

## Note for Record

**By: Shoaib Sultan Khan**  
**September 15, 2012**

**Subject: NRSP, LSOs and GBTI**

In 1991, Commander Nasim was Secretary, Ministry of Local Government & Rural Development, who was greatly impressed by the Aga Khan Rural Support Programme (AKRSP) and was keen to have it replicated in other parts of the country. When government of day launched their Tameer-e-Wattan programme, Nasim got Prime Minister's approval to set up a not for profit joint stock company like AKRSP called National Rural Support Programme (NRSP) with a Board of Directors which amongst other included Dr. Akhter Hameed Khan and myself. NRSP initiated its activities from five villages in Islamabad Capital with the 5 lakh rupees Nasim was able to siphon off from Tameer-e-Wattan programme.

In August 1992, I was given the Magsaysay Award which was also announced by CNN, although I only came to know the next day through a telex sent by Magsaysay Foundation from Manila. My Secretary Abdul Rauf put it at the bottom of the fresh receipts little realizing its significance. For a moment I thought someone was playing a prank but in the evening I received a telephone call from my friend and erstwhile probationer at Civil Service Academy, Additional Secretary to the Prime Minister Reyaz Khokhar congratulating me and conveying PM's desire to meet me immediately. Then I realised the telex was not fake. My acceptance of the Award through telex from Gilgit never reached Manila and a week later, a bewildered Ambassador of Philippines rang me up to enquire the reason why I was not accepting the Award.

My meeting with Prime Minister Nawaz Sharif resulted in an allocation of an endowment of Rs. 500 million for NRSP. Through the good offices of Finance Minister Sartaj Aziz, the amount reached NRSP within three weeks of my meeting with the PM. I persuaded Nasim and the Board of NRSP to appoint Najma Siddiqi as the CEO of NRSP but they insisted on my becoming the CEO and agreed to my taking Najma as General Manager and after a year relented to appoint her as CEO. One of the persons who approached me to work for NRSP was a young DMG officer Dr. Rashid Bajwa, who had served as Assistant Commissioner Hunza and Additional Deputy Commissioner, Gilgit. Najma promptly appointed him as a Social Organiser. When Najma resigned during the crisis year of NRSP, I persuaded Nasim to take over as honorary CEO. After a few months, Nasim and I agreed to appoint Rashid as CEO, who had by now moved up to the management group.

When I had requested PM to allocate funds to NRSP, instead of his starting a new programme by my joining his government, I had no idea what was in store for NRSP, except that the government wanted AKRSP type programme to be initiated in eight districts instead of the five villages it was operating. Twenty years later visiting Bahawalpur on September 7, 2012, I was sitting in the palatial building of the NRSP Bank, having a Board meeting and talking to shareholders sitting in Cairo representing IFC, Acumen Bank of New York, representative from Karachi and Bank Independent Directors on video link from Islamabad. The Bank's portfolio at risk (PAR) was less than 1% at which Bank's Karachi based independent director Aziz Rajkotwala not only expressed great satisfaction but the reason for associating himself with the Bank, which in his view was a breath of fresh air in otherwise, the polluted environment of Pakistan's banking sector, NRSP Bank also made history in Pakistan by proving profitable in the first year. It has also been able to take deposits from COs of nearly a billion rupees and give them profits of 10% whereas they were hardly getting any profits from the commercial banks on their deposits. In addition, the Bank now employs over 1,000 persons and we also visited a full fledged Training Centre where hundreds of employees are trained by resource persons highly proficient in their fields. The Bank also boasts of a residential colony for staff, in which staff are encouraged to build their own residences. The President of the Bank Zahoor Hussain is already resident in the colony. Under Rashid's guidance, NRSP Bank is indeed the "best kept secret of Pakistan" as observed by the President, Acumen Bank of New York Ms Novogratz.

It amazes me what Rashid has achieved for NRSP without losing sight of the core strategy of the programme. My visit to Local Support Organisation (LSO) Union Council Mari Sheikh Shajra with 76% of the organized households comprising 2940 families in 147 COs federated in 10 VOs and one LSO was a reflection of social mobilization and fostering institutions of the people. BISP poverty score has categorized 405 households poorest of the poor, 717 chronically poor, 733 vulnerable poor and 2060 non poor of the total 3915 households in the Union Council. The activities of LSOs are multiple covering economic, social and charitable functions. The LSO also actively responded to emergencies, such as, providing immediate relief to flood affectees. It has also arranged training in the fields of CIF management, project proposal, book keeping and employed a Financial Manager on a monthly wage. LSO members have also been on exposure visits as far as AJK and the General Secretary of the LSO Ms Nasreen Saleem has gone to Chittagong with financial sponsorship by NRSP/USAID. LSO has enabled entitled households to access Food Security Scheme, BISP, treatment of eyes by local donors amounting to Rs. 35,000, dowry for girls of poorest households, help to some widows, wheelchairs for 5 disabled women from Baitul Maal, organization of Medical Camp for poorest women and many other activities.

LSO has forged linkages with NRSP, Population Planning Department, Education Department, Union Council, NIHD, WAPDA, NADRA, Post Office, WWF, Awaz Foundation, BISP and Lodhran Pilot Project. Through NRSP/PPAF, the LSO secured funds and implemented 10 community physical infrastructure projects including missing facilities in 8 government schools. We visited one of the schools and the quality of work was excellent. With Rs. One million of community investment fund (CIF), LSO encouraged small enterprise like goat breeding, shops, donkey trolley, rickshaw, beauty saloon, calves fattening, meat selling point, vendor business, he goat breeding, sheep breeding etc. CIF was given to only the bottom two categories on the poverty score card.

The LSO hierarchy functions by CO sending resolution to VO which sends it to LSO, which deals with it as appropriate either itself or sends to NRSP or the relevant government department. It has a General Body of 28 members and an Executive of 11. Currently, LSO is mobilizing resources by tapping LSO membership fee, contribution by VOs, skins from Eidul Azha, income from seasonal crops and grant funds from Local Government Department. Currently their deposit stands at Rs. 26,750, paid by VOs. On my query to how much is their monthly recurrent expenditure, the LSO response was Rs. 10,000 per month as the LSO is remunerating some of the five men who keep the accounts and do other chores for the LSO. On my suggestion if it is possible to raise a donation of Rs. 5/- per month from each of the 3,000 members of COs, resulting in Rs. 15,000 for the LSO recurrent cost and also a stake in LSO of the members of COs. The response was quite positive and promise of implementing the proposal in due course. I emphasized the absolute need of financial viability of LSO for sustainability. I am glad GM NRSP Agha Javad has taken this up seriously.

My other exposure to LSOs was at NRSP's Azakhel Institute of Rural Management in Nowshera district. Representatives of about 23 LSOs were undergoing five day residential training on Capacity Building of LSOs, in Governance, Transparency and Gender Sensitisation arranged by NRSP and SRSP with funding from EU, secured by RSPN. The resource persons imparting training included district level officials. CEO RSPN Shandana, GM NRSP Javad also joined me in attending a session being taken by Finance EDO of Mardan district. It was a very informative session, especially when the EDO explained the allocations of provincial resources in Regular and Development budget and the information that in Mardan district for every Rs. 13 spent on Regular budget, Re. 1 is spent on development. Regular budget is entirely operational and administrative budget. The LSO representatives took keen interest and assured us that the Regular budget of LSO would be an infinitesimal portion of the development budget.

I was greatly impressed by the Azakhel facility built by NRSP Mardan Region by converting an old Flour Mill into a 200 trainees residential training centre with all other facilities including vocational training workshops.

My visit to Ghazi Brotha Development Organisation (GBTI) brought back the memory of how Chairman WAPDA Shamsul Mulk persuaded me to set up this organization although it was not strictly in the RSP mould. Even my demand of one hundred million rupees endowment for financial viability of the organization did not deter Shams to have a project NGO to take care of the affectees grievances. Having agreed to setting up GBTI, I realized on my first field visit to Hattian that unless the land compensation problems of the affectees are addressed, the affectees were in no mood to listen to RSP package of social mobilization. It proved an uphill task including revision of land compensation package from Rs. 1.8 billion to Rs. 4.6 billion. Thanks to the steadfast support of Directors including late Omar Asghar Khan and Shamsul Mulk's sympathetic response, the matter was settled. However, his successor reopened the case referred it to NAB and harassed the affectees beyond measure. The General Chairman got nothing because all actions were transparent and according to law. The affectees were entitled to market price and a notional figure estimated a few years ago and of lesser land than actually acquired, was not justified. Another innovation in GBTI Board of Directors was the insistence of World Bank to have elected representatives of the affectees on the Board. I had no idea what attraction the aspiring local directors saw in GBTI. The elections were hotly contested and followed by the losing candidate going to civil court for redress. In the Board meetings, the local directors felt the management should be subservient to their wishes as they were representing the affectees. No less than 7 chief executive officers became victim of this tussle. However, despite all these undercurrents, GBTI fulfilled its mission and got a mention in World Book of Dams as an unique organization which gave a voice to the affectees, not done before anywhere in the world where dams were constructed. This only happened due to the contribution of eminent directors like Khalid Mohtadullah (former Member Water), CEO NRSP Rashid Bajwa, Vice Chancellor Rashid Khan, Chairperson SRSP Munawar Humayun, WAPDA's Allauddin and of course the local directors two of whom Col. Anwar and Ahsun Khan even served as CEOs. Ambassador Amir Usman was of special help to me in bringing transparency and integrity in GBTI operations.

Since 1995, I had been Chairman of GBTI, except for a brief interlude when I succeeded in persuading my friend retired Cabinet Secretary Hasan Zaheer to become Chairman. Unfortunately, he fell sick and I had to step back in GBTI chair. In addition to local Directors, there are also Technical Directors including Ambassador Amir Usman, who came from the area. After Ahsan Khan resigned from CEO's post, the Board decided to hand over the management of

the GBTI to NRSP by appointing its RGM Rawalpindi as honorary CEO of GBTI. I had been urging Amir Usman to take over as Chairman and finally he succumbed to the wishes of the Board spearheaded by Munawar Humayun in the last Board meeting while I was in London.

Malik Fateh Khan as CEO GBTI brought about a sea change in the management of GBTI and office organization of GBTI. For me as a visitor to GBTI Board meeting at Hattian on September 11, 2012, was a most refreshing and pleasant experience. Amir Usman and Malik Fateh's team had changed the face of GBTI including a most valuable Document Centre with RSPN support and a roadside microfinance outlet. In all spheres of work, GBTI had made significant progress. I felt most happy and satisfied seeing GBTI in excellent shape.