Grant programme, there is considerable interest in poverty targeting for national programmes such as Government's Benazir Income Support Programme (BISP). RSPN has worked to bring different stakeholders to agreement on a standard single score card for Pakistan.

The demand for an effective poverty targeting is clear. As discussed in Section 2.5, it is less certain that the tools currently proposed are ready for practical use, in a situation where fairness demands the most accurate assessment possible. An important question concerns how much the process of targeting individual households might undermine the expressly inclusive, community-based approach that the RSP approach to social mobilisation embodies. (For a brief discussion of technical issues see section 5.2, on M&E.)

To sum up, RSPN has been highly successful in its advocacy for social mobilisation and the interests of the RSPs. However, it has not had the capacity for rigorous action research and analysis to ensure that all its policy work is strongly evidence-based. In a number of cases, advocacy may have run ahead of solid research results; the Poverty Score Card, CLTS and 2nd GSM are examples.

RSPN's success in advocacy has been based upon the achievements of the RSPs during the last two decades and upon their massive outreach and capacity to implement on the ground. Highly effective, networking has been a key factor. This has depended on the reputation and leadership of the RSPN Chairman, supported by the Chairpersons and management of the RSPs. Social mobilisation is now firmly placed at the heart of poverty reduction strategies, with increasing funding commitments from provincial and federal Government, as well as international donors. Stronger, more analytical research will be needed to maintain that position and justify that funding commitment.

4.3 SOCIAL SECTORS

RSPN has helped RSPs to develop Social Sector Strategies and worked in two specialist areas: health micro insurance; and, Community Led Total Sanitation (CLTS). It has also supported: a project to encourage Birth Spacing; loans and training to help six women establish private sector schools; and, technical assistance in Child Centered Learning at three schools.

External specialists were contracted to help four RSPs prepare their Social Sector Strategies. Each strategy has objectives which range from the highly specific, eg promoting the intake of folic acid, to the very general: '*increase utilisation of Government health services*'. RSPN does not have an overall Social Sector strategy and the individual plans are quite varied. This makes it difficult for the SS section to work systematically. For example, only one major focus of RSPN's work appears in more than one RSP strategy: CLTS.

Community Led Total Sanitation was developed in Bangladesh and has been widely promoted internationally. It aims to change attitudes to public hygiene and persuade rural people to build their own latrines and turn their communities into Open Defecation Free (ODF) areas. It is a principle that households should be given no financial help to build their latrines. In Pakistan, CLTS has been linked with local government by entrusting UC Nazims with the job of certifying the ODF status of participating villages. Certification is rewarded by a grant for community development.

Studies have shown positive behavioural change in the pilot CLTS communities and the approach has been extended to 19 districts. The pilots have not yet been fully assessed and outstanding

questions include the validity of the ODF certification process, the ability of poor households to build hygienic latrines without any financial help, and the willingness of the community to maintain the discipline of ODF; once the initial enthusiasm has worn off and the incentive granted for certification has been spent. The RSPN evaluators visited two projects and found that villagers had taken CLTS up with some enthusiasm, in some cases investing in higher quality latrines. At one project the link with local government was strong. At the other, UC officials seemed unaware of it.

RSPN has a balance to strike between a directed, strategic programme which addresses the major issues facing the RSPs and a more responsive approach, providing one-off support in specialist areas to a minority of its members. Although it has had some important successes, notably the Adamjee insurance initiative, RSPN's Social Sector work has lacked a clear strategic theme. As discussed in section 2.7.5, RSPs could play a more significant role in social service delivery. NRSP and PRSP public-private programmes in health and education are large and important initiatives. There is potential for RSPN to build an overall RSP Social Sector Strategy based on the lessons they have learnt, and on the RSPs' wide experience in health and education.

4.4 GENDER

RSPN's Gender section has concentrated on training RSP staff in gender issues and on supporting efforts to mainstream gender into the RSPs' work. The section also commissions research into gender issues. Through the Enterprise Facilitation Unit it supports women's enterprise development.

RSPN has put considerable effort into gender workshops and training programmes for RSP staff. To overcome resistance to what some still see as of a 'donor agenda', the strategy has been to train Board members first, followed by senior and professional staff, before moving on to all staff and the wider community. RSPs have been exposed to gender concepts from international sources such as the SANGAT Feminist Course in Nepal. To build in-house capacity, RSP staff have been sent on Training of Trainers courses. RSPN has also supported IRM's Women's Leadership Programme, which is described in section 4.9.

To help RSPs mainstream gender in their work, RSPN has helped them to carry out gender audits and sensitisation workshops, and to prepare gender action plans and policies. To date, two RSPs have carried out gender audits of their programmes. Two have developed policies on sexual harassment and addressed issues which came out of the audits and six have developed gender policies. RSPs are being encouraged to use a gender checklist for their social mobilisation programmes, for example the Crop Maximisation II Project.

RSPN has commissioned two research studies on gender issues. One reviewed the women councillors' roles in decentralisation.⁷⁸ It found that women councillors were not able to participate as fully as men. To follow this up, a training manual for women councillors was distributed. The second study, on women's access to microcredit, is discussed in Section 2.6.2.⁷⁹

In conclusion, RSPN's Gender section has focussed mainly on training and the RSP's internal gender policies. Chapter 3 highlighted the need for gender project concepts which take account of the realities of rural women's situation, but the section seems to have had little input to RSPN's main activities, even those which have a specific focus on women, like the CIF.

An RSP Gender Resource Group (GRG) is intended to act as a forum for debate and to discuss the developments in the field and how these relate to policy on paper. With the support of the Gender section, a strong Resource Group would be the appropriate forum to deal with difficult issues such as the prolonged debate between WID and GAD. The GRG has yet to reach this level. Similarly, there are no mechanisms in place for screening projects for gender equality.

4.5 SPECIAL PROJECTS WING

⁷⁸ RSPN, 2007 - Gender, Power Relations and Decentralisation in Pakistan

⁷⁹ RSPN, 2007 - Women's Access and Control Over Micro-Credit in RSP Areas

RSPN's Special Projects Wing (SPW) aims to generate revenues by charging fees for consulting services and for managing special projects, usually in consortium with RSPs. Projects under management include two very large national programmes: the PM's Special Initiative for Livestock; and the Crop Maximisation Project II and three smaller projects. Taken together, the larger programmes have a contract value of Rs. 2 billion, between January 2007 and June 2012. RSPN credits SPW with generating revenues of over Rs.100 million in less than 3 years.

SPW has advantages and disadvantages for RSPN and its RSP members. On the plus side it generates revenue for RSPN and provides a one-stop shop for those wishing to work with the nine RSPs, avoiding conflict between them and strengthening their marketing. The last is important for the RSPs which do not have a presence in Islamabad.

On the other side, there is a risk of conflict between RSPN's interests and its obligation to its RSP members; and also of compromising its position as an unbiased advocate of pro-poor policy. Most important of all, it risks diverting resources from RSPN's core mandate: research, advocacy, and M&E. These issues are discussed further in section 4.7.3 below.

4.6 OTHER RSPN SERVICES

RSPN channels DFID funds to the Pakistan Microfinance Network. This is an independent body whose membership includes four RSPs and a range of other MFIs and microfinance banks. Apart from that RSPN has no capacity for policy work on microfinance. PMN does not address the role of microfinance in social organisation and poverty reduction at the field level. Given the scale of RSP microcredit operations, this is a significant gap.

Two RSPs are at an early stage of development. The Sindh Rural Support Organisation was only founded in 2003. The Balochistan Rural Support Programme was established in 1991, but it has essentially been re-launched in 2007. Both RSPs now have more substantial funding and are starting to expand rapidly. RSPN has assisted both of them to establish new systems and manage this expansion. BRSP, in particular, credits RSPN with indispensable support.

4.7 INSTITUTIONAL ASSESSMENT

RSPN was established as an Association-Not-For-Profit under Section 42 of the Pakistan Companies Ordinance 1984. Section 42 companies effectively have no owners, apart from the socially beneficial purpose for which they are established. In this sense, they are a form of charitable trust. Nevertheless, some in the movement see the RSPs as the effective owners of RSPN.

RSPN's purpose is set out in its Memorandum of Association. This allows it the widest possible scope of action, including a number of essentially commercial activities, such as developing property and dealing in fertiliser. Such a wide scope may not be appropriate for an organisation whose core mandate is to support social mobilisation.

The Companies Ordinance requires that RSPN establish a Board of Directors, appoint a Chief Executive Officer and submit annual reports and externally audited accounts. A Section 42 company is established by its subscribers, i.e. signatories to the Memorandum and Articles of Association. These are the company's members, equivalent to the shareholders of a commercial company, and it is they who vote for or against company resolutions, the election of directors etc. They have the right to call for investigations into the company's affairs and seek its winding up.

The Board of Directors is made up of the Chairmen and CEOs of the member RSPs and it has 23 members, including 8 'non-RSP' members. It also has one Advisor. Chairman RSPN is also chairman of three RSPs, and seven RSPN board members sit on at least two RSP boards. The result is that five of the nine RSPs have more than two representatives on the board. Conversely 12 of the 23 members have executive or non-executive positions at more than one RSP. In 2005 it was recommended that the Board widen the membership. Three non-RSP members were appointed as a result, although two of them used to work for an RSP. The extent of cross membership risks a perception that RSPN is something of a "club" of like-minded people.

Much of the RSP movement's success has come from the dedication and ability of a relatively small group of people. The RSPN Board represents the leadership of that group and holds much of the institutional memory created in the 25 years since AKRSP was founded. It is of great advantage to have people who started as Interns or Social Organisers, and who have worked at most levels in the RSPs, bringing their first-hand experience to the Board. It is also true that coordination between the RSP membership is central to RSPN's mandate and the Board is well structured to do this. Nevertheless, there is a balance to be struck between a close-knit team and ensuring that external views are heard. That balance will become more and more important as the movement grows and takes responsibility for much larger programmes.

Mr Shoaib Sultan Khan is the unquestioned moving spirit of the RSP movement. The importance of his contribution as Chairman RSPN, especially his interaction at the highest levels of government and in international fora, makes early succession planning particularly important.

RSPN manages substantial funds on behalf of its various stakeholders: the RSPs, DFID and other donors, Government and the poor people of Pakistan. Robust and transparent financial governance is essential. Section 42 of the Companies Ordinance sets out the underlying principles:

"Where it is proved to the satisfaction of the Commission that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, religion, sports, social services, charity or any other useful object, and applies or intends to apply its profits, if any, or other income to promoting its objects, and to prohibit the payment of any dividend to its members, the Commission may grant a licence and direct that the association be registered"

The Ordinance also includes clear requirements on the transparency of any related party transactions, directors' remuneration etc.

A provision of the Memorandum and Articles, reflecting the Ordinance, is important:

"In the case of winding up or dissolution of the Company, any surplus assets or property after the satisfaction of all the debts and liabilities shall not be paid or disbursed among the members, but shall be given or transferred to some other institution or institutions having similar objectives to those of the Company as decided by the members of the Company in their general meeting by special resolution."

If they are complied with, these provisions will ensure that members of RSPN, i.e. persons registered as members of the company, shall not profit from it in any abnormal way.

The distinctive 'ownership' and governance structure of Section 42 status rest entirely on the small group of members and the Board of Directors, which overlaps the members. This gives very wide autonomy to the Board of Directors. It does not provide the window for outside stakeholders to review proceedings that might be expected of such an important organisation. There is a case for establishing some form of General Body, to allow other stakeholders a voice in RSPN's affairs.

4.7.1 The Relationship with Member RSPs

RSPN's mandate as a 'support organisation' for RSPs is clear. However, it has not been formally recognised in an MoU between each RSP and RSPN, or alternatively in an MoU between all nine members of the network. In essence, the relationship with RSPs is managed through the Board of Directors. Annual agreements, for DFID and non-DFID funding, and project-specific MoUs are used to manage RSPN's relationship with individual RSPs.

The RSP movement has been developed, consciously, as a network of independent organisations, each working to its own mandate and adapting the social mobilisation concept to match its needs and circumstances. For an apex organisation such as RSPN, there can be uncertainty about lines of responsibility and authority. In one sense it is a service organisation, working entirely at the behest of its members. On the other hand, if it is to help coordinate the movement as a whole and improve its performance, then it must have the authority to arbitrate between the wishes and needs of different RSP members and to require that members meet common standards. This is explicit in the mandate

to “extend support to the RSPs for setting **minimum standards** for ‘quality assurance’ of the work of the RSPs”. However, if RSPs do not wish to allow this, it will not happen.

The fundamental purpose of an apex organisation is to act as the representative of the common good of the movement as a whole. If, for example, one RSP is acting in ways that will bring the concept of social mobilisation into disrepute, it is in the movement’s interest that it be called to account. Less dramatically, it is also in the movement’s interest to see standards of performance raised, even if that means identifying which RSPs are performing poorly. RSPN, sponsored as it is by the RSPs and directed by a Board on which all RSPs are equally represented, is the right organisation to this kind of work. It is not, however, clear that all RSPs have accepted the principle and there are no formal mechanisms in place to put it into practice.

Strategy retreats organised by RSPN have become an important way of bringing the RSP movement together and taking strategic discussions forward. The first “All RSP Strategy Retreat” was held in December 2002, and they have been held annually since 2006. The retreats are attended by senior management from the RSPs and RSPN. More junior staff also attend, to make presentations on particular topics, but they are not represented as a group.

4.7.2 Human Resources and Capacities

RSPN’s Chief Executive and Chief Operating Officers have delegated authority to manage day to day business and to implement approved budgets and work plans. The organisation has over 40 core staff, with a 20 more in the Special Projects Wing. With a large number of small units, the CEO has seven direct reports. The COO also seems over-burdened, with responsibility for Special Projects, Administration, Finance and Policy, Research and Advocacy.

A 2005 Institutional Assessment recommended strengthening the RSPN staffing structure and that need remains. In 2008 there were still significant gaps between the planned and actual staffing:

- Policy, Research and Advocacy had no staff and four posts empty.
- Social Sectors and Social Mobilisation were each one post below plan (i.e. 33%).
- A number of Programme Officer posts had been replaced with the lower grade of Associate.

These gaps are balanced by the addition of a number of unplanned posts: in Special Projects, gender and professional development, and in Enterprise Facilitation.

Since December 2005, RSPN has lost 21 staff. Factors behind this include higher salaries in the NGO sector after the earthquake of 2005 and opportunities in the Middle East. The high reputation of the RSP movement makes it easy for staff to use RSPN as a springboard to highly paid jobs. RSPN continues to retain a core of experienced and dedicated staff, especially in senior positions. Many started their careers as Interns with AKRSP and have worked with RSPs for many years. Even at this level, however, turnover has been high.

RSPN has sought to address these difficulties by internal promotion to create a strong second tier of management and specialists. This may be the only workable strategy but taken together with the number of unfilled senior posts, it means that RSPN is having difficulty meeting all its commitments effectively. Management is nervous about recruiting staff when RSPN has no secure funding beyond 2010, but this adds to the pressure on the existing team.

At present, the boundaries between the Special Projects wing and RSPN’s core programme are not wholly clear, especially with regard to senior management’s time. The danger is that what seems to be a highly profitable operation is, in fact, dependent on the core programme’s overhead and management support. RSPN should analyse carefully how costs are allocated to ensure that SPW’s financial contribution is valued correctly.

RSPN’s Finance Section is relatively young but financial systems and internal controls are functioning well. It has met its financial reporting requirements to the funder and audit reports show no major issues. Management accounts are needed to allow the CEO to monitor activities against budget and make it possible for the Board and other stakeholders to see the allocation of resources between different activities.

4.7.3 Corporate Strategy and Business Plan

RSPN's corporate strategy must depend on what it thinks its role and purpose is. The purpose from RSPN's current logical framework is a starting point:

"To mobilise society and state to meet the development needs of poor people."

As an apex organisation, RSPN must serve this purpose by supporting the work of its member RSPs. Box 8 sets out how it aims to achieve this.

RSPN's current Business Plan assumes that after 2010 it will have no core funding. It is expected that the current core staff of 42 will be reduced to 13. The plan does not indicate how this much reduced team will deliver on the objectives set out in the Box.

Box 8 RSPN Objectives

- Building capacity of the RSPs and other members;
- Undertaking policy advocacy with government and other key stakeholders, in order to make key policies more oriented towards the needs of poor people
- Supporting programmatic innovations to improve programmes for poor people, as a value-addition to the work done by the RSPs;
- Supporting the RSPs in setting standards for quality programmes;
- Promoting networking, coordination and experience sharing within its member community and with external stakeholder.

www.rspn.org

The Business Plan depends on cost sharing with the RSPs and profits from special projects to build up an RSPN endowment fund. RSPs have accepted cost-sharing, recognising that RSPN is a strategic platform for them. They have recently agreed to make a separate contribution to RSPN's endowment of Rs 100 million. Since 2005, RSPN has already created a reserve of Rs 75 million. Nevertheless, it still needs to raise between Rs 80 million and Rs 150 million of reserve funds to be able to support the planned core staff of 13. With a small and poorly funded core team, RSPN may struggle to provide an effective service to its RSP members. A central question is whether it is realistic to expect that RSPN will ever be fully self-funded; something that is quite unusual for an institution with a mandate like RSPN for policy, research and advocacy work.

Three groups of stakeholders have a large interest in that work: the RSPs themselves, provincial and federal Governments and, while they continue to support social mobilisation in Pakistan, the international donors. Contributions from all three might be the most appropriate way to fund RSPN's core programme. A review of how other similar organizations have developed their core funding might be helpful. In Bangladesh, for example, BRAC has established a Donor Consortium. This would require a new strategic discussion on relationships with donors, with GoP and with the RSPs. Care will be needed to ensure that RSPN does not surrender its institutional identity and independence of decision making to its funders. However, the alternative of pursuing special projects for revenue generation will risk putting so much pressure on RSPN that it loses its direction and its focus on policy research and evidence-based advocacy for the poorest and most excluded sections of society.

4.8 THE INSTITUTE OF RURAL MANAGEMENT (IRM)

Human resource development has been at the centre of the RSP approach to rural development: to provide managers and field staff trained in community mobilisation, and to develop the skills of Village Activists and other community members. The Institute of Rural Management, a department of NRSP, has played a key role. It now stands as one of Pakistan's leading training facilities in the non-profit sector.

IRM is implementing three training programmes for RSPN: a Leadership and Management Development programme (LMDT); a Women's Leadership Programme (WLP) and Orientation Training Workshops (OTW) for Social Organisers. Evaluations of both the LMDT and the WLP report that the trainees feel more confident and better at leadership and management. WLP trainees also felt better *"discussing and negotiating with male colleagues"*. Supervisors reported *"... changes in the managerial skills and behaviors of their LMDT staff"*, and 10 of the first cohort of 19 WLP trainees have been promoted. A three-week Orientation Training Workshop is part of the regular training for RSP field staff. RSPN supported its expansion into a six-week course but only one course was held.

Taking all training activities together, 321 staff had been trained by mid 2008. However, the programme may not be having as much effect as was hoped for. It has sometimes been difficult to get RSP staff to subscribe to PDP courses. Most participants have come from mid to higher management and the OTW designed for RSP Social Organisers have not been taken up.

The late Akhter Hameed Khan was, from the early days of the Comilla experiment, one of the most important international figures in community development. In many ways he was the founding father of the RSPs. The Akhter Hameed Khan Resource Centre seeks to build on his legacy to promote understanding of rural areas. It aims to support rural development programmes and to influence Government, the international community and civil society. RSPN has funded the development of the centre as a repository of RSP archives and material on social mobilisation. It has also supported a series of public lectures and the preparation of three books on the RSPs and their work. Despite the prestigious name, it has been difficult to appoint an AKHRC Coordinator or Director⁸⁰ and the centre has not become as well known as would have been expected.

With RSPN support, IRM has developed a diploma course in community driven development. It has been accepted as a module, taught by IRM, in the International Islamic University's Masters course in Rural Development. IRM also hopes to use it as the base for a certificate course in development.

RSPN support has contributed to the development of IRM and the AHKRC but their future is a matter for NRSP and the IRM itself. They are important assets for the RSP movement as a whole but there is no certainty at present on how they can be sustained in the longer term. That will depend, in large part, on how the RSPs see their future staffing and research needs. This must take account of the intention to reach out to all of 7 million rural households and also the need to provide the highest quality of support to all the RSPs' community organisations.

⁸⁰ An appointment was finally made in late 2008

5. EVALUATING THE IMPACT OF SOCIAL MOBILISATION

This chapter looks at how the impact of social mobilisation and the services the RSPs provide can be more accurately assessed. It reflects the review of RSP evaluation material set out in Chapter 2 and an assessment of RSPN's own work on M&E. Two RSPN-produced manuals on M&E/Assessment methodologies have been reviewed in some detail: *Methods of Assessment of Rural Poverty, Projects and Programme Impact*⁸¹ and *Monitoring and Evaluation for Rural Support Programmes*⁸².

RSPs have been understandably reluctant to commit substantial resources to M&E, especially so as some feel that their funders are not interested in it. The PPAF, for example, only allows limited support for M&E. The result is that even at NRSP, which has the strongest MER section, staff only have time for regular reporting and limited monitoring of field processes and outputs.

It is clear that RSPs now need to invest more in assessing the impact of their work and in demonstrating its value to outsiders. For a number of years they have taken the benefit from the investment AKRSP made in doing just that. However, as discussed in Section 1.1, in international circles there is a new mood of scepticism about the concept of Community Driven Development. It is important that the RSPs respond effectively to this; especially so now they are going to be managing much bigger programmes.

5.1 IMPACT ASSESSMENT

Extending baseline survey coverage has been a key RSPN objective. AKRSP had a baseline survey carried out in its 10th year of operation. Apart from that no RSP has a baseline for all the areas in which they work. The first substantial survey outside AKRSP was for eight districts in Sindh and Punjab in 2001. With RSPN support, surveys have now been completed in 11 more districts. These follow the standard design recommended in the RSP M&E manuals. This quasi-experimental design is intended to measure, with statistical rigour, whether or not CO member incomes grow faster than the incomes of two control groups: non-members in the CO village (Treatment Village) and households in villages without a CO (Control Village). The aim is to control for selection bias, the possibility that better-off, more entrepreneurial people join COs, and placement bias, that villages with COs are better off anyway. These designs have provided the only statistical evidence that RSPs have contributed to improved incomes. The typical statement is that "*each month of CO membership in the treatment villages makes a difference of 0.6 per cent to the household income.*"^{83, 84}

The design is based on one used by Coleman in Thailand in 1999, showing positive results from involvement in group credit.⁸⁵ The same researcher reached less positive conclusions when he revisited the data in 2004.⁸⁶ The principal difficulty concerns how well selection and placement biases have been controlled.

A number of points stand out from a review of the RSPN, NRSP and SRSO results:

- There is evidence of both selection bias and placement bias: in almost all cases, CO members are better off than non-members in treatment villages. In a number of cases treatment villages seem to be better off than control villages.
- There is another potential bias to consider: that better off people join COs first. This would mean that statistical tests showing incomes are higher for those who have been members for longest are measuring a 'timing bias', not the benefits of CO membership.
- A treatment-control test depends on the two groups being as homogeneous as possible. In some surveys that is clearly not the case. In the SRSO survey, control households are 60% larger, nearly twice as likely to be farmers and twice as likely to be illiterate.

⁸¹ M.H. Khan, 2004 – *Methods of Assessment of Rural Poverty, Projects and Programme Impact: A handbook for practitioners in Rural Support Programmes*

⁸² M.H. Khan, 2006 – *Monitoring and Evaluation for Rural Support Programmes: Issues and Methods*

⁸³ M.H. Khan, 2001 – *Community Organisations and Rural Development, Experience in Pakistan*, Vanguard, Islamabad

⁸⁴ S.A. Zaidi et al, 2007 – *Social Impact Assessment of Microfinance Programmes*, FSSRP, Islamabad

⁸⁵ B.E. Coleman, 1999 – *The Impact of Group Lending in NE Thailand*, *Journal of Devt. Economics*, Vol 60

⁸⁶ H. Montgomery & J. Weiss, 2005 - *Great Expectations: Microfinance and Poverty Reduction in Asia and Latin America*, ADB Institute Research Paper No 63

- Income is the key measure but this depends on the respondent's recall of the income earned by all members of the household over 12 months. In a rural society where multiple livelihoods are the norm it is extremely difficult to get accurate estimates this way.
- Net incomes from farming are particularly difficult to estimate. The Handbook for Practitioners suggests a 'rule of thumb' that net income is 60 to 65% of gross income, for crops and 67 to 75% for livestock output, "(milk and eggs)". The suggestion that milk and eggs are the only output from livestock is an indication of how broadly this key element of rural livelihoods is treated. Household expenditures are recorded in some detail but agricultural expenditures not at all. Perhaps most important, these rules of thumb make no allowance for sharecropping, land rent, or the use of hired labour and draft power; all factors that would significantly alter a household's net return from farming.
- Some data is not well interpreted. In education, for example, it is misleading to say that 42% of all male children, including the under fives, have never been to school. The important points are that 97.5% of 5-10 year boys are going to school, but that it drops to 63% for 10 to 18 year olds.⁸⁷
- The possibility of women-headed households is not considered and a short additional questionnaire, entitled For Women, is more about perceptions than the realities of women's lives.

Designing effective questionnaires for complex, multi-livelihood rural settings is extremely difficult. The above points notwithstanding, the surveys have generated substantial and useful results. A lot more could be made of these, to inform RSPs and others about the communities they are working with. This could start with a synthesis of the surveys which have been completed.

Baselines have been completed for 15 districts and a programme of second and third round follow-up surveys has been prepared. With an effective statistical design the programme will provide a test of RSP impact in a range of different circumstances. However, given the rate at which RSP coverage is expanding and the diversity of rural Pakistan it may be difficult to extrapolate the results to the RSP movement as a whole, or even to the whole area covered by one RSP. To bridge that gap, the baseline surveys need to be supported by a structured programme of outcome assessments and case studies on key issues. How this might be done is described in the following sections.

5.2 ASSESSING OUTCOMES

The term 'Outcome' is used here to describe the direct impact of the different interventions that the RSPs have carried out over the years. This is relatively simple to calculate, from the number of users/beneficiaries and the average benefit per user. A simple example might be a new well and hand pump. The number of users can be directly counted and the benefits calculated from the time each user saves in not having to collect water from their old well which is further away. Chapter 2 reviewed some single-intervention outcome assessments of this kind, but none of them have covered more than a small portion of the RSPs' work.

RSPN has only done one outcome assessment of this kind, a study of TRDP's low cost irrigation initiative. There is scope to do much more. This form of impact assessment deserves at least as much weight as baseline surveys. There are several reasons:

- Methodologies are simpler and the results robust.
- Impacts can be attributed accurately. There is little question that the benefits from a piece of infrastructure are the result of the RSP investment in it.
- Results are more timely. Simpler questionnaires are quicker to apply and analyse.
- Survey results are directly useful to RSP managers and can be linked to an RSP's MIS and Monitoring procedures. The survey can be used to analyse what is happening: where an intervention is not relevant, not well implemented or hitting unexpected problems; and,
- It leads naturally into focussed case studies and the redesign of the intervention.
- RSPs can set their priorities by comparing the impact of different interventions.
- The overall impact of the programme can be measured by summing the results of the different single-intervention assessments.

⁸⁷ Survey of Pasroor Tehsil, Sialkot, RSPN 2008

An important added advantage is that interviewees find it much easier to see the point of this kind of survey, and to participate in the M&E process.

Social mobilisation is, itself, an RSP intervention that can be assessed separately. AKRSP and others have carried out a number of institutional maturity index studies to do this. The monitoring approach used by NRSP and some others, grading COs on an ABCD scale, has added a further dimension. This provides an example of how an outcome assessment could lead into more detailed analysis of what is happening and whether there is a need for re-design.

One way to approach this would be to select relatively few COs, in each of the ABCD grades to review how they were formed, how they have developed and, most importantly, how they can be most effective in the circumstances they face. The role of the village activist and the quality of the social mobilisation process would be key points in this study. The research should be willing to consider the possibility that under the current circumstances, the CO does not have a useful role to play.

5.3 KNOWLEDGE MANAGEMENT IN THE RSPS

The RSPs take pride in being learning organisations and they have shown an impressive ability to use their experience to build on old approaches and develop new ones to suit new circumstances. There are many examples, whether it is in social mobilisation, in microfinance or in social services.

There is also an impressive level of internal debate within the RSP movement. Many, perhaps a majority of RSP and RSPN staff would disagree strongly with the following quotes. Nevertheless, the clear expression of these minority views, in written RSP material, show that hard questions are being asked:

- *“The not so glorious history of rural credit and rural indebtedness has been written and recorded before PRSP was born. And no major chapter has been added to it by PRSP so far.”*
- *“In actual fact, the selection is not by the poor. Often it is not even of those planning for the poor. Whatever happens to be available at a point in time is offered, along with the exact conditions attached to each product by the concerned Donor.”*
- *“In its experience, PRSP has not found many individuals, among men or women, who answer to the textbook description of an ‘Activist’.”*
- *The participatory approach “is talking about homogeneous communities which are no more there”*
- *“It is believed that people’s participation in a project make it cost effective. Yes but on the cost of the community”*
- *“The groups formed ignore the participation of the poor. the poor are neither elite nor in the majority.”⁸⁸*

Where the RSPs have been less effective is at answering strategic questions like these in a systematic way that draws, first and foremost, on their own field experience. Instead, the tendency has been to seek external solutions. These have the certain advantage that they will be recognised by donors, and so easy to sell to them. Nevertheless, they do not always address the most important needs of a particular Pakistani community. The RSPN evaluators were told, for example, that field teams in one RSP had raised the possibility of consumption lending. It was not pursued, perhaps because almost all in the Pakistani microfinance sector are resistant to the idea. Nevertheless, it is quite possible that poor people would find it particularly useful.

A more structured knowledge management process, based on good monitoring and outcome assessment information, would allow ideas like this to be developed and tested. In this way the many debates within the RSPs could be brought to a productive conclusion; a conclusion that is based on evidence from the people of poor Pakistani communities and the RSPs’ own experience.

⁸⁸ Sources: Introduction to Punjab RSP, 2008; Participatory Development an Overview, Ikramullah Jan, SRSP, 2008

6. CONCLUSION

The RSP movement started from a clear concept of social mobilisation (an 'institutional model') and a coherent package of productive infrastructure, skills development and microfinance (a 'production model'). AKRSP was able to put that concept into action in a measured and consistently funded way, and in a region which it suited well. As the RSP approach was scaled up to other parts of Pakistan, the concept was adapted in a number of ways. There were three reasons. First, it had to reflect different contexts. Second, no other RSP has had the same steady and relatively high levels of funding as AKRSP, which has been justifiably described as taking a 'high-input, high-output' approach. Thirdly, all RSPs, including AKRSP, have had difficulty finding and funding a lasting 'production model', a sustained set of activities to provide the 'glue' which will bind a community organisation together for the long term.

The result of these pressures can be summed up as follows:

- What a CO is, has been relatively clear and consistent from the beginning. What it is for, in effect the 'production model', has changed considerably over the years and it is still not firmly defined. New options include education, health and, very recently, social protection.
- A substantial proportion of COs have received only one or two elements of the wider package, most commonly credit and training or just credit. Partly for that reason, the average CO is just 20 households: too small to address issues affecting the village as whole, or a group of villages.
- RSPs have emphasised coverage, the number of COs and WOs. Each Social Organiser now works with a much larger number of COs and high targets are being set for the formation of new COs: eight a month or even more for a three-person Social Mobilisation Team. It seems probable that the social mobilisation process and follow-on support to COs has been watered down.

The new 2nd Generation Social Mobilisation model, grouping COs into Village Development and Local Support Organisations, seeks to address these issues. It proposes the transfer of part of the social mobilisation process to Activists (or Community Resource Persons) drawn from the community itself. 2nd GSM is also intended to enable, at more reasonable cost, social mobilisation to be scaled up rapidly to reach 7 million rural households, compared with the current 1.9 million. Whether this further reduction in the level of trained SO support per CO can be achieved without weakening the social mobilisation process remains to be tested.

6.1 A TENTATIVE ASSESSMENT OF RSP IMPACT

Apart from AKRSP, an impact assessment of the RSPs has to depend on a varied selection case studies, socio-economic surveys and monitoring data. The next five sub-sections set out some tentative conclusions from the evidence available.

6.1.1 Impact

CO members' incomes have grown more rapidly than those of non-members, especially where they were microcredit clients. How much this can be attributed to CO membership remains uncertain. In almost all surveys, CO members are better off than non-members, and it is increasingly recognised that the RSPs are not reaching the very poor.

Studies of RSP infrastructure show high numbers of beneficiaries and, in one case, high rates of return. There are also positive case studies of individual RSPs' work in education, health and skills development.

Without comprehensive impact assessment studies it is not possible to measure the RSPs' overall impact. However, monitoring data on CO activity allows some outer limits to be indicated. Some 30% of COs have had an item of Community Physical Infrastructure. On the unlikely assumption that no one has had more than one training course, 50% of the female membership and 42% of the male has received some training. In credit, 37% of the female membership and 22% of the male are active borrowers. Very tentatively, it might be suggested from this that perhaps a third of the RSPs' total membership of 1.9 million households currently benefits from their services.

6.1.2 Relevance

Almost all RSP activities have addressed clear needs of the communities they are working with. However, that does not mean that they have all addressed the community's real priorities or been relevant in the sense of practical and workable for the beneficiaries. One RSP noted as a lesson-learned from its work that *"the poor mostly confine themselves to the products that are on offer rather than demanding and awaiting products which, though preferred, are not on offer."*⁸⁹ This perceptive statement indicates a common weakness in participatory approaches, one that can only be overcome if the RSP understands the community's needs in some depth.

Most evaluations have indicated that RSPs should do more to understand the needs of rural people. In gender, microfinance, natural resource development and other areas, RSP interventions have tended to be based on standard models and then adapted to suit circumstances. The tools of livelihoods, farming systems, and market analysis have rarely been used. The social mobilisation approach has always called for each CO to prepare a Micro-Investment Plan to determine its activities. The RSPN evaluators found no attempt to pull all these analyses together, to test their quality and to derive new approaches.

Recently, the RSPs themselves have become concerned that they have only reached the progressive poor, those who are sufficiently well off to use credit to raise their incomes. This concern seems to be justified.

6.1.3 Efficiency

From the earliest days of AKRSP, the RSPs have been noted for capable management, dedicated staff and a flexible, yet organised approach to their work. This has been seen in the quality of their engineering work, in their ability to manage large microcredit networks and, especially, in their ability to respond rapidly and efficiently to a number of major emergencies such as the Balochistan floods and the 2007 earthquake.

RSPs have won the trust of national and provincial governments and a wide range of international donors. A number of evaluations indicate that RSP supported programmes are more cost effective than government run equivalents, and that their service networks, especially in microcredit, are easier for poor people to access than most others.

However, evaluations have also commented that RSP management has been stretched thin and sought, or been forced, to take on too much. At the field level, ambitious targets to extend coverage risk weakening the social mobilisation process, and leaving COs without the support they need to stay active and develop.

Section 42 of the Pakistan Companies Ordinance model allows an RSP to be set up by a small group of dedicated development professionals. There is no requirement for a separate set of independent stakeholders, a General Body for example, to hold the RSP Board and management to account, and only one RSP has one. Given the scale of RSP operations, and funding, there is a case for looking at ways to strengthen governance. If, that is, it can be done without losing the flexibility and speed of response that is the RSPs' most important characteristic.

6.1.4 Institutional Impact

The RSPs' institutional impact is principally reflected in the maturity of the COs they have helped to form: their ability to function independently of the RSP and initiate their own development and social activities. From various studies, the evaluators would estimate that, at most, 20% of COs have a "demonstrated capability of undertaking their own development". At the other extreme, a quarter may be 'dormant'. Social mobilisation is expected to build linkages between COs and government agencies. While many individual linkages have been built, there seems to be no widespread evidence of a sustained change in the relationship between the community and government. In these two senses, the RSPs' institutional impact has been limited.

⁸⁹ Introduction: The Punjab Rural Support Programme, January 2008

However, RSPs are having an increasing direct impact on Government, and not just by influencing policy. Government has on a number of occasions, turned to an RSP for assistance in the delivery of public services, most notably in the Punjab where a substantial section of the primary health care service was handed over to PRSP to manage. The link to the RSPs' core mandate of social mobilisation may be tenuous, but it is a recognition of the RSP efficiency described in the previous section. It might also mark the creation of a new channel for the delivery of public services. By introducing an element of competition in a sector that is plagued by vested interests, that could have a significant institutional impact.

6.1.5 Sustainability

It is now national policy to extend social mobilisation to all of rural Pakistan. So far, however, funds have only been committed for a first phase of the social mobilisation process; for what can be termed the 'institutional software'. Parallel funding for the 'production model' hardware - be it infrastructure, credit, enterprise development or social services - has not been committed. It has been promised for the next phase of PPAF and Government has also shown interest in funding the Union Council Poverty Reduction Plan, which is an alternative approach to funding the hardware. Funding for this side of the RSPs' work will be the critical factor for their medium term sustainability.

AKRSP was established as a 'self-liquidating' organisation. Its objective was to work itself out of a job by creating self-sustaining community organisations. That vision has not been maintained. Instead, the RSPs now see their future as higher level organisations supporting the process of 2nd Generation Social Mobilisation. This will allow them to extend social mobilisation to all of rural Pakistan; and, at the same time, to give the communities themselves greater involvement in the process. The transfer of loan portfolios to a micro finance bank, as AKRSP has already done and NRSP is planning, is another important part of the process of re-defining the RSPs' role.

RSPs do not consider that an exit strategy is required at this stage. However, there are parts of rural Pakistan where they have now been working for 10, even 20 years. At some point, social mobilisation in those areas must be complete. The RSP concerned will then have two choices. Either it must leave the area, through a coordinated exit strategy, so it can concentrate on newer areas; or, it must define a new, long term role for itself in these mature areas, working in a different way with the community institutions it has helped to create.

How the RSPs will relate to Government will be a key question for the long-term. On the exit route, the aim is clear: to build sustainable links between the communities and Government so that the RSP can withdraw. It is less clear how an RSP could play a long-term role, in a three-way relationship with communities and Government.

Overall, there are important questions about how the RSPs will move forward over the next few years.

6.2 THE ROLE OF THE RURAL SUPPORT PROGRAMMES NETWORK

The RSPs are moving into an important new phase. With much larger funds under management they will be subject to greater scrutiny. With ambitious targets to meet, they will need to raise their capacities and their performance rapidly: to increase coverage without losing quality. An apex organisation to help them do this is clearly needed.

The RSPs face strategic challenges across the whole spectrum of their work: social mobilisation, microfinance, gender, social sectors, relations with government and many others. They do not individually have the capacity for analytical research and conceptual thinking that is needed to develop structured responses to those challenges. Here too, the need for a central organisation is clear.

To date RSPN's work has emphasised advocacy more than research, and the underlying strategy has not been clear. The strategic challenges mentioned above need to be more directly addressed. How to sustainably fund RSPN to do this, and how to attract and retain the high calibre staff which will be needed, are questions that need to be addressed as soon as possible.

6.3 ASSESSING THE IMPACT OF SOCIAL MOBILISATION

RSPs have not had a strong, sustained and comprehensive M&E function. Given the prominent place social mobilisation now has in national policy, and the scale of the funds that are expected to be committed, something more comprehensive and systematic is now needed.

The RSPs have been one of the most important international examples of social mobilisation and community-driven development. There is a growing international awareness that the impact of this approach to development has not yet been effectively assessed. This is another reason to strengthen the way the RSPs measure their performance and impact.

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