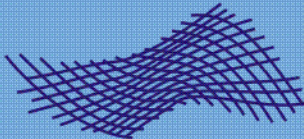




# Local Support Organisations: RSPs Letting Go, Citizens Taking Charge



**RSPN**  
**Rural Support Programmes Network**  
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## **Local Support Organisations: RSPs Letting Go, Citizens Taking Charge**

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## Acronyms

AKRSP	Aga Khan Rural Support Programme
APRPRP	Andhra Pradesh Rural Poverty Reduction Project
BARD	Barani Areas Rural Development
CIF	Community Investment Fund
CO	Community Organisation
CPI	Community Productive Infrastructure
DFID	Department for International Development
DPIP	District Poverty Initiatives Project
FGD	Focus group discussion
GB	General Body
GBAO	Gorno-Badakhshan Autonomous Oblast (Tajikistan)
EB	Executive Body
ILO	International Labour Organisation
IMI	Institutional Maturity Index
LDO	Local Development Organisation
LSO	Local Support Organisation
MSDSP	Mountain Societies Development Support Programme
NGO	Non-Government Organisation
PPAF	Pakistan Poverty Alleviation Fund
PDC	Para Development Cooperative
PRI	Panjayat Raj Institutions (Local Support Organisations)
PHKN	Pind Hashim Khan Network
RSP	Rural Support Programmess
RSPN	Rural Support Programmes Network
RWSSP	Rural Water Supply and Sanitation
SAPAP	South Asia Poverty Alleviation Programme
SERP	Society for the Eradication of Rural Poverty
SHG	Self Help Group
SUDVOS	Social Union for Development of Village Organisations
ToRS	Terms of Reference
TGLP	Tajikistan Governance and Livelihoods Programme
UC	Union council
UNDP	United Nations Development Programme
VDO	Village Development Organisation
VO	Village Organisation
WO	Women's Organisation

**Glossary**

Aashar	Free labour
Abiana	Water rate
Bala	Upper village
Begar	Co-opted labour
Biganik	Livestock grazing practice
Biradari	Clan
Broque	Highland pasture
Burushaski	Local language of Southern Hunza
Cool	Irrigation channel
Dumankiya	Return journey of livestock in November
Gahin	Local term for managed tree cutting
Ghulk	Water storage tanks
Ghuz-kutak	Local term for managed tree cutting
Golos	Local term for managed tree cutting
Gram Panchayat	Village organisation (Andhra Pradesh)
Gram Sabhas	Village assembly (Andhra Pradesh)
Gujjar	Ethnic community of livestock herders
Hacienda	Large ranch
Hiamas	Livestock grazing practice
Huyeltarch	Livestock grazing practice
Jagirdars	Indigenous landed gentry
Jirgas	Traditional system of adjudication/intermediation
Karo kari	Honour killing
Khagal	Tamarisk tree
Khan	Hereditary ruler
Khorikhomic	Return journey of livestock in November
Khowar	Local language of Chitral
Kuch	Livestock grazing practice
Maiter <sup>2</sup>	Hereditary ruler
Malik	Hereditary ruler
Mandal Praja	
Parishad	LSOs (Andhra Pradesh)
Mandil Mahila	
Samkhyas	LSOs (Andhra Pradesh)
Maund	40 kilograms
Mogah	Water outlet
Mullah	Religious cleric
Nalas	Mountain streams
Nawab	Hereditary ruler
Numberdar	Village administrator
Paen	Lower village
Panchayat	Traditional system of adjudication/intermediation
Para	Neighbourhood
Payalo	Livestock grazing practice



Qalang	Grazing tax
Qalang	Grazing tax
Qanoon	Statutory law
Raja	Hereditary ruler
Rajaki	Free labour
Rivaj	Customary law
Samkhyas	District/sub-district level support organisation
Shina	Local language spoken east and west of Gilgit
Shupun	Livestock grazing practice
Swara	Forced child marriage
Tehsil	Sub-district
Vani	Forced child marriage
VELUGU	Light
Vizier	Adviser
Wadera	Feudal lord (derives power from his extensive land holdings)
Waderas	Indigenous landed gentry
Wakhi	Local language of Northern Hunza
Watta satta	Bride exchange
Zaildar	Intermediary
Zaitoon	Intermediary
Zilla Parishad	LSO federation (in Andhra Pradesh)

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Last but not least, we would like to thank the survey teams implementing the field research. In particular, we acknowledge the high professional standards of the Gilgit-Baltistan, Thar and Balochistan teams.



## Preface

Many variants of top-down development have been in vogue in Pakistan. Elaborate growth models, policy prescriptions, programme and project interventions have formed the basis for vast infusions of donor funds, with an attendant litany of misspending, waste and poor delivery. Pakistan's degraded infrastructure, inadequate social services, lack of livelihood opportunities, environmental degradation et. al bear witness to its indiscriminate use as a development laboratory.

In contrast, meaningful home-grown development initiatives were few and far between. But once they took hold their replication was rapid. The legendary Dr. Akhtar Hameed Khan established the core participatory principles, which guided grassroots development projects across Pakistan after having experimented very successfully with these principles in Comilla, Bangladesh (formerly East Pakistan). His protégé and colleague, Shoaib Sultan Khan launched the Daudzai project in Khyber-Pakhtunkhwa (then NWFP), following similar precepts. It became the forerunner for the Aga Khan Rural Support Programme (AKRSP), a programme currently being replicated nationally, regionally and internationally. The hallmark of these programmes is that they follow a detailed community consultative process, based on participatory principles, and are low cost as they draw upon and shape social capital to suit specific needs. Hence the initiatives are both sustainable and generically replicable. Their lateral uptake by various donors and NGOs is a testament to their viability and effectiveness in reaching poor communities.

An additional merit of home-grown ventures is that they tend to evolve, unlike packaged donor interventions with terminal dates built into them. In this vein, the Local Support Organisations (LSOs) are the vertical consolidation of a social mobilisation process which led to the formation of Community Organisations (COs) and Village Organisations (VOs). The main objectives of the LSO are to provide a localised permanent support system to foster and nurture the grass roots organisations of COs and VOs; scale up social mobilisation locally through low cost measures and; provide an institutional facility to promote development linkages with service agencies in the government, NGOs, the private sector and communities. These are organisations *of* the people rather than *for* them. The LSO apex approach has been replicated and adapted across South Asia and also independently implemented successfully in various forms in the Central Asian Republic of Tajikistan, Sri Lanka and Ecuador.

Partly due to financial constraints but also as a sustainability exercise, the RSPs, with the assistance of RSPN, are also exploring an exit strategy. The issue at hand is whether LSOs as apex organisations of the people could be used as a mechanism to consolidate the work that RSPs have done so that the latter can move on to capacity building activities and mobilising other marginalised communities not yet reached. Our findings support this expectation. Based on an institutional and benefit assessment, we concluded that the RSPN and the RSPs have developed a sound exit strategy. LSOs have a comparative advantage in doing development work given that they are rooted in the community and that they embody the social capital that can be tapped to make collective action work for communities that they are a part of and represent. They also have the major advantage of possessing local knowledge.

That said, there are a few caveats. For example, as our brief review of history demonstrates, local governance in most parts of Pakistan emerges from a tradition of ruling rather than serving. Particularly in cases where hereditary governance trumps newly sown participatory norms, the RSPs will need to run interference. Second, we noted dissatisfaction at the grassroots level with LSO management and much of this could be attributed to a lack of an effective communication strategy. The RSPs will also need an inward communications strategy: while RSPN and the top RSP leadership is fully on board with the exit strategy being implemented, there is a lack of complete buy-in lower down the hierarchy among those actually charged with implementing the strategy. RSPs need to concede space so that the LSOs are centre stage in community perception and reality. Another issue is maintaining a sustained revenue stream (possibly in part forthcoming from an endowment fund). Essentially, the state needs to view the LSOs as complementing them, but it must provide the revenue stream for capacity building and service delivery. An effective interface with government is thus another key area for RSPs to focus on.

**Shaheen Rafi Khan and Shahrukh Rafi Khan**  
**November, 2010**



## Executive summary

The Rural Support Programmes (RSPs) engage in participatory rural development in Pakistan. Via social mobilisation, they foster community organisations at the grassroots level, which subsequently become partners in the development process. However, as they extend their activities across Pakistan, they face capacity and financial constraints. The latter, especially, is an ever-present risk and, despite the RSPs' results-based credibility, donor funding is uncertain. In partial response to such constraints they have begun to steer their grassroots initiatives towards institutional sustainability, with support from the Rural Support Programmes Network (RSPN). This entails forming apex, Local Support Organisations (LSOs) at the Union Council (UC) levels. The aim is two-fold. First, as apex organisations, the LSOs replicate the work of the RSPs, mobilising the communities, creating community organisations and ensuring their participation in social, development, welfare and credit activities. The vertical structure is designed to ensure that the apex organisations form effective horizontal linkages with the government, NGOs, donors and the private sector. Second, LSOs go beyond merely substituting for the RSPs; they represent an indigenisation of the social mobilisation process, ensuring a permanent support system which is both locally owned, self reliant and capable of formulating context-specific development programmes. The overarching aim is to have organisations *of* the people rather than organisations *for* the people at the grassroots level. Thus the LSOs represent both a consolidation of participatory development and a partial exit strategy, enabling RSPs to focus on other communities more in need of their assistance: partial, because they can continue to backstop the LSOs but the touch can become lighter as the LSOs gain capacity, strength and confidence.

The LSO is a supra organisation of COs and VO/VDOs of a particular Union Council, the lowest administrative tier of the government. At a minimum, it requires 60 percent of the potential member households to be organised in men and women COs. The LSO governing structure is two-tiered, consisting of the General Body (GB) and the Executive Body (EB) and supported by paid staff for office functions such as accounting and book keeping.

By end-March 2010, 306 LSOs had been formed, of which 23 were exclusively women organisations. The RSPN is back-stopping 50 of these LSOs -- including six women LSOs, with guidance and financial support in the shape of a Community Investment Fund (CIF), provided by the Department for International Development (DFID). As the LSOs are an innovation in Pakistan, RSPN felt the need to assess their institutional sustainability, outreach and effectiveness. Subsequently they commissioned this evaluation. RSPN-supported LSOs constitute the population from which we selected the sample to be studied.

### *Research questions, methodology and overview*

The main research question we explored was whether LSOs represent the horizontal and vertical consolidation of the social mobilisation process as intended? We explored whether they had strengthened the capabilities of COs to mobilise and harness social capital, generated diversified collective outcomes and induced process change (social, economic and cultural), and if in this capacity they were able to act as substantively independent entities? A related question was

whether procedures, systems and protocols were a necessary and sufficient condition for organisational sustainability and effectiveness?

The structured evaluation, based on a triangulated survey, consisted of:

- A social capital assessment (as a precondition for institutional sustainability)
- An institutional sustainability assessment (examining procedures and inputs)
- An impact assessment (assessing income, asset and social benefits)

The survey informed a broader observational synthesis of four functions key to the long-term sustainability of the LSOs, and of the institutional innovation as a whole. These are:

- Governance
- Gender balance
- Financial sustainability
- Exit strategy

Methodologically we used a triangulation approach for the LSO evaluation, collecting data through project observation, questionnaires soliciting agent/beneficiary perceptions, interviews, focus group discussions (FGD), case studies and secondary sources/documents. The evaluation was community based. The rationale was that communities were the intended beneficiaries of the LSOs. As such, it was logical to consult them on the LSOs' effectiveness and outreach. We conducted household level interviews and FGDs in order to elicit critical responses on LSO effectiveness and delivery. However, we consulted with implementers as well. While, we recognise this could inject biases, it was necessary to gain perspectives on policy, programmatic and operational issues which households would not be too familiar with. We also added a comparative dimension by introducing a control group for each LSO we evaluated. We twinned the nearest UC without an LSO but where a RSP was active in order to determine whether the LSO had made a difference in terms of well being and autonomous collective action.

### *Survey findings*

#### *Projects innovations and process change*

While the formal survey reports individually and collectively on the selected LSOs and the control groups, we also present project and process achievements by these LSOs. The aim is to capture the breath and vision of these projects as well as highlight the governance lapses which needed to be addressed. In addition, we also reported on some of the social and cultural breakthroughs the LSOs had achieved. The selective presentations are meant to illustrate the LSOs' latent capabilities and potential for community development as a whole.

*Mehrab Goth LSO, Bahawalpur:*<sup>1</sup> The Mehrab Goth LSO has installed six community turbines (300 feet deep) with NRSP funding. Each turbine, managed by a CO, has connecting pipes to convey sweet ground water to land that could not be previously cultivated because it lies over saline water. Once sweet water is accessible, the sand dunes are levelled, fields created and crops cultivated. Farmers have found the virgin soil to be twice as productive as the existing fields. This initiative, combined with micro credit for agricultural inputs, has proved to be an enormous boon for the poor farmers living in outlying areas. It has set an important precedent for these



farmers, releasing the productive potential of their land hitherto 'locked' over saline/brackish water. In addition, the turbines also form part of an adaptation of traditional NRM practice.

*The Khaplu LSO, Ghanche:* A fertile tract of land measuring about 4,000 acres lies in the Alpine pasture above the Khaplu municipal area. It lacks irrigation water and, in addition, tracts of land formerly cultivated are now lying barren because of increasing water appropriations from existing stream flows. After consultations with experts and the VOs, the LSO designed a project which entailed conveying the water from source to outlet through a 2,000 foot long, 18 inch diameter, metal pipe. Once the project comes to fruition it will transform the economy of Khaplu Paen considerably. While the project is impressive in terms of conception and funding, it also highlights certain flaws in implementation. These flaws track back to the lack of public accountability in the governance structure. While members of the community identified the project and participated in its design and planning, there has been no community oversight or monitoring at the construction stage. This is particularly important when government contractors are involved.

*Litten LSO, Bhakkar:* The Litten LSO (UC Litten, District Bhakkar) is located on rain-dependent desert terrain. With NRSP support, the LSO has initiated an ambitious project with the communities, which is generating both environmental and economic benefits. The technology is both simple and elegant. It involves extensive plantation of the tamarisk tree (*khagal*) on private lands, where the tree is intercropped with peanuts. The *khagal* is hardy, regenerates easily and needs a little water at the initial stage. It has multiple uses (fuel wood, timber for construction and simple furniture). The average sale price of a five-year old tree is Rs. 800/- and it is a valuable source of income for the household. The LSO has prepared a plan which envisages the plantation of 100 trees by every member of each CO. The environmental windfall generated by a project of this magnitude is self-evident.

Process initiatives aim to change traditional attitudes and practices. They also aim to empower communities and improve their survival skills in a feudal environment. The process achievements have a two-fold aspect. The first aspect is key to project outcomes and sustainability. It relates to awareness creation, community mobilisation and participation. The second aspect is broader -- but no less important -- and central to freeing communities socially and culturally.

*Pakistan Hoslamand Khwateen Network (PHKN), Haripur:* PHKN is the oldest LSO among the 18 surveyed. It was initially constituted as a network of local COs in 1998 and more recently registered as a women's LSO. Among the LSOs we surveyed, the PHKN is the clearest illustration of process change leading to sustainable outcomes. Our observations showed that women crossed cultural barriers by contributing actively to the household economy and by making a political impact. They have become confident, articulate, self sufficient and protective about their hard-won spaces and rights that took many years of struggle to achieve. As a cohesive force, which transcends ethnic and religious barriers, they have begun to enjoy equal status with men, but in a mutually reinforcing rather than a confrontational relationship. PHKN is not the only model of women's empowerment. Women LSOs are present in Tharparkar and Gwadar. In Sumal, a UC in Gakuch, Ghizer women are planning to form an LSO. In general, rural women across Pakistan are becoming more aware. Their limited cognitive spaces keep



them more focused; they respond well to training and enterprise development and utilise credit more responsibly.

*Nabipur LSO:* The mere existence of the Nabipur LSO (district Khanewal) in a feudal environment has raised the hopes of an oppressed and impoverished community. The *wadera* (landlord) presence is strong. It takes the shape of high unemployment since gainful employment opportunities are blocked to protect the captive market of landless and homeless tenants, the absence of schools that change attitudes and represent a threat to feudal patronage, the absence of health centres, forced labour, especially of young girls in feudal households, and the oppressive use of police and local thugs to quell resistance. The LSO has framed an agenda which, although ostensibly developmental, indirectly aims to counter *wadera* excesses. Among the existing and planned initiatives are the establishment of a girl's college, the conversion of an abandoned government building into a school, maternity and health centres, and technical training and vocational centres to prepare unemployed youth for the job market. The most ambitious initiative is to provide low-cost housing for homeless tenants, thus reducing their dependence on the landlords.

Another initiative aims to minimise the influence of the *mullahs*. It involves donating the skins of sacrificial animals to the LSO rather than the mosque. These are then sold and money used to purchase essential items which are distributed among the indigent and needy. The absence of contractual stipulations and penalties in the LSO credit programme is a measure of collective trust, also evident in a 100 percent recovery rate. While not strictly kosher to a micro credit expert, deviation from the norm of this nature speak volumes for inter-community trust.

Reiterating, we assessed LSO effectiveness on the basis of three related sets of indicators. The first set, social capital stock, formed the foundation of the assessment, the second set was framed around institutional indicators, and the third set focused on benefit perceptions.

### ***Traditional modes of governance and social capital***

The household survey data was cross-checked with the chief researcher's personal observations in this section. Traditional governance consisted of two diverging strains and both influenced the new constructions of social capital, namely the COs, VOs and LSOs. Autocratic rule represented one extreme and existed to a greater or lesser degree in, successively, the hereditary, pre-colonial and post-colonial periods. A parallel facet of governance was people-oriented, represented by *panchayats* and *jirgas*. On the one hand, in recent years, these village institutions, coloured by the interweave of religion and the darker aspects of local culture, had been privy to repressive practices such as honour killings and forced child marriages. On the other hand, they also offered hope for quick remediation in civic and property disputes and had become more proactive in development and social activities. Our concern was whether traditional systems, with patriarchy as one of its components, could coexist with representative norms. Also, was it reasonable to assume that LSOs would be able to deliver services in a consultative, participatory mode in such traditional societies?

The survey data confirmed the strong presence of social capital. Village leadership had become more egalitarian and accountable, even though the incumbents occupied their positions through

their hereditary status. While their primary responsibility was to preside over *panchayats/jirgas*, entrusted with settling intra-family, intra-village and inter-village disputes, the elders also engaged actively in social and development activities. To a much lesser extent they oversaw the maintenance of law and order and tax collection. Clearly there was a transition from traditional enforcement to intermediation and community development activities.

Social capital also showed a collective dimension. Cohesion and harmony within the community was maintained by village events of various kinds where the communities met to discuss family and village problems. Mutual aid traditions were also strongly entrenched; during times of need, inter-family and inter-community support was forthcoming in the shape of cash or in kind assistance. More proactively, communities, including women, participated in collective activities (awareness creation, internal lending) as members of various local *tanzeems* (organisations).

The majority of the respondents noted that customary law (*rivaj*) was the prevalent law in the villages. The villagers explained that they preferred to have their disputes settled quickly and fairly by the village leaders, and only elected to go to the courts as a last resort.

Clearly, traditional village institutions, organisations, events, mutual aid traditions, the pre-eminence of customary law and traditions of social and development work are evidence of vibrant local social capital. Such capital also has transformative potential in that, all else remaining unchanged, it can be shaped into new organisational forms such as the COs, VOs, and LSOs. Further, it also underscores the sustainability of these forms. While we recognise that these institutions retain regressive tendencies, the manner in which they have evolved will determine the rate and resilience of the transformation.

### ***Institutional assessment***

The assessment was in two parts. First, we examined LSO management systems and procedures. However, these are preconditions for institutional sustainability. In and of themselves they only constitute a framework or, in mathematical terminology, necessary but not sufficient conditions. Institutional vigour and outreach are premised on more active elements. We defined these as 'inputs' and analysed them in detail.

*LSO procedures and systems:* Elections for the governing bodies were conducted in a democratic and transparent manner. Quite clearly merit was the determining factor in selecting members to the governing bodies. Further, even the sub-set of respondents who conceded influence was a factor chose them based on the perception that they would be effective. Using several awareness indicators, such as frequency and record of meetings, the implementation and nature of audits, and staff accessibility, we came to the conclusion that the community interacted fairly closely with the LSO.

*Inputs for sustainability:* In this sub-section we reviewed LSO performance in terms of more tangible measures of institutional sustainability. We defined the indicators as: the pace of social mobilisation; gender balance; external linkages; diversity and completeness of interventions; CO member contributions to LSO projects; credit activities; organisation of savings scheme.



Over 80 percent of the respondents stated that the pace of social mobilisation had picked up once the LSOs were formed, as evident in the formation of new male and female COs and the reactivation of dormant COs. An equal proportion of respondents also concurred that the LSOs had become more active, with a focus on credit, development projects and training.

Almost three fourths of the respondents concurred that the LSO had established links with various external agencies compared to under three-fifths for the control group. Clearly, the LSOs were under greater pressure to establish these linkages as they did not have the benefit of endowments or government support, or the perception of ongoing RSP funding. Both the LSOs and control group UCs found donor agencies and NGOs more receptive than government agencies. The LSOs, facilitated by the RSPs, had repeatedly attempted to establish links with line departments but with moderate success.

A key reason for LSO formation is to ensure multi-tier interventions. We found the LSOs to be active at all levels (household, village and UC) in the aggregate. Household level activities were comparatively the highest, followed by UC level activities. The latter was an encouraging development and correlated with the external linkages established. Over 70 percent of the respondents stated they contributed to LSO projects/activities. The contributions were labour, cash and in kind. Three-quarters of the respondents noted that the LSOs had secured external funding to on-lend to CO members. While the RSPs and RSPN contributed substantial funding, donors and banks provided an equally large chunk indicating that the LSOs were diversifying their loan sources. Nearly 85 percent of the respondents stated they had access to these loans and a higher proportion indicated that women could access them. Livestock, small enterprises and agriculture constituted the three primary activities for which loans were extended.

A roughly equal proportion of the LSO and control group COs had extant saving schemes. Overall, the savings profile was less than satisfactory, as more than 50 percent of the COs had accumulated savings of less than Rs.5,000/-. The weighted average savings for the LSO-managed COs were Rs.17.6 thousand. It was encouraging to note, however, that LSO-managed COs recycled 30 percent of their savings as internal lending. In general, savings are an index of CO performance and also have the potential to contribute to the LSO's financial sustainability. Reciprocally, strong LSO engagement with the COs ensures healthy savings contributions. The emerging picture reveals that the LSOs were underperforming in this regard. Clearly, it would take time for vertical links to strengthen.

*LSO governance:* Despite the encouraging feedback on institutional aspects, the information gleaned from key informant interviews and group discussions, both with LSO Board members and CO members, presented a more complex picture. Evolving management systems in these LSOs, in some cases, exhibited a tendency towards centralised decision-making. Communities either held their hereditary rulers in respect or a cult of leadership had emerged. So while the LSO precepts were egalitarian, the mode of governance at times tended to exhibit an autocratic bent, with a marked gender bias -- in fact, this under-representation of women in the governing bodies was endemic across LSOs. The deference to authority and a less than strident demand for accountability may be one of the challenges to overcome if these LSOs are to successfully assume their envisaged role. In the long run, LSO governance has to become institutionalised rather than individualised, no matter how benign the latter.



Also, two management modes appear to have evolved while retaining the common overarching structure specified in the LSO guidelines. In Gilgit-Baltistan-Chitral, over twenty five years of AKRSP efforts had resulted in well entrenched VOs and WOs. The LSO had divided its responsibilities. Policy decisions resided with the Board of Directors/Executive Body and their implementation was the remit of the professional management staff (referred to as the Management Committee). While the separation had *a priori* merit the practice revealed defects. Weak communications between the board, the general body and the VO/WO members were one identified problem. Respondents expressed dissatisfaction with the manner in which board/executive body members were elected. The perception was that process was not entirely transparent. Further, respondents observed they neither knew the constituent members nor were decisions taken at the general body meetings conveyed to them -- even though they had elected representatives to this body themselves.

Weak communications led at times to defective projects and activities in terms of their quality and distributional focus. While member communities identified these at the outset, their involvement tapered off during the course of the project cycle, especially at the implementation and monitoring stages. The government engaged contractors, which meant added expense, shoddy workmanship and a general lack of ownership. Quite clearly, LSOs projects and activities were enabled through its efforts to establish external linkages with various agencies. Each agency had its own particular style of doing business. Government agencies work through their own designated contractors, with an entrenched culture of corruption and kick-backs. Unfortunately, LSOs did not have the luxury of picking and choosing. Therefore, their own internal governance structures needed to be water tight to counteract the lack of transparency in government agencies.

While critical of the Board/Executive Body members, the VO/WO members appreciated the efforts of the managers or social organisers who interacted with them regularly. The AKRSP provided one-off funding for infrastructure and financed management salaries (Rs.25,000-30,000 per month) with the stipulation that they be phased out over three years. On the one hand, its concern was that paid professional staff detracted from the spirit of volunteerism which, ideally, should drive the LSOs. On the other hand, the paid staff complained the salaries were too low in relation to their strenuous job requirements. Indeed, the younger and better managers tended to leave for well-paying jobs. Considering that relations with communities were built laboriously over time, their departure left a vacuum and led to a visible slackening of activities.

In the other provinces and Azad Jammu and Kashmir (AJ&K), the locus of mobilisation was the CO, with relatively few VOs being formed at the village level. In this case, policy, planning and management responsibilities were combined in the LSO Executive Body. On the upside, the LSO leadership was strong, effective and community oriented. The last attribute appears to reflect an election process which is democratic, accountable and immune to influence peddling and *biradari* dominance. Only a secretary counted as paid staff, which was consistent with the spirit of volunteerism.

On the downside, we noted a tendency towards centralisation in four of the five LSOs surveyed in AJ&K (Kotli and Bagh) and the Khyber-Pakhtunkhwa (Haripur). Claims by some community members that a 'B-team' was in place did not seem to be supported by the evidence, given the

quality of the leadership. In group discussions with the LSO office holders, the LSO chairman tended to dominate. Both pointed to a traditional 'cult of leadership.' While this was not an indictment per se, as many of the LSO's modern counterparts exhibit similar tendencies. In the long run, consultative decision making and strong second-tier management would ensure a more enduring LSO architecture.

### ***Community assessment of benefits and outcomes***

*Household income increase:* Almost three-fourths of the target group respondents stated the LSOs had contributed to an increase in their household incomes, while the corresponding number for the control group was 62 percent. Credit, training and livestock grants were noted as the main income growth sources. Only about 30 percent of the respondents indicated an increase in asset growth and about 60 percent of this increase constituted house improvements, new rooms and livestock purchases. Both target and control groups reported a similar rate and pattern of asset growth.

### ***Community perceptions of the LSOs***

*Management of projects/activities:* We asked the respondents to rank the LSOs according to their management of projects and activities. Close to 60 percent of the respondents gave the LSOs a ranking of '1'. Disaggregated by LSO, ten LSOs received more than a 50 percent positive endorsement on this scale. Punjab LSOs received the highest ranking, followed by the Khyber-Pakhtunkhwa LSOs.

*LSO effectiveness:* We also ranked respondent's perceptions of LSO effectiveness, measured by several indicators, such as gender equality, savings generation, credit disbursement, reduced dependence on RSPs and ability to secure internal and external funding. Close to four-fifths of the respondents ranked the LSOs high, which was also a consistent assessment across LSOs. Comparing effectiveness and management across LSOs, the trend lines were similar but the management measure exhibited far more variability. The attribute contributing most to LSO credibility was the trust in which it was held by the community. This trust created a virtuous circle, since LSOs held in high trust were, subsequently viewed as being more effective, which added to the trust.

*Key decisions and the decision-making process:* We asked respondents to comment on key decisions by the LSOs and the decision-making process; whether they considered it open and consultative. Respondents across LSOs observed that decision-making was a participatory process, with almost 90 percent of the respondents concurring on the four criteria of openness and consultations. When asked about what would improve LSO effectiveness, not surprisingly, respondents felt increased funding was the primary requirement of the LSOs and a precursor to all other activities.

*Inter-institutional comparison:* According to the results from the respondents, a consistent pattern appears to have emerged with regard to the broad spectrum of issues and activities the LSO and control group are engaged in. First, there was considerable similarity across this spectrum, which is not surprising as the LSOs are extending the RSP programme activities.



Second, the LSOs were consistently out-performing the control group in the public perception. They were relatively more successful than the control group in obtaining grants and scholarships for the poor and in securing government services. This, too, is to be expected as the LSOs essentially build upon the infrastructure and institutional capacity the RSPs have established. We reiterate the control group are not underperforming as they score high with the communities as well; it is just that the LSOs are doing even better. This puts LSOs in a favourable light. Both LSO and control groups achieved much greater success in raising social awareness among members and in increasing their visibility and confidence. Aspects of increased social awareness were increased social cohesion; focus on health, hygiene and sanitation; and greater attention to women's rights and contributions. The increased confidence and visibility among COs was evident across LSOs.

### *Aspects of sustainability*

Three important aspects of sustainability emerged from the survey. These are:

- Gender balance
- Exit strategy
- Financial sustainability

### *Gender balance*

*Representation in governing bodies:* The majority of the women respondents noted a predominantly male representation in the LSO/VO governing bodies. However, this disparity did not prevent discussions on a wide range of women's issues. Social services (health and education) were the key topics discussed. Decisions to empower women were an LSO priority and women found the decision making process to be open and consultative as well.

*Access to LSO projects activities:* Over three-fourths of the women responded that LSO-managed projects/activities were pro-poor and pro-women. The benign training-credit nexus formed the dominant part of both LSO and RSP-control group activities. However, RSP-control group RSP projects/activities were more diverse and understandably so as they have the edge in terms of time and experience.

*Credit and savings:* Over 90 percent of the female respondents noted that women were able to access the credit the LSOs were on-lending. An almost equal proportion indicated that women could use CO savings, both for their own use and in the form of internal lending.

*Benefit perceptions:* Over four-fifths of the female respondents observed that women's income had increased. Building their capacity through training and providing credit to utilise this capacity were the two key contributing factors. Resultantly, social benefits occurred in the form of improved nutrition, health and education for children. The LSOs also provided grants in the form of livestock and poultry but in much smaller amounts. The LSOs performed better than the RSP-control group in terms of improvements in both income and social well being.

*Decision making:* Over 60 percent of the female respondents in the target group observed that women's decision-making powers had increased, compared to slightly over 50 percent for the



control group. The perception was uniform across LSOs, with only six LSOs not concurring. These powers were fairly wide-ranging. Women's rights and contributions formed a key component of the LSOs' awareness creation efforts.

*Ranking of Women's LSOs:* It is a measure of the success of women's LSOs that Sami and PHKN (Women LSOs) scored, respectively, first and second position on the effectiveness index. ADP, the third women's LSO, however scored low in the 15<sup>th</sup> position. Women LSOs did almost as well on the project/activity management index. PHKN was ranked the second highest, Sami seventh and ADP 11<sup>th</sup>. While the ADP, Para Development Committees (PDCs) had achieved milestones in terms of their credit-based successes, they continued to rely heavily on TRDP social organisers. The LSO still has some way to go before it achieves institutional autonomy.

*Discordance between needs, opportunities and representation:* Reprising global findings this study too affirms that women are beneficiaries of micro credit; in this case through the instrumentality of the LSOs. Women exhibited a strong need for the organisational and financial support extended by the RSPs and the LSOs. Both represented avenues for economic, social and cultural empowerment and for easing their cultural shackles. In general, we noted that WOs were relatively more active than COs and VOs in Gilgit-Baltistan, AJ&K and Haripur. They were also more adaptable in a changing environment (reduced RSP presence). Partly this appears to reflect differences in perceptions. Men's cognitive spaces have now extended beyond the village, which may explain why their COs and VOs tend to become dormant once the RSPs disengage from their current role. As such, their involvement risks becoming funding-based rather than needs-based.

Women's spaces continued to be centred on the household. They were more receptive to initiatives that allowed them to be home-based, such as skills development, credit, education, health, water and sanitation. By the same token, they are process rather than outcome oriented and, hence, can adapt to changes in the external environment. Indeed, in some cases we noted that the withdrawal of funding had induced internal transformations, where the WOs had become self-sustaining entities – both credit and project driven. Many of these organisations had internalised the participatory principles that the RSPs had instilled in them and had launched independent initiatives, mostly income oriented but some focusing on education. Women were also more responsive to training and income generation opportunities offered by the LSOs.

As we noted earlier, the LSOs had become an important instrument for empowering women, which is a human rights imperative but is also called for by exogenous economic, demographic and cognitive transformations. Where women had successfully overcome male-defined cultural barriers, they were confident and protective about their hard-won spaces and rights, and set about asserting them quietly and effectively rather than in an overtly confrontational manner. Further, they represented a cohesive force, which transcended ethnic and religious differences.

However, the organisational complexion of the LSOs did not reflect their needs in, as much as gender representation in the constituted bodies (executive committee, general body) still had a distinctly male slant. There was a similar imbalance in the male-female CO and VO-WO ratios. By any reckoning, policy and management decisions made by women were far more telling than those which had a patriarchal genesis. We found women reticent in our efforts to engage them in

discussions in the mixed FGDs. While such reserved behaviour could be culturally defined, one would expect women to be a bit more forthcoming and confident given their documented achievements.

### *Are the LSOs a viable strategy for the RSPs?*

One of this study's premises is that the LSOs are an exit strategy for the RSPs. This strategy was shaped in a proactive context. In other words, the RSPs viewed the LSOs as their replacements, freeing them to turn to the role of capacity building and institutional strengthening and to serve as a donor liaison. Unlike the RSPs, the LSOs' roots are in the communities and, hence, this is welcomed from a sustainability perspective.

*Perceived LSO dependence:* The current state of LSO dependence establishes an initial benchmark for taking the changing strategy forward. Close to 55 percent of the respondents felt that LSOs continued to remain dependent on the RSPs. Dependent LSOs indicated a need for continued RSP funding, training and technical support.

In general there was a poor correlation between reduced dependence on the one hand and good management of projects/activities and overall LSO effectiveness on the other hand. However, such a correlation was evident in six of the LSOs (33 percent of the total), and we posit that these LSOs have become institutionally and financially sustainable. This level of independence, inferred from community perceptions, is an impressive achievement in view of the relatively short time that these LSOs have been in existence. The respondents attributed the self-reliance to social mobilisation, external links established with other organisations, financial independence and a sense of pride in doing their work themselves. We cross-checked respondent perceptions of dependence by exploring the extent to which the LSOs we classified as independent had diversified their loan sources for on-lending to COs.

*Observational evidence on LSO sustainability:* The manner in which the RSPs engaged with the LSOs had a bearing on their performance. While we did not specify indicators for such engagement, we found that those LSOs which maintained close process links with the RSPs were more likely to eventually become viable and self-sustaining. The NRSP in Punjab exemplified these links which, on the whole, were sustained and nurturing rather than intrusive. Many RSPs had substantively terminated their engagement after providing one-off funding for LSO office infrastructure. While they continued to provide limited salary support the links, otherwise, were tenuous. This had left the LSOs floundering and unsure of themselves. Second, institutional resistance could delay the transition. It was not uncommon to hear RSP staff referring to LSOs as mini-RSPs. Also, we noted some dissent within the RSPs where some felt the LSOs should be the product of a felt need. However, such reservations have deferred to policy, which is to proactively form LSOs. But, the lack of complete buy-in by RSP staff may have slowed down the transition in some areas.

External constraints, too, are present. First, donor funding has become scarce, especially in Gilgit-Baltistan-Chitral, with the result that the RSPs have disengaged prematurely. The nature of the RSP-LSO relations has a regional context. In Gilgit-Baltistan-Chitral, the AKRSP is coming to grips with declining donor support. As such, the LSOs are being accorded relatively



low priority. This has taken the shape of a one-off contribution for salary support and office infrastructure, occasional training and some linkage development – somewhat of a cookie-cutter approach. On the whole the LSOs feel they have been abandoned prematurely, when there is a need for continued capacity building and help in promoting linkages. In economics terminology, this represents the ‘infant industry’ argument for protection where an industry is externally supported to the point of self-sufficiency before being left to fend for itself. In contrast, the interface in the Punjab and Haripur is more sustained. However, the relationship remains unequal to the extent that RSPs and LSOs are implementing similar programmes. In other words, substitution is the operative word. The micro credit and development programmes of the RSPs are well entrenched and tend to swamp LSO efforts. In an ideal complementary relationship, both these activities would be channelled through the LSOs, concurrent with focused efforts to build their capacity – especially when the LSO credit record is exemplary.

*Are communities ready for the transition?* Cross-cutting and traditional forms of social capital exist as informal groupings (*tanzeems* or informal organisations), village events which produce cohesion and harmony, mutual aid traditions and collective action. Then there are context specific traditions, for instance those built around natural resource management (NRM) in Gilgit-Baltistan-Chitral. Ideally, these traditions should form the bedrock upon which the RSPs shape their mobilisation initiatives, whether they are household or village level organisations, or the overarching LSOs and their federated structures.

Not surprisingly, we found the constituted organisations less durable than the traditional manifestations of social capital. Many of these organisations had become inactive in those UCs where the AKRSP had reduced its presence. There were several complaints that the president or manager had defaulted on loans or absconded with the savings. This made it all the more difficult for the LSOs to reorganise them. In other cases, we noted strong donor dependency, meaning that funding infusions were the main lifeline for these organisations. Indeed, in many UCs the LSOs had taken on the added burden of reactivating dormant COs, which appear to have mobilised around projects rather than the generic community social capital. A repeated complaint was that the RSPs had formed COs but there had been no substantive follow-up. Possibly, the AKRSP could have anticipated and averted this dependency mindset. In yet other cases, the original organisations transformed themselves into savings societies and cooperatives and limited themselves to internal lending. In the Punjab, the bulk of COs have become credit organisations partly through intent and partly by default. In other words, they were organised around credit at the outset, or were reduced to it due to the RSPs inability to deliver development benefits.

Dependency was not the only factor in the COs inability to motivate themselves. A key change was altered cognitive perceptions, especially in Gilgit-Baltistan-Chitral, the AJ&K and Haripur. A combination of high unemployment and down-country opportunities had made male communities more outward looking. In turn, this had inhibited the spirit of volunteerism. In contrast, as earlier reported, women not only continued to remain area-confined, they were also stepping into typically male domains – forced to do so by economic necessity.

*Do communities need LSOs?* The question brings up the seeming dichotomy in the RSPs on need versus external motivation. We also indicated that the latter had taken precedence over the



former. However, a priori, an established need formed a good foundation on which to build an LSO. In some UCs the CO members had expressed this need. In one UC, in particular, members had even offered to pay higher fees if the RSP approved its request for an LSO. Among other things, the respondents envisaged the LSO's role as one of forming linkages, mobilising and monitoring community activities and organising training. The expressed need for LSOs was strongest in those areas where the RSPs were easing out, leaving the communities feeling vulnerable.

The external motivation (as opposed to the need) for establishing LSOs has a structural basis. This is especially so in the Punjab where, as we indicated, the RSP-CO interface is linear, framing itself primarily around credit. Control group UCs in Multan, Bhakkar and Khanewal were vaguely aware of what an LSO represented.

Recapping, the answer to the question rests on a complex calculus. It involves, institutional, structural, cognitive, dependency, social and regional variables, underscoring the risks associated with a cookie cutter approach. However, notwithstanding, our take is that, yes, the LSOs are a viable exit strategy for the RSPs, but the processes necessary to effect this transition are lacking. In our view, the RSP-LSO interface needs to become more proactive. At the outset the LSOs are a creation of the RSPs, giving them an induced rather than an autonomous flavour. The transition from the former to the latter will require strong process interventions, such as technical, human and financial empowerment. We note the key difference, namely that the LSOs represent embodied social capital while the RSPs are facilitators. But it is the RSPs which occupy centre-stage in community perceptions and these perceptions will change only if the required process interventions are carried out. Most critical in this regard is setting LSOs on the track to financial sustainability.

### ***Financial sustainability***

*Existing funding sources:* Achieving financial sustainability can be viewed as a two-part strategy. In its current form, the RSPN is facilitating the first part through its Community Investment Fund (CIF). This entails giving the LSOs a grant in the form of a revolving fund of either Rs. one or two million. The CIF generates interest when disbursed as credit and part of this is used for LSO operational expenses and part ploughed back into the revolving fund. The accrued returns already range from Rs. 100,000 to 400,000 and as they grow over time will become small LSO endowments. The second part of the strategy follows the adage, "necessity is the mother of invention." The LSOs have devised various innovative ways to generate additional resources. These include voluntary community contributions, donor funding set-asides, room and implement rentals among other initiatives.

The observational evidence shows that the LSOs have been more successful than the control group in raising an endowment fund, not surprising as their need is more pressing. Also, the LSOs which have successfully established an endowment fund are also those which ranked high in terms of their effectiveness and management ranking.

*Micro credit issues and disbursement modalities:* The demand for micro credit is pervasive across provinces. In fact, we noted that in the control group UCs in Gilgit-Baltistan -- especially

where the RSPs had disengaged, many VO/WOs had reconstituted themselves as credit societies. In the Punjab, too, the COs have a strong credit orientation, regardless of whether they are in target or control group UCs. Clearly, income generation support is a critical need in the presently depressed economic environment, and the RSPN-funded CIF recognises this need. The fund also allows the LSOs to generate funding (via interest) to cover its operational costs and, eventually, build up small endowments. However, as the more discerning members have pointed out, system integrity demands a more diversified portfolio of activities which combines credit with social and physical infrastructure, services, and capacity building. While micro credit provides the wherewithal to broaden the activity base, the possibility exists that, without discerning leadership, the credit orientation may jeopardise other LSO priorities.

Credit portfolios and loan modalities vary widely across LSOs. On an encouraging note, some LSOs have relied on their trust dividend to eliminate ID card requirements and surety deductions. Others, however, exhibit a trust deficit by retaining similar loan terms as the RSPs or microfinance banks. For instance, one LSO insists upon retaining TDRs (term deposit receipt). Another has gone to the extent of disbursing a small number of large loans to businessmen in order to protect its CIF endowment. While there is merit in not opting for a cookie-cutter approach, this does flaunt basic principles of micro credit. In fact, there seems to be a direct correlation between the LSO's credibility with its members and easy loan terms. Easy loan terms also tend to be linked with diversity in the loan portfolio in as much as the loans are extended for multiple uses, which include emergency loans that target the poor and the needy – sections of the community not normally eligible for these loans. Needless to say, the LSO recovery record is better than the RSPs or the microfinance institutions. Ultimately, as the LSOs gain independent recognition within the communities, the expectation is that members will not default.

*Potential funding sources:* Minor resource generation efforts will not go far towards keeping the LSOs financially viable. Community contributions and donor funding are directly linked to LSO outreach and impact. In turn, these attributes are partly a function of its financial resilience, creating a chicken and egg situation. An external infusion of funds is required to break this cycle, keeping in mind that volunteerism and activism cannot sustain itself without a modicum of incentives. The RSPN CIF is an important contribution but may not be enough. Our assessment, based on field observations is that each LSO should be given an endowment of Rs.4 million to be used entirely for credit and its release to the LSOs should be staggered according to past record and assessed ability to absorb the funds. Then, there can be region-specific solutions. Gilgit-Baltistan-Chitral have enormous market potential in high quality, disease free, agricultural and horticultural produce. Tharparkar is renowned for its carpets, tapestries, shawls and embroidery and Balochistan can be tapped for its horticultural produce. This potential can be harnessed through marketing and transport co-operatives. However, there are technical, training, management and financial prerequisites which call for close support and collaboration with the RSPs in these initiatives.



## Conclusions

Partly due to financial constraints but also as a sustainability exercise, the RSPs, with the assistance of RSPN, are exploring an exit strategy from some of the extensive social mobilisation, grassroots organisation construction, and participatory development activities they are engaged in. The issue at hand is whether LSOs as apex organisations could be used as a mechanism to consolidate the work that RSPs have done so that the latter can move on to capacity building activities and mobilising other marginalised communities not yet reached. While our review of the literature indicated the existence of multi-tier apex organisations as an institutional entity in grassroots participatory development, we are not aware of any systematic attempt to create and strengthen such organisations as a mechanism to consolidate, strengthen and indigenise the process so that the organisations are *of* the people and not only *for* the people.

Exploring whether this is a viable exit strategy for the RSPs is our key research question and we also explored an associated question of the importance of procedures, systems and protocols to this process. Our working hypothesis is that the ability to tap latent social capital in communities and build on that to construct new forms of institutional social capital, which includes the various tiers of the LSO, would be central to the success of such a strategy. Success is measured as the ability of the LSO to deliver benefits to the households and communities.

The findings based on observation of the outstanding projects and processes reflect the ability of LSOs to successfully mobilise for ambitious collective action for community betterment. The projects tackled were much needed, ambitious in scale, and demonstrated a surprising level of innovation in finding solutions to difficult problems. Observation of processes demonstrated the LSOs ability to bring about cultural change that empowers communities, women, and the poorest of the poor and enables them to engage in such collective action. Among the most interesting observations pertain to the LSO skilfully dealing with feudal oppression and how women, once empowered, jealously guarded acquired spaces and rights.

The LSOs are active and over four-fifths of the respondents expressed satisfaction with the pace of work. About three-fourths observed that linkages with donor, private sector and other development NGOs was picking up. Since linkages are a key part of the strategy for diversifying the resource and activity base, this is encouraging. Other successes include the greater LSO ability than control group in raising endowment funds, though their sources are less diversified; LSO target COs showed a greater recovery rate in micro lending than control groups; LSO projects were more likely to be perceived as pro-women and pro-poor; LSOs were perceived as more successful than control group in securing scholarships for the poor and in securing government services; LSOs perceived as more successful than control group in improvements in income and social well being. Since LSOs are a creation of RSPs, this should be a source of pride for the latter, just as parents celebrate a higher level of achievement than themselves among their progeny.

The communities for the most part appeared to be aware and engaged with regards to process which they viewed as participatory. There was an awareness that meetings were being held, minutes taken, and accounts audited. Communities had started saving and these savings were



being recycled as internal lending, where 85 percent had access to loans. Four-fifths rated the LSOs high on effectiveness.

Perhaps the most positive findings pertain to gender. Even though the representation in the governance bodies of LSOs/VOs is still disproportionately male, attitudes for gender inclusion were surprisingly positive across the board (90 percent favourable). There was also a high degree of gender sensitivity in terms of the importance of separate discussion of women's issues and women found the decision making process to be open and consultative. Over four-fifths of the women responded that they had access to CO savings and a similar count responded that their incomes had increased as a result of LSO activity. As has been found to be more broadly the case, this was viewed to have had a positive impact on the education, nutrition and health of their children. Two-thirds viewed their decision making powers had improved and in this regard were more empowered. The WOs were more active and also more adaptable and hence capable of doing without RSP support. While the men in general were more outward looking as a livelihood strategy, women were willing and able to fill in the spaces vacated. Perhaps this also explains why women LSOs took the top two spots in the ranking of LSOs via an effectiveness index.

### ***Recommendations***

RSPN and the RSPs have developed a sound exit strategy that allows organised communities to take on more responsibilities and for RSPs to become more facilitative. In our assessment, a third of the LSOs have become institutionally and financially sustainable, an impressive achievement given the short time period they have been in existence. There appear to be two prevailing strategies on how to proceed. One view can be characterised by a "sink or swim" approach. At times, such as in Gilgit-Baltistan-Chitral, this seems to be motivated by necessity as financial constraints impel the RSPs to move on. An alternative is a more nurturing strategy and this is the one we endorse to ensure a higher success rate.

In our view, much more hard work is needed to ensure that the LSOs are on firm foundations so that they can take over and indeed excel at the work RSPs are doing. However, as will become evident from our recommendations, this will require an altered approach. LSOs have a comparative advantage in doing development work given that they are rooted in the community and that they embody the social capital that can be tapped to make collective action work for communities that they are a part of and represent. They also have the major advantage of possessing local knowledge.

However, the localism could also be a disadvantage and RSPs will need to be wary of when that is the case to offset potential negative effects. For example, as our brief review of history demonstrates, local governance in most parts of Pakistan emerges from a tradition of ruling rather than serving. This was reinforced by colonialism and the post-colonial experience further entrenched autocratic and hierarchical governance that represents an obstacle to the attempts to institute participatory governance. Particularly in cases where hereditary governance trumps newly sown participatory norms, the RSPs will need to run interference in a diplomatic manner. It is tempting not to rock the boat, and that is the approach adopted often in government initiatives, but this would be a poor start for a valuable social endeavour. RSPs have traditionally

by-passed rather than take on entrenched rural elites and that is sensible. However, the clout that they possess having strong links with government organisations can be put to good use in running interference where needed to ensure LSO democratic governance and accountability mechanisms are in place.

Another problem is lack of an effective communications strategy, as part of the exit strategy, since perceptions in such social endeavours can create reality. We sensed a high level of dissatisfaction at the grassroots level with the board, executive body, and general body and much of this could be attributed to a lack of awareness. The concept of an executive body that is distinct from the management committee is a sophisticated one even for the NGO sector in urban areas. However, given the much greater level of sophistication, this practice has been understood and is now entrenched in that sector. A much more effective communications strategy will be needed in rural areas to attain a similar comfort level at the rural grassroots level. However, RSPs will also need an inward communications strategy. While RSPN and the top RSP leadership are fully on board with the new strategy being implemented, there is a lack of complete buy-in lower down the hierarchy among those actually charged with implementing the strategy.

One manifestation of this disconnect is the reluctance to gracefully bow out. RSPs continue to be perceived by communities as the weighty partner. Until the community perceives the baton to have been transferred, they will continue to look towards RSPs and a dependence mentality is the antidote of a participatory approach that the RSPs have worked so hard to cultivate. In some cases, this will mean withdrawing from spaces that the LSO has the competence to take over. We found that in Punjab and Haripur, RSP parallel programmes, such as in micro-credit, actually competing and infringing on LSO space. RSPs need to concede space so that the LSOs are centre stage in community perception and reality.

Timing of course will be of the essence and this is an art and not a science. Some internal maturity indicators can help, but this decision can never be mechanical. Wrong decisions are inevitable, and are something to learn from. But the extremes of premature abandonment or of an unwillingness to concede space should be avoided. Also, institutionalising follow-up and capacity building once space has been conceded will still be needed.

As we indicated in the text, in an ideal complementary relationship, the activities the LSOs can take over entirely are: social mobilisation – once they acquire the basic insights they are able to do it better than the RSPs; CO-household level activities; project identification/planning/proposal writing; selective training; establishing external linkages. However, RSP facilitation in the form of financial support, training, external linkage facilitation, and coordination for participation in central workshops are areas where the RSPs will need to continue engaging. A key role for RSPN is knowledge management, organising learning works, and supporting national and international experience sharing.

Our fieldwork demonstrated a wide diversity, complexity, and richness in grassroots institutions. In keeping with our recommendation for establishing firm foundations for LSOs, RSPs may need to be more sensitive to the latent and active social capital that already exists in communities and build on that rather than have one common approach to institution construction. This would be



more in keeping with the essence of the participatory approach that the RSPs have instituted with considerable success.

As the RSPs make clear, for projects, participation means involvement in all aspects from needs assessment, conception, to maintenance. In cases where there is a disengagement of the executive committee with projects and they were contracted out, participation cannot have been achieved. Local participation and ownership would require a full engagement with all stages of the project including implementation and monitoring. We were surprised to come across projects in which the communities even questioned the site.

The RSPs also need to make clear to the LSO leadership that the onus of attaining full participation is on them. To turn around and blame communities for desultory participation is simply to demonstrate a lack of understanding of the process they are engaged in. We do not view a paid rather than a voluntary managerial staff as the problem per se. RSP staff is paid and yet also have the privilege of working for organisations that do good. Why should this be any different for LSO managerial staff working in very remote locations in difficult conditions? They too have the privilege of working with and for their own communities but the incentives need to be right. To not recognise this reality is to set the organisations up for high turnover and without the active labour market that now exists for the broader development NGO sector, turnover imposes a very high cost.

The main issue will be establishing a sustained revenue stream (possibly in part forthcoming from an endowment fund). The communities currently are too poor for a “pay for service” model to work. Ultimately, the LSOs are delivering services that the state should (constitutionally and as citizen rights) but does not have the capacity to. The systematic destruction of the local government system and the resulting administrative vacuum this created, as evident during the 2010 floods, is a vivid illustration of the familiar adage, ‘cutting off one’s nose to spite one’s face.’ In addition, a new dimension of institutional sustainability is highlighted in that LSOs are perceived to be apolitical and, therefore, not vulnerable to political manipulation. Essentially, the state needs to view the LSOs as complementing them, but it must provide the revenue stream for capacity building and service delivery. Even as higher level RSP leadership continues to advocate for this, building the infrastructure of sustainable, apex organisations at the grassroots level needs to continue to persuade the state that effective organisations *of* the people can be partners in rural development. An example of partnership is the UC Poverty Reduction Programme in which the state is funding COs and their agglomeration into VOs. Donors may need to provide the stop-gap financing until the political process resolves the issue of local government, which is currently in limbo in Pakistan.

Thus an effective interface with government is a key area for RSPs to focus on. While respondents expressed satisfaction with the pace of linkages being established with other sectors (donors, development NGOs, private sector), they noted a lack of interface with the government line departments. This process needs to be institutionalised so that LSOs can tap into what is available -- naming and shaming could be among the arsenal of tools available to them. As earlier indicated, service delivery is primarily the responsibility of government. Organised communities will make the reception of these services more effective, but some pump-priming may also be needed to get them flowing in the short and medium term.



## 1. Background

The Rural Support Programmes (RSPs) engage in participatory rural development in Pakistan. Via social mobilisation, they form community organisations at the grassroots level, which subsequently become partners in the development process. However, as they extend their activities across Pakistan, they face capacity and financial constraints. The latter, especially, is an ever-present risk and, despite the RSPs' results-based credibility, donor funding is uncertain. In partial response to such constraints they have begun to steer their grassroots initiatives towards institutional sustainability, with support from the Rural Support Programmes Network (RSPN). This entails forming apex, local support organisations (LSOs) at the union council (UC) levels.<sup>3</sup> The aim is two-fold. First, as apex organisations, the LSOs replicate the work of the RSPs, mobilising the communities, creating community organisations and ensuring their participation in social, development, welfare and credit activities. The vertical structure is designed to ensure that the apex organisations form effective horizontal linkages with the government, NGOs, donors and the private sector. Second, LSOs go beyond merely substituting for the RSPs; they represent an indigenisation of the social mobilisation process, ensuring a permanent support system which is both locally owned, self reliant and capable of formulating context-specific development programmes.<sup>4</sup> Thus the LSOs represent both a consolidation of participatory development and a partial exit strategy enabling RSPs to focus on other communities more in need of their assistance: partial, because they can continue to backstop the LSOs but the touch can become lighter as the LSOs gain capacity, strength and confidence. Thus, the objective is to have organisations *of* the people rather than organisations *for* the people at the grassroots level.

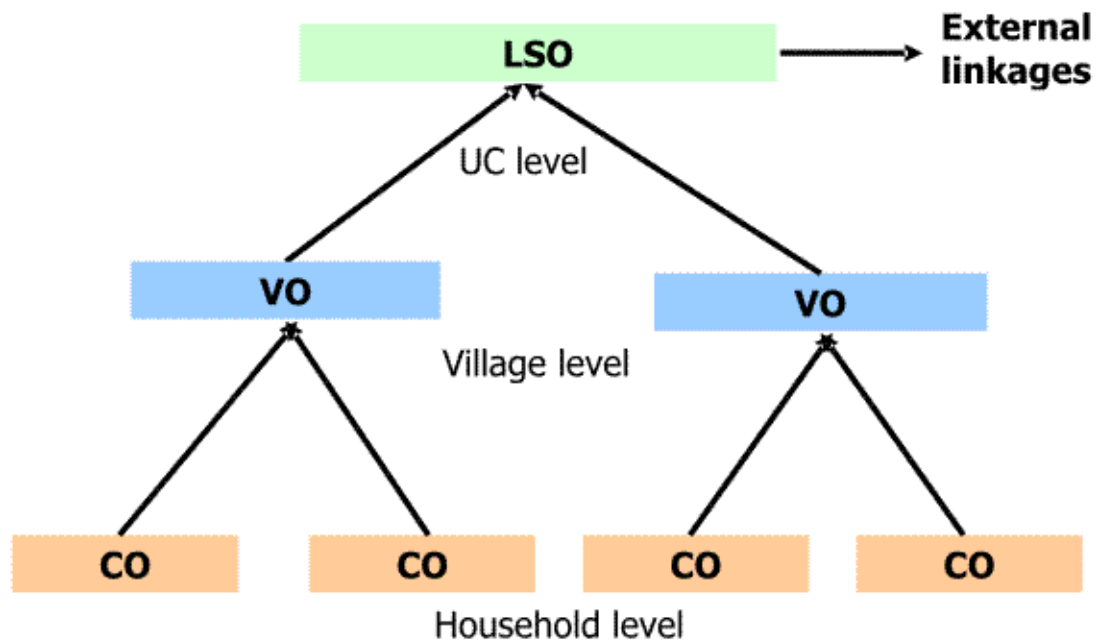
Figure 1 below illustrates the LSO structure currently being implemented by the RSPs. As the figure shows, the LSOs are formed at the UC level. They form the apex of a triangular three-tier structure built up from household level community organisations (COs), which coalesce into village organisations or village development organisations (VO/VDO). In turn, these merge into LSOs. The three tiers are linked through an electoral process aimed at ensuring transparency and grassroots representation. Recent initiatives involve federating some of these LSOs at the *tehsil* (sub-district) or *zillah* (district) level.<sup>5</sup>

By end March 2010, 306 LSOs had been formed, of which 23 were exclusively women organisations. The RSPN was back-stopping 50 of these LSOs -- including six women LSOs, with guidance and financial support in the shape of a community investment fund (CIF). The CIF varies from Rs.10-20 lakhs depending on the perceived absorptive capacity of the LSO or the particular RSP's disposition. The LSOs have the option of dividing the money between projects and loans or using it only for on-lending. These LSOs constitute the population from which we selected a sample for this evaluation.

The LSO model was first envisioned in the 1980s by the development practitioners of the Aga Khan Rural Support Programme (AKRSP), principally Shoaib Sultan Khan. They advocated the formation of VO clusters to sustain social mobilisation efforts and implement larger infrastructure projects.<sup>6</sup> The clusters were also meant to facilitate linkages with external agencies, create a new generation of social organisers, and provide a mechanism to address development challenges on a larger geographic scale, eventually transforming the role of the AKRSP to one of capacity building.<sup>7</sup> While the cluster organisations are better placed to

establish linkages, this can also happen at other tiers. AKRSP records show that a number of cluster organisations are still functional around the management of micro-hydel projects that require continuous maintenance and management. The LSO model, as shown in Figure 1 below, is based on this conceptualisation of cluster organisations.

**Figure 1: LSO model**



Since the original cluster organisations, the RSP institutional development approach has evolved through several iterations. In the late 1990s, RSPs started to shape these clusters into Local Development Organisations (LDOs). The LDO model, too, was conceived as a broad-based, multi-purpose organisation that could articulate and organise the common development concerns of a particular locality, mainly at the village level. However, over time, RSP staff noted that the LDOs were transforming into small professional NGOs and distancing themselves from the communities. To counter this “professionalisation phenomena” the Rural Support Programme Network (RSPN) in 2005/2006, developed a graduated strategy to scale up existing COs. In an effort to ensure that this form of institutional development would be sustainable, LSO development occurred in two stages: 1) the COs would form a Village Development Organisation (VDO) at the level of a revenue village<sup>8</sup> or village and; 2) over time the VDOs would form an LSO.<sup>9</sup> The decision was both time and location-appropriate, in as much as sub-village level organisations were already in place and working informally. However, they were not registered and had virtually no administrative and financial systems, which prevented them from accessing additional donor funds or initiating large-scale development projects.<sup>10</sup>

The main objectives of the LSO, therefore, are to: provide a localised permanent support system to foster and nurture the grass roots organisations of COs and VDOs; scale up social mobilisation locally through low cost measures (compared to RSP staff support); and provide an institutional facility to promote development linkages with service agencies in the government, NGOs, the private sector and communities.



The RSPs facilitate LSO formation at the UC level when the COs cover a significant proportion of the households. The RSP's role is to provide both financial and technical support in the development of the LSO. The RSPN has developed operational guidelines and sample by-laws for the LSO, training modules for LSO activists and also orientation and management training modules for RSP field staff actively involved in the programme, and monitoring tools for the LSO programme.<sup>11</sup>

## 2. Conceptual framework: LSOs as a form of social capital

Conceptually, the LSOs are a form of social capital, representing the upper end of a process where latent social capital is shaped into community organisations. Social capital can be viewed in several ways. First, community organisations embody social capital. Conventionally defined, they represent an association based on mutual trust, norms and reciprocal obligations. Second, community organisations can also be viewed as constructed social capital in the sense that the organisations formalise or give shape to both latent and active social capital. Third, social capital also has a relational context. In other words, it is embodied in the links between the community organisation and the development NGO (RSPs in this case). Fourth, the network of community organisations, or cluster organisations, created to address supra-village needs represent social capital. These are what we also refer to as the LSOs. Thus we view the grassroots organisations at the various tiers, the relationships they embody within and across tiers and the foundations of these relationships as social capital. The expectation is that the stock of social capital will lead to a flow of collective action that enhances well-being.

## 3. Literature review

The LSO apex approach has been replicated and adapted across South Asia and also implemented successfully in the Central Asian Republic of Tajikistan. The construction grew out of the participatory development approaches of the AKRSP in Gilgit, Baltistan and Chitral in the 1980s. The intent was to mobilise village based self-help cluster households into village and district level organisations, which could negotiate financial and implementation arrangements with government line departments, donors, NGOs and the private sector. In this manner, it would be possible to scale up grassroots activity and implement larger projects. The strength and the source of the LSO's empowerment was determined to be its community-centric character and development orientation.

The original AKRSP approach inspired the UNDP funded South Asia Poverty Alleviation Programme (SAPAP), launched in 1993 (UNDP, 2004, 2004a). Six countries, Bangladesh, Nepal, India, Sri Lanka, Maldives and Pakistan participated in this regional programme. The AKRSP methodology was common to all, although the nomenclatures differed in each country. The first organisational tier consisted of Self Help Groups (SHG), which coalesced into Village Organisations (VO) or, if the village was large, into Community Organisations (CO). In turn, the COs or VOs federated into sub-district (UC for Pakistan) or district level bodies. They are known by several names such as LSOs in Pakistan or Mandil Mahila Samkhyas (MMS) in India. From the outset, SAPAP cultivated close relations with the host governments, whether at the central, state or district levels. Anticipating that some governments might not be receptive to its



programme, SAPAP inducted senior retired government officials into its country management structure, ensuring familiarity with the government methods and procedures and links with local government institutions.

The most rapid take up of the SAPAP project, both spatially and over time, occurred in Andhra Pradesh, India. The project built upon existing women's SHGs, federating them into VOs and then into MMS. As project successes became visible, the World Bank agreed to finance an adapted version of the project. Under its District Poverty Initiatives Project (DPIP), the programme, called VELUGU (light), gave greater emphasis to livelihood and income generation activities. The programme is built around the Community Investment Fund (a form of community managed micro credit to poor rural women) but has been extended to embrace excluded minorities, such as the untouchables.

A second project, the Andhra Pradesh Rural Poverty Reduction Project (APRPRP), established community-managed procurement centres for assessing, storing, and selling agricultural commodities.<sup>12</sup> The project benefits small and marginal farmers, traditionally exploited by moneylenders, traders, and middlemen. By 2007, 630,000 female SHGs were federated into 28,282 VOs, 910 sub-district organisations, and 26 district organisations. Farmers started having easy access to procurement centres, price and quantity information (accessible via mobile phones), and cash on delivery. The project freed them from distress sales to middle men and from credit on onerous terms. Trained female grassroots professionals (who grew to 100,000 by 2007) manage the supply chain. Their functions include handling logistics, quality control, weighing,<sup>13</sup> book-keeping, and research and development. Committees of 3-5 members handle functions like purchase, quality control, social audits and sales. The direct benefits to farmers and members and the indirect benefits via replication and job-creation have been impressive.

A third project, which builds upon and funds these projects is the state-sponsored Community Investment Fund (CIF) managed by the Society for Eradication of Rural Poverty (SERP), similar in nature and functions to the RSPs. The CIF supports the micro plans of SHGs, which embrace both farm and non-farm activities. These are agriculture, animal husbandry, business enterprises, commodity marketing and food security. In addition, the CIF transfers and provides resources at the VO and MMS level for social development, infrastructure, and land purchase and development.

Key to the institutional sustainability of these programmes is the evolving collaboration with local government, framed in Article 40 of the Indian constitution. The article stipulates:

The State shall take steps to organise village *panchayats* and endow them with such powers and authority as may be necessary to enable them to function as units of self government

The Andhra Pradesh *Panchayat Raj* Act, framed in the light of the Constitution's 73<sup>rd</sup> Amendment, came into effect in May 1994, setting up a three-tier Panchayat Raj Institutions (PRI) structure with a *zilla parishad* at the district, *mandal praja parishad* at the intermediate and *gram panchayat* at the village level. It also provides for the constitution of village *gram sabhas* (assemblies) made up of all registered voters in the village. The state government has conducted

elections to constitute the PRIs and has devolved functions, powers, and resources to these bodies. Andhra Pradesh has shown the way forward in integrating communities, local government and autonomous bodies to effectively promote grassroots development. The Panchayat Raj and Rural Development Order (RD III), January 2005, is the most recent expression of this institutional convergence.

An extra-regional demonstration of the LSO approach is in the Tajikistan Governance and Livelihoods Programme (TGLP), implemented by the Mountain Societies Development Support Programme (MSDSP). The TGLP is a project of the Aga Khan Foundation in a two-year partnership with VOs and the local government.<sup>14</sup> The TGLP strives to institute democratic governance and generate sustainable livelihoods among the rural poor in selected pilot districts of Gorno-Badakhshan Autonomous Oblast (GBAO), geographically the largest province in Tajikistan. One of the TGLP's key objectives is to build capacities within civil society and local government so that the two can collaborate effectively to promote development at the local and regional level. Higher competencies on both sides are expected to contribute to building a civil society that holds government more accountable, and a local government that helps civil society to better articulate and meet the needs of the people. The project expects to provide insights for joint civil society-local government cooperation, which can be replicated in future across the country.

No new institutions or structures were established under the TGLP. The programme simply helped create a mechanism for collaboration and co-ordination between the existing sub-district level network of VOs called the Social Union for Development of Village Organisations (SUDVOs), and the sub-district governments. Positioning the VOs and SUDVOs as key players in the programme design, ensured that the government would accept the VOs as a credible institution that could represent village communities and identify and implement village development needs and priorities. Financing for micro-projects at the sub-district and district level was used as the entry point for discussion and formed a substantive basis around which the collaboration and engagement of civil society and local government was established.

The pilot was assessed to be a success in securing government involvement and financing; it addressed a major weakness of the MSDSP, which was to exclude government. The subsequent and more inclusive approach also represents an exit strategy for the MSDSP in that the government can gradually be expected to assume its expected role of social sector delivery, but in a symbiotic partnership with the VO. The VO retains its autonomy, while the MSDSP focuses upon facilitation and capacity building (of SUDVOs and VOs). Building the capacity of the cluster organisations is key to their sustainability and to the government's phased disengagement.

The LSO approach has been tried in other countries. Bebbington and Perreault (2003) described a three-layered process for rural development in the Guamote Canton in Ecuador. The lowest layer represented the creation and consolidation of community-level organisations. The second layer was the consolidation of these organisations into federations and larger scale organisations have drawn on these federations to establish national outreach.



These organisations replaced the *hacienda* as the dominant mechanism for rural governance and the church, as a proponent of liberation theology, was instrumental in the social mobilisation that brought about this transformation via land reforms and land buy-outs. The state in turn required the formation of community organisations to mediate the delivery of services and the church facilitated the process. Literacy programmes built the organisational and human capacity to link communities to the state. The building of canton-wide federations of community organisations followed this grassroots activity.<sup>15</sup> These federations negotiated successfully with the state, via national development NGOs, for resources and development investments.<sup>16</sup>

Srivardana (2004) documented the case study of collective action by a federation of farmer's organisations in the Raana region of Sri Lanka. The Participatory Institute of Development Alternatives initiated the process in 1983 via a series of social mobilisations, each more intensive than the last, taking the collective action to a higher plane. Small neighbourhood groups formed the village farmer organisations and these came together across 26 villages to form a district farmer's organisation. The federation took control of the town market centre to facilitate selling their products and proceeded to buy their own lorry, after negotiating a bank loan, to get better prices in the city. They also cut costs by labour sharing and buying agricultural machinery.<sup>17</sup>

The villages had earlier been ignored by the state, but as the federation acquired more influence, the state interfaced with the farmer's organisation to deliver social and physical infrastructure including a reservoir, drinking water, lift irrigation, a network of gravel roads, electricity and social services. The organisation successfully fielded candidates for local government elections to influence local level politics and took over the social mobilisation task. As the fame of the federation spread, farmers from other regions replicated the collective action via their own federations. By 1992, the federation registered as a development NGO and negotiated independently with donors and the government. This attainment of independent status by the NGO is basically similar to the objective RSP is seeking for the LSOs, in as much as LSOs remain people-centred organisations and thus avoid the pitfalls of becoming detached from the communities they are meant to serve. An investigation of this support mechanism should provide key lessons within and outside the country.

## 4. Objective: Assessing LSO effectiveness

### 4.1 LSO structure<sup>18</sup>

The LSO is a supra organisation of COs and VO/VDOs of a particular union council. It is formed at the UC level and, at a minimum, requires 60 percent of the potential member households to be organised in men and women COs. By definition, an LSO is a formal and representative body of grassroots organisations to support participatory, equitable and sustainable development of a defined geographical area. Its main objectives are to: (a) provide a localised permanent support system to foster and nurture grass roots organisations; (b) scale up social mobilisation through low cost measures; (c) provide an institutional facility to promote development linkages between service agencies in government, NGO, the private sector and the communities. The LSO governing structure is two-tiered, consisting of the General Body (GB) and the Executive Body (EB) and supported by paid staff for office functions such as accounting and book keeping.



The GB comprises at least two nominees from each member organisation (CO, VO). Its functions are to: approve and amend the by-laws of the LSO; approve the minutes of the previous GB meetings; approve the annual plan of operation prepared by the EB and; appoint the members of the EB.

A 7 to 11 member Executive Body is elected by the GB from among itself. The EB functions are to: appoint its Chairperson, Vice Chairperson and Secretary; establish policies; create sub-committees on a needs basis; approve, amend and reject recommendations of sub-committees; raise funds for its own operations; prepare annual plans and budgets; provide strategic guidance and insights; keeping financial records in a proper and easily retrievable manner and; ensure the audit of accounts on an annual basis.

The LSO is owned by its member COs. Any assets and liabilities are owned and borne by its members. The EB is the custodian of all assets of the LSO. The election of members for the GB/EB and sub-committees is required to be on merit. The process must be transparent and democratic. The GB is elected for a period of 3 to 5 years. On the expiry of the term, the entire GB is re-elected. The EB is elected for a period of 2 to 3 years and may be re-elected on the expiry of the stipulated period. The sub-committees created by the GB or EB are dissolved with the dissolution of the respective body. Similarly, the term of office of the office bearers of GB and EB automatically comes to an end with the dissolution of the respective body. The LSOs are registered under any government act deemed suitable by them.<sup>19</sup>

The representation of women COs members in the GB, EB and Special Committees of the LSO is mandatory. In case the number of woman COs are negligible, there is provision for nomination of more woman members from among the available women COs. A position has been reserved for a woman vice president in the EB of the LSO.

#### **4.2 Defining success**

We assessed LSO effectiveness on the basis of three related sets of indicators. The first set, social capital stock, constituted the foundation of the assessment. The second set was framed around institutional indicators. The third set focused on benefit perceptions as specified in the study Terms of Reference (ToRs – refer to Annex III). Alternatively, we can also present these indicators as process and outcome indicators. In other words, past traditions of collective action contribute to present institutional sustainability which, in turn, generates outcomes. The indicators are a composite of the detailed questions we outlined in the questionnaires (see Annex I) for the household survey, and in the checklist for the focus group discussions (FGD). The key research questions embedded in the questionnaires pertained to:

##### Social capital stock

- Institutions of authority
- Role of social institutions
- Social cohesion
- Mutual aid traditions
- Household participation in collective action
- Customary laws and their impact

Institutional assessment: Procedures/systems

- Election of office holders
- Frequency and quality of meetings
- Record keeping and auditing of accounts

Institutional assessment: Inputs

- The pace of social mobilisation (CO and VO formation)
- The quality of social mobilisation
  - Multi-ethnic and gender representation in the COs.
  - Participation by the village poorest.
  - Gender representation
  - Discussion of women's issues
- Stakeholder linkages.
- Activities at different tiers
- Extent of community participation
- Credit and savings
  - Women's access
  - Internal lending

Outcomes/benefits

Three categories of potential benefits are:

- CO/Household level: Assets, income, credit, social empowerment, women's empowerment, education, health and nutrition.
- VO/VDO/Village level: Community productive infrastructure (CPI), education, health, water and sanitation
- LSO/Union Council level
  - Cross-cutting infrastructure projects credit disbursed
  - Social and cultural change
  - Policy change through local government interface

Several core issues emerge from the household surveys and FGDs, which we analysed in detail, namely:

- Traditional systems of governance, law, and collective action and the manner of their evolution;
- Are the LSOs a viable 'exit strategy' for the RSPs
- Gender balance;
- Financial sustainability.

## 5. Research questions

LSOs represent the horizontal and vertical consolidation of the social mobilisation process. We explored whether LSOs had strengthened the capabilities of COs to mobilise and harness social capital, generated diversified collective outcomes and induced process change (social, economic and cultural), and if in this capacity they can act as substantively independent entities. A related



question is whether procedures, systems and protocols are a necessary and sufficient condition for organisational sustainability and effectiveness.

## 6. Research design

### 6.1 Research method

Methodologically we used a triangulation approach for the LSO evaluation, collecting data through project observation, questionnaires soliciting agent/beneficiary perceptions, interviews, focus group discussions (FGD), case studies and secondary sources/documents. The evaluation was community based. The rationale was that communities were the intended beneficiaries of the LSOs. As such, it was logical to consult them on the LSOs' effectiveness and outreach. We conducted household level interviews and FGDs in order to elicit critical responses on LSO effectiveness and delivery. However, we consulted with implementers as well. While, we recognise this could inject biases, it was necessary to gain perspectives on policy, programmatic and operational issues which households would not be too familiar with.

We also added a comparative dimension by introducing a control group for each LSO we evaluated. We twinned the nearest UC where the RSP had a presence but without an LSO, in order to determine whether the LSO had made a difference in terms of well being and autonomous collective action.

### 6.2 LSO selection

The LSO is the unit of analysis. Table 1 below lists the LSOs which the RSPN is supporting to date.

**Table 1: RSPN-supported LSOs (as of June 30, 2009)**

RSPs	Total	Formed before Jun. 30, 2006	Formed before Jun. 30, 2007
AKRSP	12	10	1
BRSP	2	0	0
SRSP	7	3	2
NRSP	14	5	3
TDRP	8	3	2
PRSP	2	0	0
Women's LSOs	4	1	3
<b>Total:</b>	45	21	8

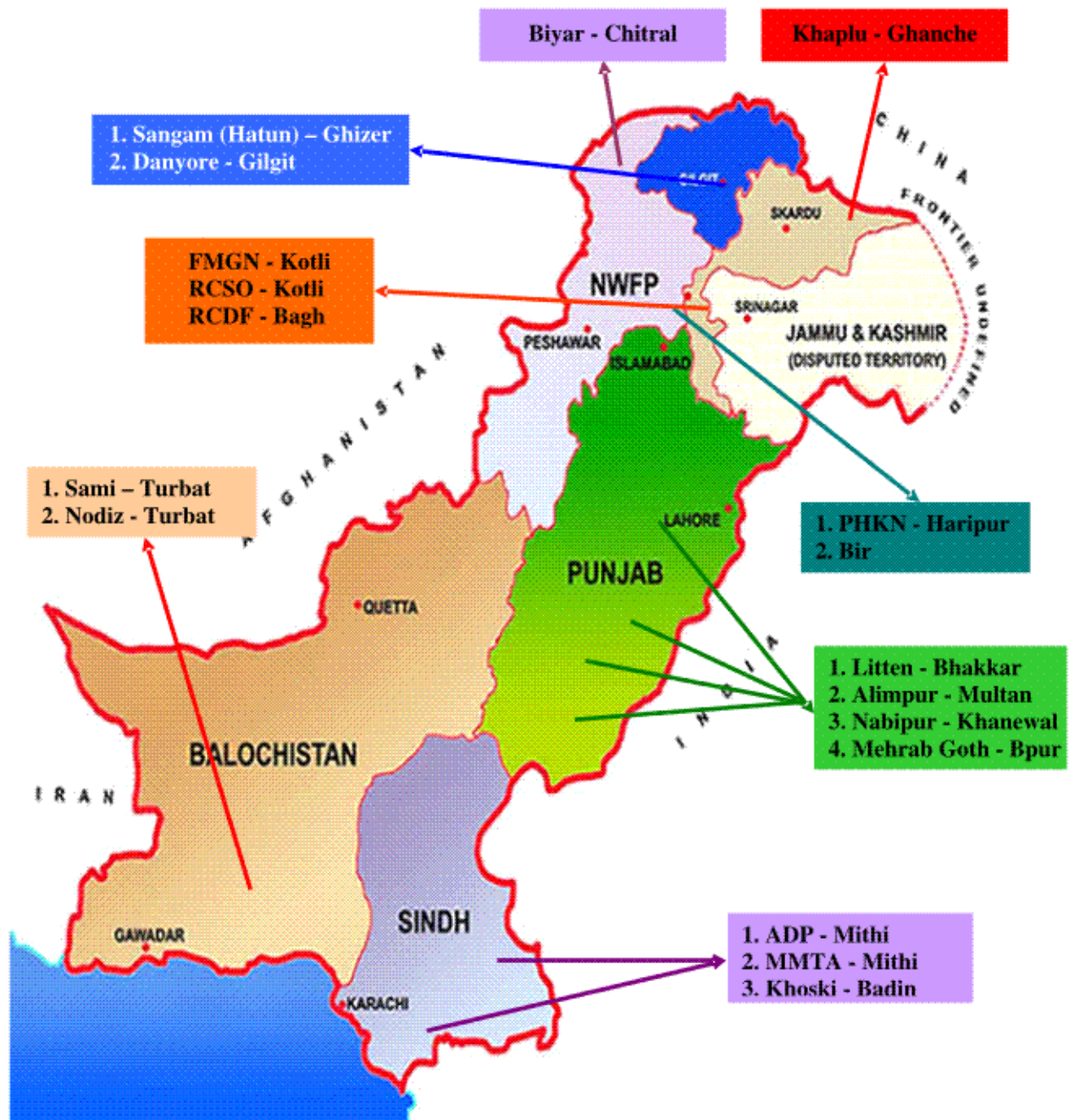
Source: RSPN, 2009

Of these, the RSPN identified 18 LSOs for us to review, based on temporal, spatial and performance criteria, as indicated on the map below. The table presents province/area-wise information on households interviewed both for the LSOs and the control group. (See Annex II for the LSO/control group UC level details).

**Table 2: Households interviewed by province/area**

<b>Province/Area</b>	<b>LSOs</b>	<b>Control group</b>
AJ&K (3 LSOs, 3 control groups)	324	323
Khyber-Pakhtunkhwa (2 LSOs, 1 control group)	173	82
Chitral (1 LSO, 1 control group)	113	114
Gilgit-Baltistan (3 LSOs, 3 control groups)	283	273
Punjab (4 LSOs, 4 control groups)	401	383
Sindh (3 LSOs, 3 control groups)	242	278
Balochistan (2 LSOs)	155	0
<b>Total:</b>	<b>1691</b>	<b>1453</b>





**LSO National Survey**

Since the guidelines for the LSO set a time frame of three years for maturity, ideally we should have excluded all LSOs in operation for less than three (preferably five years). While 21 LSOs qualified for selection on this criterion, their distribution across the RSPs was skewed, the bulk being concentrated in the AKRSP and NRSP. The RSPN identified 18 LSOs for evaluation on criteria indicated above. Of these, subsequently, two in the Khyber Pakhtunkhwa and one in Balochistan were replaced for security reasons.

### 6.3 *Household survey sample selection*

Originally, in selecting the samples for the target and control groups, we opted for a combination of random and purposive sampling. The reason for the latter was two-fold. First, the sampling universe was the poverty scorecards for the UCs that the RSPs-LSOs had prepared. Many UCs were large with dispersed villages which would have spatially extended us beyond our logistical capabilities. Second, women-headed households were under-represented in the poverty scorecards. We imposed a cut-off, reducing the universe to only those villages which exceeded a specified population. Second, in an effort to correct gender under-representation we stipulated that 15 percent of the sample consist of women. After these purposive adjustments, we opted for a 5 percent (statistically significant) sample size in proportion to the village population to attain equal probability of selection.

Subsequently, we made changes based on field experience. First, several poverty scorecards contained flaws, in that they included children as household heads; household heads had migrated with their families; the scorecard included family heads who had passed away and; some names were in duplicate or triplicate. We recommend that the scorecards be prepared carefully and iteratively, to adjust for demographic changes. Second, we discovered after about one hundred interviews, that little additional information was being added. Accordingly, in view of the defective sampling universe and the converging responses, we opted for an alternative approach. First, we opted for a uniform sample size of 100 respondents each for the target and control groups across all LSOs, regardless of the UC population. However, we enforced the following conditions:

- Gender balance (50:50) in the sample.
- Ethnic and religious representation
- At least 90 percent of the respondents be simple CO members and not office holders
- Focus on the poorer households

### 6.4 *Research instruments*

#### 6.4.1 Household questionnaires: Target group

We developed two household questionnaires, one each for the target and control group. We selected the target group from the UC which included an LSO. The questionnaire consisted of 3 parts:

- Part I: Social capital assessment: The focus was on identifying the stock of social capital that existed in the village before the RSPs and other NGO initiatives.
- Part II: The institutional assessment focused on procedures, systems and inputs.



- Part III: The outcome assessment focused on tangible (income, assets) and intangible (social empowerment) benefit perceptions.

The questionnaire went through several iterations at RSPN, and was pre-tested prior to implementation. The survey teams consisted of 4-5 enumerators, headed by a field survey supervisor. We mostly used local teams for each region to cater to linguistic needs and to ensure local commitment. The lead researcher accompanied the teams for the substantive part of the survey, which lasted five and a half months, from August 2009 to mid-January 2010. He conducted intensive training sessions in each region to familiarise the enumerators with the study scope, objectives and methodology. At the end of each day in the field the lead researcher reviewed a sample of the questionnaires and conducted periodic brain storming sessions to obtain feedback and to ensure that the enumerators remained on track.

#### 6.4.2 Household questionnaires: Control group

For the control group we selected an adjoining UC, where an RSP was active but did not have an LSO. As we indicated, the purpose was to be able to determine whether the LSO had made a difference. However, the comparative exercise also had complementary implications. The premise underlying the RSP institutional maturity index (IMI) is that in UCs where the RSPs have had a sustained presence, COs have internalised the concept of collective action and are capable of launching their own initiatives and moving in new directions. It is also reasonable to assume that they would be receptive to the opportunities offered by vertical integration. However, premises always need to be tested and we added two sets of questions to the control group questionnaires aimed at determining the following:

- Were the COs active in those UCs where the RSPs were reducing their presence, for instance due to reduced funding?<sup>20</sup>
- Did the CO know what an LSO was and were they receptive to the idea of establishing one in their own UC?

In this sense, the control group survey helped to ascertain LSO value added

#### 6.4.3 Focus group discussions (FGD)

We developed checklists for the FGDs, one each respectively for males and females in the target group, and identically for the control group. The FGDs addressed selected issues raised in the questionnaires but from a collective perspective. Each FGD was restricted to 10-15 participants; at a minimum three COs were represented; we ensured that the participants were not interviewed earlier and they were not CO office holders.

In general, while the RSPs facilitated the surveys extremely capably they were professional enough to understand and comply with our request to distance themselves from the interviews and FGDs.



#### 6.4.4 Informant interviews and group discussions

The informants for the interviews represented a cross-section, consisting of community members and representatives (local elders, school teachers, and social activists), RSP staff members, both active and retired, line department officials and microfinance bank representatives. We also conducted group discussions with the LSO board, EB and GB members and with RSP management staff. The group discussions were useful in that they provided a forum for sharing community views with their elected representatives and RSP staff.

#### 6.4.5 LSO profiles

The RSPN requires profiles of those LSOs it is supporting. The elected LSO officials and management staff prepare these profiles, which tend to overstate LSO achievements. In order to obtain an independent assessment, and on RSPN's request, we asked 10 CO members in each LSO to complete profiles. The feedback was moderate; members were generally unaware of the LSO's programme and financial details but, nonetheless, they did provide some information.

### 7. Survey coverage

The details of the survey are indicated in Annex II. The table presents a numerical record of the various survey instruments implemented in the target and control group UCs.

### 8. Study findings: Project and process observations

This section reports findings of LSO project, process and disaster mitigation activities, based on field observations by the lead researcher.<sup>21</sup> The analysis is in two parts. The first part describes selected LSO project activities. Despite their recent inception, and their funding and capacity limitations, the LSOs we reviewed have launched diverse initiatives. These are being implemented at the UC, village and household levels. Some of the larger projects are innovative, ambitious in scope and involve the communities. They are the result of linkages established with donors, NGOs, the government and the private sector as explained below. While we focus on key LSO projects which are impressive in terms of their outreach and innovation, by the same token, we also highlight some examples of weak governance and implementation flaws. The juxtaposition is necessary to guide efforts at fine tuning these and subsequent projects. The second part focuses on lessons evident from processes.

#### 8.1 Selected projects and activities

*Mehrab Goth LSO, Bahawalpur:* The Mehrab Goth LSO has installed six community turbines (300 feet deep) with NRSP funding. Each turbine, managed by a CO, has connecting pipes to convey sweet ground water to land that could not be previously cultivated because it lies over saline water. Once sweet water is accessed, the sand dunes are levelled, fields created and crops cultivated. Farmers have found the virgin soil to be twice as productive as the existing fields. This initiative, combined with micro credit for agricultural inputs, has proved to be an enormous boon for the poor farmers living in outlying areas. It has set an important precedent for these

farmers, releasing the productive potential of their land hitherto 'locked' over saline/brackish water. In addition, the turbines also form part of an adaptation of traditional natural resource management (NRM) practice, as we show in the case study in Box 1 below.

The LSO has also established linkages with other organisations. Recently, it signed a memorandum of understanding (MoU) with the World Wildlife Fund (WWF) to establish a resource centre (RC) adjacent to the LSO office. The project is worth Rs.1.8 million, with the LSO contributing 20 percent from its own sources and member contributions. The resource centre will be a repository for agricultural implements (land levellers, ploughs, drills), which will be rented out below market rates to small farmers. The implements, provided under the WWF grant, will remain the property of the LSO. Eventually, the LSO plans to build in a small profit margin for its endowment fund. The LSO office is constructed on land originally owned by the chairman, who has voluntarily transferred it to the Goth Mehrab LSO. A similar transaction is planned for the resource centre once it is complete.

Another example of linkages is the establishment of demonstration plots in collaboration with the Fauji Fertiliser Corporation (FFC). The LSO also regularly facilitates farmers meetings where trained FFC staff advises farmers on good agronomy. The up gradation of a school to middle level in a remote area with WWF funding is another example of a collaborative effort.

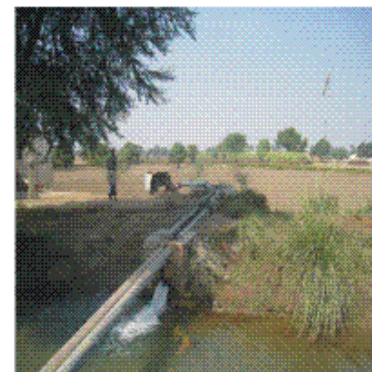
*Box 1. Irrigation water management (Goth Mehrab, Bahawalpur)*

The Goth-Mehrab LSO is instrumental in extending local irrigation systems from a seasonal to an annual basis. The process also represents a non-intrusive and complementary public to private sector transition. In particular, the private sector operation draws upon embedded social capital to forestall a zero-sum game or “the tragedy of the commons”.

The public sector (Provincial Irrigation Departments) primarily manages Pakistan’s canal irrigation systems. In Mehrab Goth, Bahawalpur, irrigation water is seasonally available during the *kharif* season. Various factors, including competing demands for this water and, possibly, climate change, have further constricted this seasonality. The farming community has devised innovative ways to extend the functions of the minor canal which serves the district. By doing so, it has also managed to reverse desertification.

The project involves installing 300 feet deep turbines along the minor, which tap aquifers replenished by seepage from the minor. The water is then conveyed via underground GI pipes into arid zones which lie beyond outlying farmers’ fields. Although fertile, cultivation is not possible in these arid areas because the underlying ground water aquifers are brackish. The deep turbine-GI pipe extension has made it possible to reclaim and cultivate large swathes of arid land. Farmers claim that the soil’s productivity is twice as high as the fields they have been cultivating traditionally.

The LSO has forwarded turbines, which were provided by NRSP free of cost, to several community organisations (COs). These COs manage the turbines and sell the water. Two modes of water sales are prevalent. One is not-for-profit sales for land reclamation. The other is sale-for-profit to farmers who draw water from the minor during the *kharif* season and are water deprived during the *rabi* (wheat) season, when the Irrigation Department shuts off canal water. Water from the turbines is pumped into the minors and its distribution is precisely synchronised. The downstream farmers buy this water at hourly rates (Rs.200 per hour), extracting the water through pipes which match the diameter of pipes discharging water from the turbines. The synchronisation of discharge and withdrawal – sometimes several kilometers downstream - is effected through cell phone communications. The system is so finely tuned that often several turbines and outlets operate simultaneously. No Irrigation Department officials are involved in the process; the minor merely serves as a vehicle for conveying water. The system is trust-based. While tempted to attribute this to embedded social capital it occurred to us that there is an inbuilt check, which avoids a zero sum game. In other words, any deviation from the rules of the game would result in a collapse of trust, system breakdown and a loss to all, including the culpable farmer. These are the same farmers who are not above *mogah* (outlet) tampering when the Irrigation Department releases water from the canals.



World Bank funded GOP initiatives in three provinces (Punjab, Khyber Pakhtunkhwa and Sindh) aim to corporatise secondary water distribution (canal diversions) and transfer tertiary water distribution (minors, distributaries) and management functions to farmer organisations. However, institutional resistance has slowed down the transition.



*The Khaplu LSO, Ghanche:* The Khaplu municipal area, which consists of two UCs (Khaplu Bala and Khaplu Paen), is situated in Ghanche district, Baltistan. The LSO's responsibilities extend over these two UCs. While Khaplu Paen is heavily congested, most of the households in its resident villages own fertile land in the Alpine pasture, *broque*, lying at a higher altitude (about 10,000 feet) above Khaplu Paen. The most fertile tract measures about 30,000 kanals (almost 4,000 acres) but lacks irrigation water. In addition, tracts of land formerly cultivated are now lying barren because of increasing water appropriations from existing stream flows.

The local VOs identified a seasonal irrigation water source, measuring 32 cusecs and originating at an altitude of 12,000 feet. By the time it reaches the end of the gravel ravine through which it flows, about half the water is dissipated.

The local VOs approached the LSO for help. After consultations with experts and the VOs themselves, the LSO designed a project which entailed conveying the water from source to outlet through a 2,000 foot long, 18 inch diameter, metal pipe. At the outlet the water would be conveyed to the large land tract using traditional means (irrigation channels).

Not only is the project ambitious in scope, it also faces formidable financial and logistical hurdles. The LSO has devised a solution for both problems. Trucks transport metal sheets from the Punjab to Khaplu Paen, where they are welded into 10 foot long circular pipes. This has considerably reduced transport costs. Tractors then convey the pipe segments up to the ridge, from where they are rolled down into the ravine. The next step will be to rivet the ten-foot pieces together with nuts and bolts and shape a 2,000 foot long water funnel (see collage below).

The LSO has secured Rs.10 million for the project through one of its board members, a former Gilgit-Baltistan Legislative Council Member, and the AKRSP is funding the remaining Rs.1.6 million. The government money (allocated from development funds) was secured through sustained lobbying with the Legislative Council. Once the project comes to fruition it will transform the economy of Khaplu Paen considerably.

While the project is impressive in terms of conception and funding, it also highlights certain flaws in implementation. These track back to the lack of public accountability in the governance structure. The Board of Directors, consisting of the hereditary elite and an influential legislator, remain at a distance from their constituents. While influence does leverage funding, the absence of institutional accountability can also lead to poor utilisation of funds. In this case, government-selected contractors are implementing the project. While members of the community identified the project and participated in its design and planning, there has been no community oversight or monitoring at the construction stage. This is particularly important when government contractors are involved.



*Litten LSO, Bhakkar:* The Litten LSO (UC Litten, District Bhakkar) is located on rain-dependent desert terrain. With NRSP support, the LSO has initiated an ambitious project with the communities, which is generating both environmental and economic benefits. The technology is both simple and elegant. It involves extensive plantation of the tamarisk tree (*khagal*) on private lands, where the tree is intercropped with peanuts. The *khagal* is hardy, regenerates easily and needs a little water at the initial stage. It has multiple uses (fuel wood, timber for construction and simple furniture). The average sale price of a five-year old tree is Rs. 800/- and is a valuable source of income for the household. The LSO has prepared a plan which envisages the plantation of 100 trees by every member of each CO. The environmental windfall generated by a project of this magnitude is self-evident (see collage below).

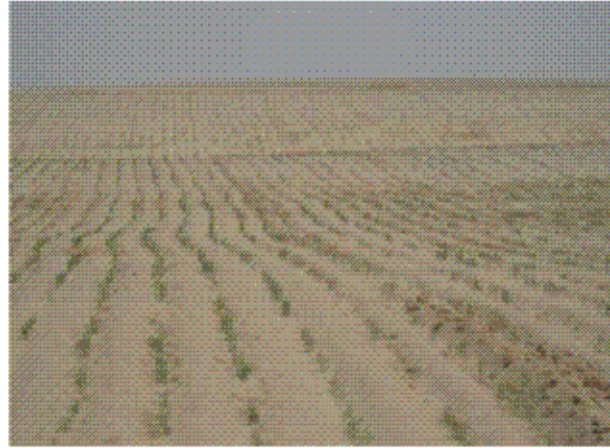
A road clearing initiative is another illustration of close community collaboration. The key roads - communication and market lifelines for the communities - are often covered with layers of sand thanks to recurring sandstorms. In this particular case, a two kilometre stretch of one of the trunk roads had accumulated enough sand to become unserviceable. The LSO mobilised the communities who contributed Rs.70,000 and free labour and cleared the road.

In addition, the LSO is also managing the following programmes:

- Adult education – functional literacy
- Training (stitching, embroidery) prior to credit to women – illustration of the training-credit nexus (the LSO provides the credit via its community investment fund (CIF))



- Assistance to the marginalised
  - Livestock/poultry to the poorest of the poor
  - Facilitated ID card procurement for communities
  - Water pumps for vegetable growing: criteria for sanction is a maximum of 4 kanals (half acre)



*Degwar LSO:* Members of a village in the Degwar UC (Bagh, AJ&K), situated on the border between Pakistan and India are frequently caught in the cross-border firing and many have been wounded. Poverty and ancestral links prevent them from leaving the village. Due to its remoteness and difficult location, the village has few facilities. All households own livestock, which is vital source of nutrition. CO members from the village requested the LSO to build them a village pond. Despite the risks and distance, the LSO complied and the village now has a facility neither the government nor the RSP was likely to provide in the foreseeable future.



PHKN is not the only model of women's empowerment. Women LSOs are present in Tharparkar and Gwadar. In Sumal, a UC in Gakuch, Ghizer women are planning to form an LSO. In general, rural women across Pakistan are becoming more aware. Their limited cognitive spaces keep them more focused; they respond well to training and enterprise development and utilise credit more responsibly. Our observations were reinforced by the survey findings reported later. On effectiveness criteria, Sami and PHKN ranked 1<sup>st</sup> and 2<sup>nd</sup> across the LSOs surveyed while, in terms of project/activity management, PHKN ranked 2<sup>nd</sup>. The collage below presents a flavour of activities women are involved in whether through LSOs, RSPs or their own efforts.



Woman's bank - Haripur



Cloth softening machine – Village Gitch, Punial

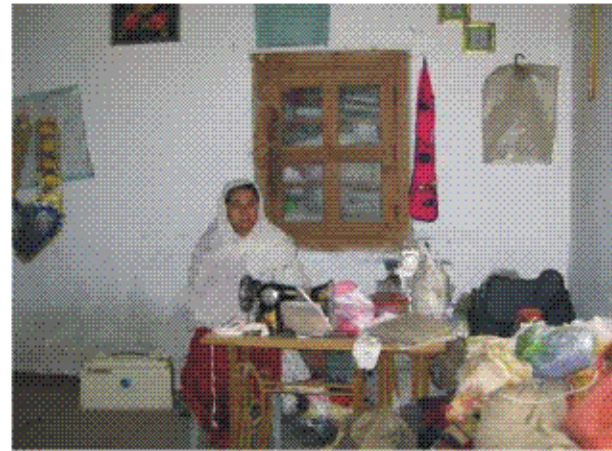


Girl's school - Danyore





Woman's shop - Danyore



Home-based work - Hatun

*Bheer LSO:* LSO activities at the UC level are not just confined to physical projects. One innovative initiative by the Bheer LSO (district Haripur) aims to eliminate oppressive cultural traditions. After extensive consultations, the community agreed to limit expenses on weddings, funerals and other village functions since, in present inflationary conditions, such traditions were locking them into a debt trap. Subsequently, village members refused to eat the food prepared at a function which violated this tacit agreement. The food eventually was thrown into a lake. A similar decision by an erstwhile Prime Minister – one backed by executive clout – continues to be defied.

*Nabipur LSO:* The mere existence of the Nabipur LSO (district Khanewal) in a feudal environment has raised the hopes of an oppressed and impoverished community. The *wadera* (landlord) presence is strongly in evidence. It takes the shape of high unemployment since gainful employment opportunities are blocked to protect the captive market of landless and homeless tenants, the absence of schools that change attitudes and represent a threat to feudal patronage, the absence of health centres, forced labour, especially of young girls in feudal households, and the oppressive use of police and local thugs to quell resistance. The LSO has framed an agenda which, although ostensibly developmental, indirectly aims to counter *wadera* excesses. Among the existing and planned initiatives are the establishment of a girl's college, the conversion of an abandoned government building into a school, maternity and health centres,<sup>22</sup> and technical training and vocational centres to prepare unemployed youth for the job market (see collage below). The most ambitious initiative is to provide low-cost housing for homeless tenants, thus reducing their dependence on the landlords.

Another initiative aims to minimise the influence of the *mullahs*. It involves donating the skins of sacrificial animals to the LSO rather than the mosque. These are then sold and money used to purchase essential items which are distributed among the indigent and needy. The absence of contractual stipulations and penalties in the LSO credit programme is a measure of collective trust, also evident in a 100 percent recovery rate. While not strictly kosher to a micro credit expert, deviation from the norm of this nature speak volumes for inter-community trust.





### The malign feudal-education nexus

#### 8.3 Disaster mitigation

*LSO Ittefaq, District Malakand:* The LSO represents 1,469 out of 1,955 households of UC Garhi Usmani Khel. It is an active member of the LSO Network, Dargai. On 30 July 2010, NRSP Mardan contacted the network to mobilise its member LSOs for emergency flood relief for the affected families of Charsadda and Nowshera. Consequently, LSO Ittefaq responded and volunteers made several trips to Charsadda and within its own UC, distributing relief items to affected families. These items donated by the communities consisted of tents, rice, wheat flour, lentils, sugar, cooking oil, tea packets and cash. On August 6<sup>th</sup>, the LSO arranged three medical camps in District Charsadda, where it treated 368 patients. It also provided women volunteers to the NRSP to conduct a health and hygiene survey in its tent villages at Hissar Charsadda. The total cost of items provided by the LSO, including medical supplies, to the flood affected people of Charsadda, Nowshera and Gahri Usmani Khel was valued at Rs.1.2 million and over 700 families benefited from the relief operations.





*LSO Rado, District Kohistan:* The UCs Jijal, Dubair Bala, Dubair Khaas, Dudair Paen and Ronolia of Tehsil Pattan were among the most severely affected by the floods as they are situated right on the bank of the river Indus and one of its main feeder streams, called Dubair Nala.<sup>23</sup> The LSO Rural Area development Organisation (RADO), in UC Jijal, developed a four-pronged strategy to help the flood victims using available resources. The strategy which, subsequently, was implemented, called for:

- refuge to the people who lost their houses
- food for the flood victims
- first aid and medicine
- Rehabilitation of link roads and connection bridges to evacuate people stranded in adjoining valleys

Infrastructure restoration was a priority in these remote areas. A team of young and middle-aged volunteers mobilised to remove heavy stones and rubble from link roads, rehabilitate bridal paths and establish rope pulley connections as stand-ins for destroyed bridges. By these means, the movement of relief goods, medical supplies and injured people was ensured. The LSO also conducted a detailed survey of damages, and developed a partnership with a local NGO SAIBAN to distribute food and non food items for 1000 families in affected union councils.





## 9. Survey findings

Reiterating, we assess LSO effectiveness on the basis of three related sets of indicators. The first set, social capital stock, forms the foundation of the assessment. The second set is framed around institutional indicators. The third set focuses on benefit perceptions. Alternatively, we can also present these as process and outcome indicators. In other words, past traditions of social capital induced collective action contribute to present institutional sustainability which, in turn, generates perceived positive outcomes.

### 9.1 *Social capital*<sup>24</sup>

#### 9.1.1 Traditional modes of governance and social capital

Traditional systems of governance, law and collective action have a bearing on the new constructions of social capital, namely the COs, VOs and LSOs. As envisaged, the LSO architecture aims to combine participatory interventions with democratic governance. Traditional authority structures have tended to be autocratic. Our primary concern, therefore, was whether traditional systems, with patriarchy as one of its components, could coexist with representative norms. Also, was it reasonable to assume that LSOs would be able to deliver services in a consultative, participatory mode in such traditional societies? However, while seemingly incompatible, we noted a convergence which was partly driven by expediency and partly by the manner in which local governance systems had evolved over time.

Such systems have their roots in two diverging traditions. Autocratic rule represents one extreme. This existed to a greater or lesser degree in, successively, the hereditary, pre-colonial and post-colonial periods. In its purest form the *raja*, *nawab*, *malik*, *khan*, or *maiter* were the hereditary overlords, extracting taxes (*qalang*) and free labour (*begar*) from the communities. A retinue of advisers (*viziers*) and intermediaries (*zaitoon*, *zaildars*) provided administrative back-up. With few exceptions, their rule was harsh and autocratic.

Colonial governance imposed a new fiscal burden in the shape of *abiana* (water) and other taxes, which were administered by an appointed *numberdar*. The British rulers also created new indigenous landed gentry, to serve as intermediaries. These were the feudal *jagirdars* and *waderas* who proved no less autocratic than the hereditary rulers.

Post independence, hereditary rule waned as the mini-states merged into Pakistan. However, feudal oppression remains overtly present during military regimes and, in more covert form, during periods of elected government when governance lapses create space for it. The extent and intensity of feudal oppression varies across the country, with the most intense being in parts of Sindh and Southern Punjab, but the historical autocratic and hierarchical system of local governance is mirrored across the whole country in different forms.

A parallel facet of governance was people-oriented. First, absolute rule was not water tight, partly through default, and partly because the traditional ruler did not wish to intervene in small disputes. This became the remit of village elders adjudicating through *panchayats* and *jirgas*. Over time, as traditional and colonial rule faded, these village institutions became more

prominent. They provided alternative recourse for weak and inept state governance. However, they also promoted and condoned repressive practices, which were culturally embedded, such as *karo kari* (honour killings), *watta satta* (bride exchanges between families) and *vani, swara* (forced child marriage). On the one hand, the harsher *panchayat* and *jirga* rulings evoke the most brutal punishments of past hereditary rulers. On the other hand, such institutions also offer hope for quick remediation in civic and property disputes.<sup>25</sup>

Second, strong traditions of mutual aid and collective action have always existed, the latter in the domain of natural resource management (NRM). Rural communities were and continue to be dependent on local resources for sustenance. The NRM systems that have evolved over time are technically and socially sustainable. In fact, communities have skilfully adapted them to present conditions as we demonstrated in the case of Mehrab Goth in Box 1 above and in Box 2 below.

#### **Box 2. Traditional natural resource management (NRM)**

The snowcapped mountains, sparkling springs and gushing rivers are the true treasures of Gilgit-Baltistan, providing water to the vast plains of Pakistan and the coastal delta. Natural resources and communities are interwoven in Gilgit-Baltistan. These resources have been used under simple and elegant management techniques that have valley-specific terminologies but are, essentially, similar.

Water management embraces drinking and irrigation water. Water storage tanks, referred to as *ghulk*, are constructed in each *muhallah* (neighborhood). This tank is under ground and fully covered, with a small door for filling water pots. The space is also used as a cold room in summers to store meat, milk and butter. The water is constantly replenished via channel through-flows. It is strictly prohibited to pollute the channel and violators are fined Rs.50/- on the spot.

Arable lands face scarcity of water in spring and autumn when reduced snow melt depletes *nalas* (streams). The response is two-fold. First, communities construct channels (*khul*) from the river or perennial streams to strategically placed outlets. The free labor that they contribute is referred to as *rajaki* in *Shina* and *Burushaski*, and *aashar* in *Wakhi*. Second, and to use water efficiently, a water management committee develops a schedule to ration the water and ensure compliance. Communities are also responsible for planting trees along the channel as soil binders and for periodically cleaning the channels (see collage below).

Wild trees and shrubs are the primary source of fuel and need to be used sustainably to ensure their availability for future generations. The communities establish a limit of 20 *maunds* of fuel wood and shrubs per year per household, which the *nambardar* monitors. To ensure propagation, cutting is restricted to the period from September to December. The local terms for this practice are *golos* in *Khawar*, *gahin* in *Shina* and *ghuz-kutak* in *Wakhi*.

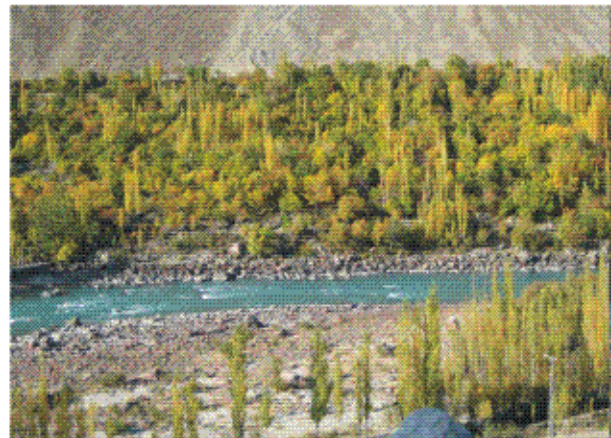
Another traditional practice is not to plant trees in close proximity to arable land. There are also spacing requirements: 20 steps between apricot and walnut trees; six steps between almond trees and; a spacing of eight steps for cherry and other fruit trees. Young trees are protected from cattle by coating the trunks with a paste of animal waste and mud. Tree leaf ash provides warmth during the extreme winter months. Since the leaves are in scarce supply their collection and distribution according to household needs is determined communally.

Livestock, a major food, livelihood and work source for communities, are taken to the upland and alpine pastures (*nullahs*) during the spring and summer months. The process of collecting livestock, delegating responsibility for accompanying them and negotiating rates is referred to as *kuch* in *Wakhi*, *hiamas* in *Shina* and *biganik* in *Khawar*. The livestock graze a particular area of the pasture for two weeks and then move on, allowing the grass to regenerate. During this period, households retain a cow and a few goats for milk and stall



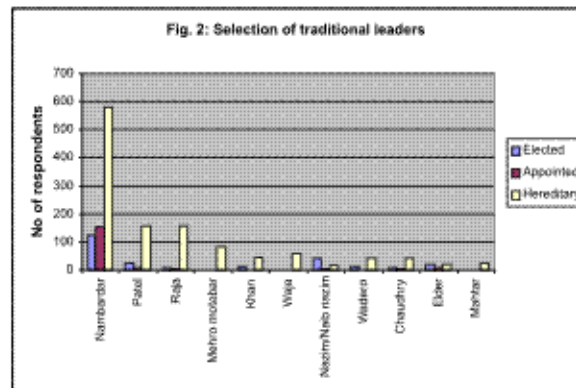
feed them, as livestock are not allowed to graze freely during the crop season. The person contracted to look after the livestock in pastures is called *payalo* in Shina, *huyeltarch* in Burushaski and *shupun* in Wakhi. The caretaker, generally from the Gujjar community, charges the livestock owners a grazing tax (*qalang*), in cash or in kind at the rate of one sheep per 40 sheep, or Rs.30/- per sheep and Rs.400/- per horse. The livestock are brought back from pasture in November and this activity is called *dumankiya* in Shina and *khorikhomic* in Khawar.

Wild animal hunting is prohibited but trophy hunting is allowed to ensure the existence of wildlife as well as benefit of the community from wildlife.

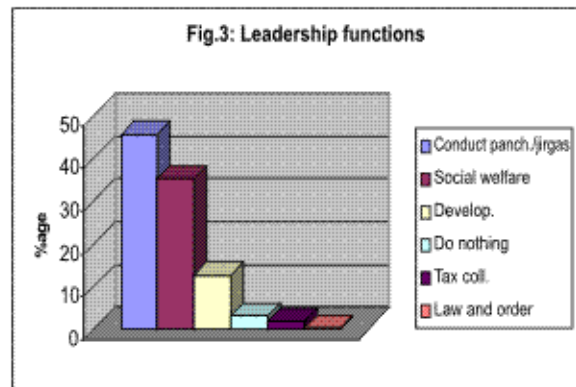


### 9.1.2 Survey responses on social capital

The prognosis is encouraging<sup>26</sup> in as much as the survey data confirms that village leadership has become more egalitarian and accountable. The village leadership titles, as shown in Figure 2 below, are location specific. The incumbents occupy these positions through their hereditary status. The *numberdar*, the most common authority figure at the village level, was initially a British colonial appointee. Over time, he acquired hereditary status although, when local government elections are held, the *numberdar* can also be an elected representative. The leaders' primary responsibility is to preside over *panchayats/jirgas*, entrusted with settling intra-family, intra-village and inter-village disputes. However, they also engage actively in social and development activities. To a much lesser extent, they oversee the maintenance of law and order and tax collection. Clearly there has been a transition from traditional enforcement to intermediation and community development activities.

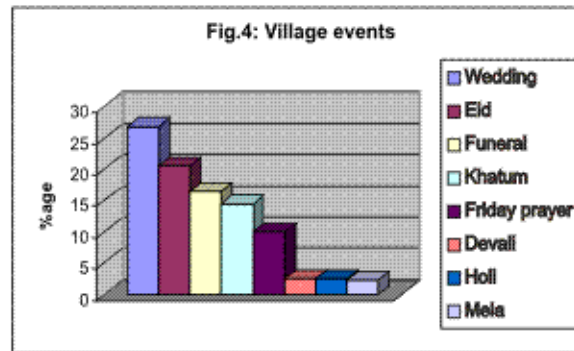


A little over 65 percent of the respondents indicated that local leaders continue to retain their influence. The remaining 35 percent attribute their declining influence to evolving political changes. Figure 3 below provides information on community perceptions regarding leadership functions. Governing through traditional institutions is dominant (over 40 percent) followed by social welfare activities (over 30 percent).





Village events of the kind indicated in Figure 4 below maintain cohesion and harmony within the community. Over 90 percent of the respondents stated that they meet and discuss family and village problems on various social occasions, religious and otherwise.



As indicated in Figure 5 below, mutual aid traditions are also strongly entrenched. Over 60 percent of the respondents observed that they helped each other in time of need. The main items of assistance provided were cash, agriculture labour, seed and construction labour.

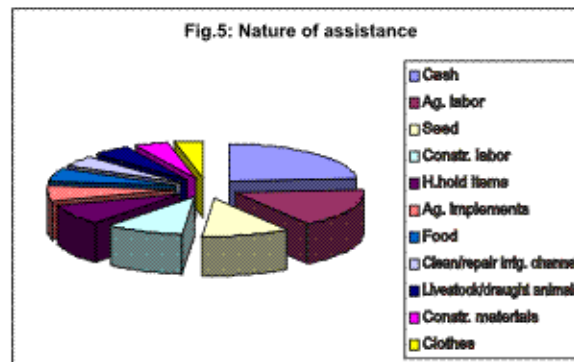
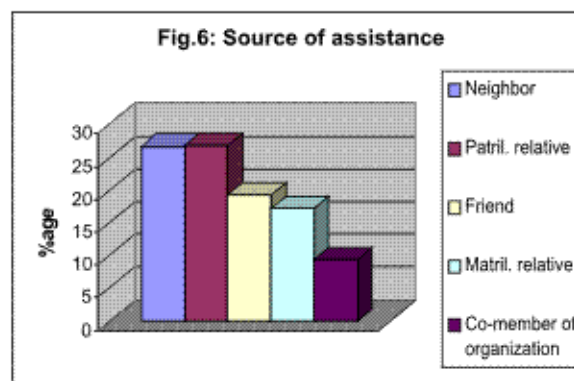
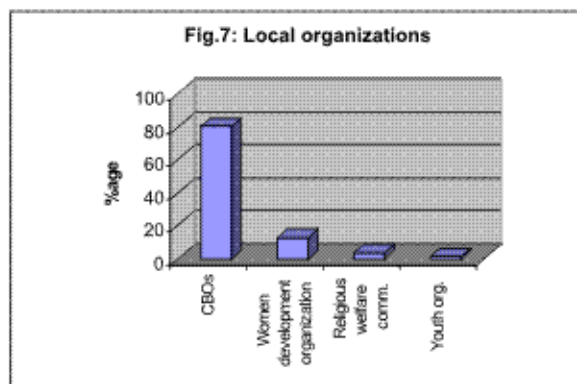


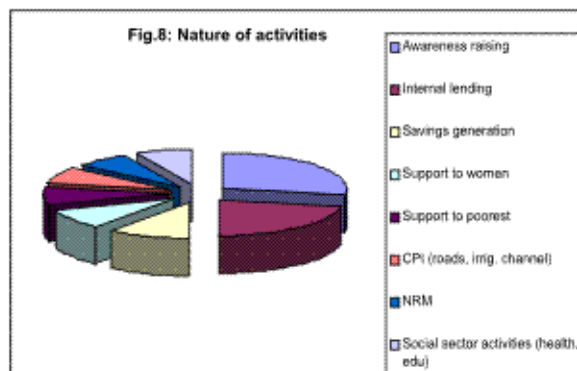
Figure 6 below indicates that maternal and paternal relatives, friends and neighbours constituted the main source of assistance, indicating again social capital strongly binding communities.



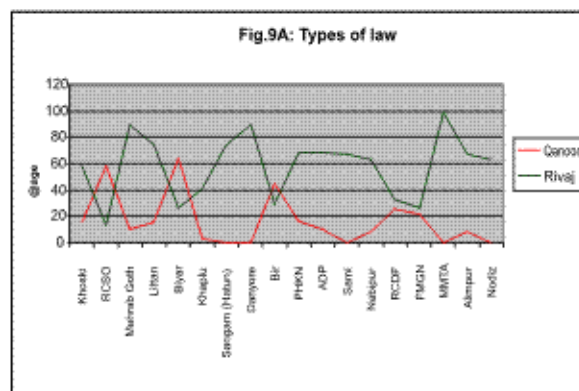
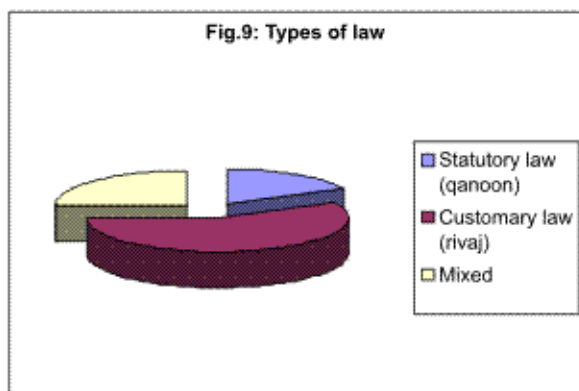
Over 35 percent of the respondents stated that they participated in collective activities as members of various local *tanzeems* (organisations). Of these, a roughly similar percentage observed that women from their households were also members of local *tanzeems*. The bulk of these *tanzeems* were local CBOs, women’s organisations and religious welfare committees as shown in Figure 7 below.



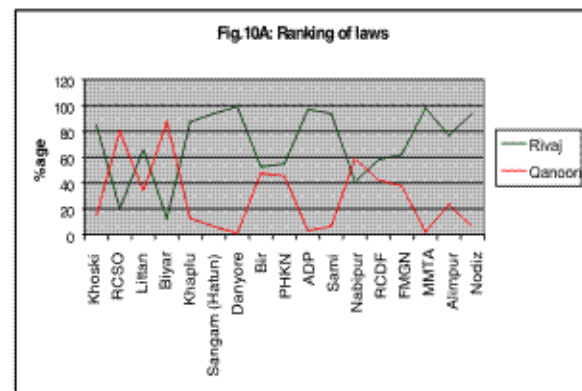
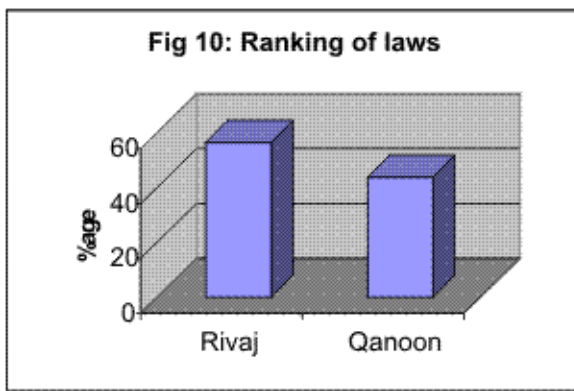
The collective activities were diverse in nature as indicated in Figure 8 below.



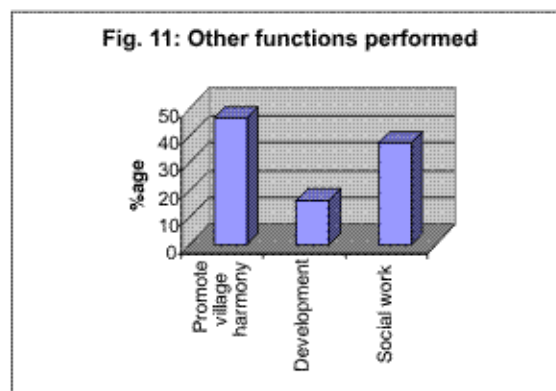
Close to 60 percent of the respondents noted that customary law (*rivaj*) was the prevalent law in the villages (see Figures 9 and 9A). They also ranked it higher than legal recourse (see Figures 10 and 10A below). By and large, this was the trend across LSOs. A quarter of the respondents observed that both *rivaj* and statutory law (*qanoon*) worked in tandem. The villagers explained that they preferred to have their disputes settled quickly and fairly by the village leaders, and only elected to go to the courts as a last resort. As a check on their understanding, we asked them to correlate the law with the institution and they were clear about the difference.







Over 60 percent of the respondents stated that the informal institutions (*panchayats, jirgas*) also performed development and social functions as indicated in Figure 11 below.



Traditional village institutions, organisations, events, mutual aid traditions, the pre-eminence of customary law and traditions of social and development work are evidence of vibrant local social capital. Such capital also has transformative potential in that, all else remaining unchanged, it can be shaped into new organisational forms such as the COs, VOs, and LSOs. Further, it also underscores the sustainability of these forms. While we recognise that these institutions retain regressive tendencies, the manner in which they have evolved will determine the rate and resilience of the transformation.

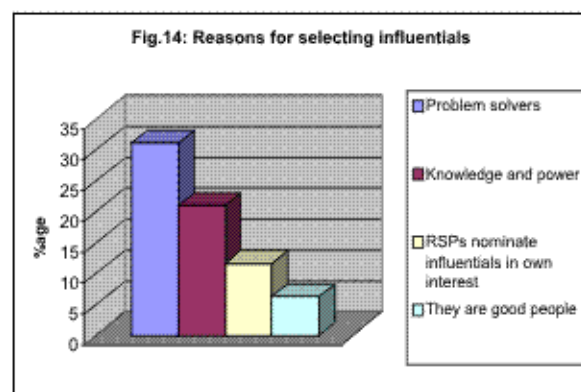
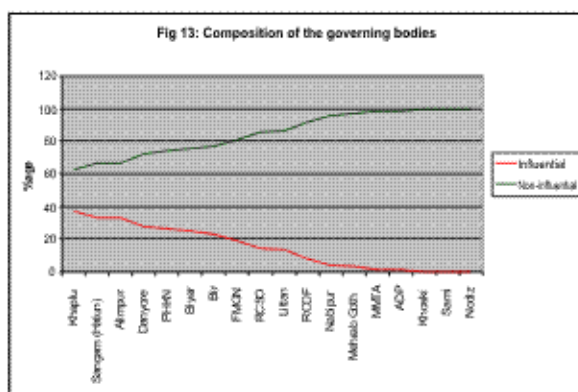
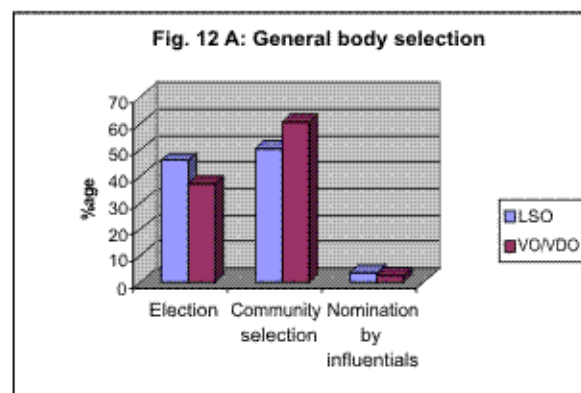
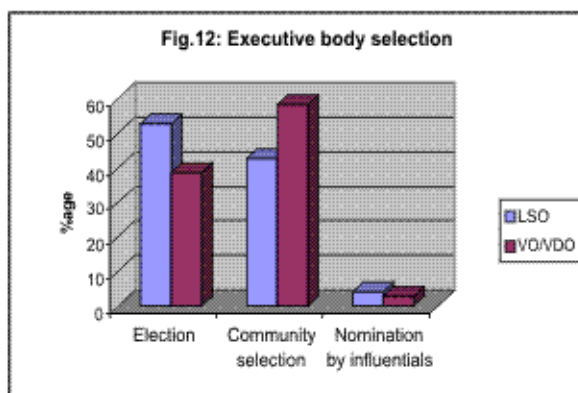
### 9.2 Institutional assessment

In this section, we undertake an institutional assessment of the LSOs. The assessment is in two parts. First, we examine LSO governance as embodied in management systems and procedures. The envisaged LSO governance structure blends democratic and participatory elements. The structure is three-tiered with inbuilt checks and balances, designed to prevent it from becoming top-heavy. These checks and balances take the form of stringent accountability and transparency requirements and open channels of communication. The LSO guidelines emphasise merit and service to the community. The aim is to ensure that as they become entrenched, the risk of *biradari* (clan) capture or politicisation is minimised.

However, management systems and procedures are preconditions for institutional sustainability. In and of themselves they only constitute a framework or, in mathematical terminology, necessary but not sufficient conditions. Institutional vigour and outreach are premised on more active elements. We have defined these as ‘inputs’ and analyse them in detail below.

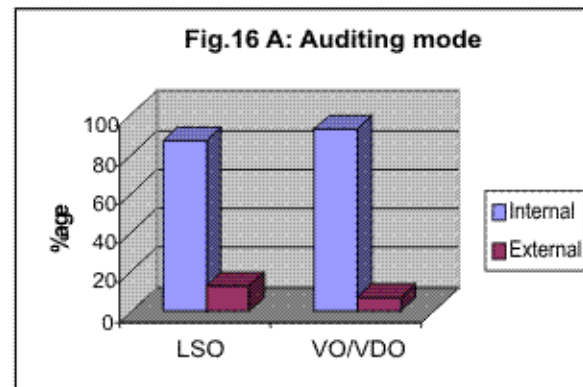
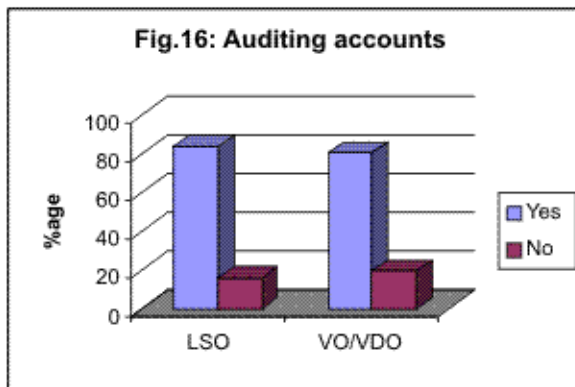
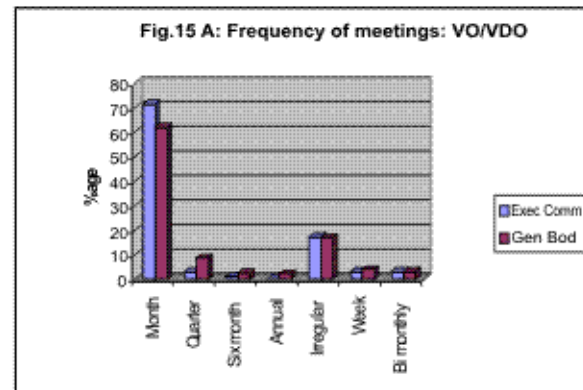
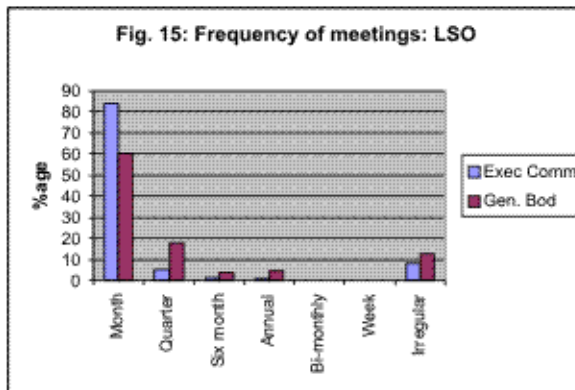
### 9.2.1 LSO procedures and systems

The election process for the governing bodies is democratic and transparent. Elections (secret ballot, open show of hands) and community selection are the two primary modes for inducting members to these bodies as shown in Figures 12 and 12A. The perception of influence-peddling in the selection process was highest in the Khaplu LSO but even that did not exceed 37 percent of the responses (see Figure 13). Quite clearly merit is the determining factor in selecting members to the governing bodies. Further, even the sub-set of respondents who conceded influence was a factor chose them based on the perception that they would be effective (see Figure 14). Ultimately, it needs to be underscored that the majority of the respondents chose freely and this has a three-fold attribution: first, relational transformations within the communities over time demonstrate a tilt towards egalitarianism; second, the RSPs have played a role in weaning communities away from traditionally subservient mindsets and; third, RSPN policy and planning staff have built accountability into the LSO system and procedures

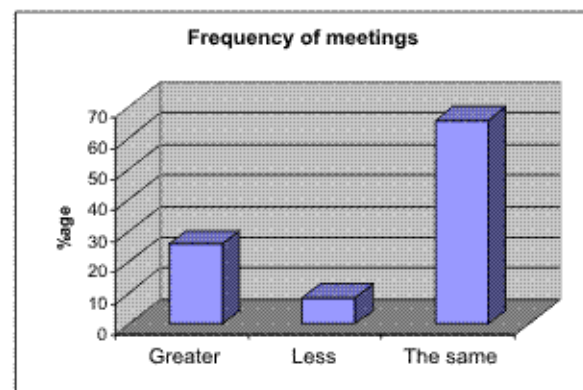
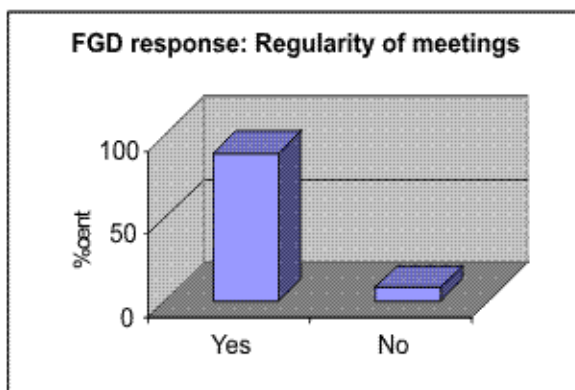




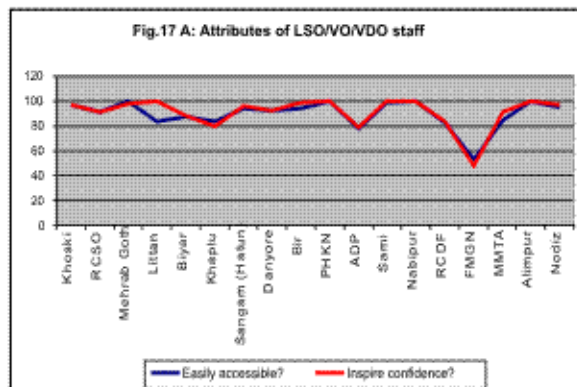
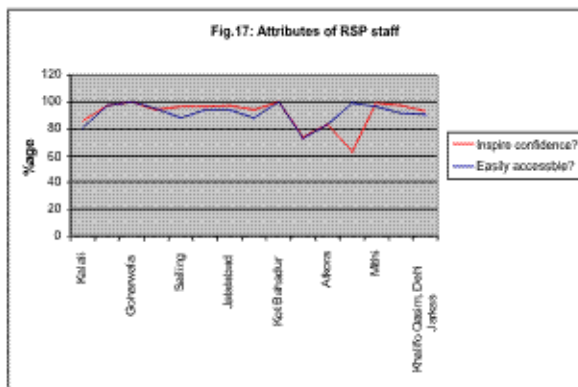
We assessed the community’s post-election engagement with the LSOs, using several awareness indicators, such as frequency and record of meetings, and the implementation and nature of audits. A high proportion (over 70 percent) of the respondents were aware of the executive and general body meetings, the majority noting that these meetings were held monthly (see Figure 15 and 15 A). Over 95 of the respondents indicated that minutes of meetings were noted. Similarly, Figures 16 and 16A show that over 80 percent were aware the LSO/VO accounts were audited and of the auditing mode adopted (internal, external).



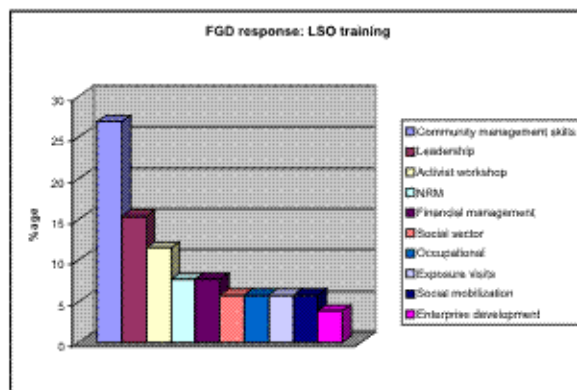
The FGD feedback confirmed that the LSO Executive Committee and General Body meetings were held regularly, and that the frequency with which they were held was appropriate as shown below. Thus, close to three-fourths responded in the affirmative to adequate regularity.



Figures 17 and 17A A below show a high level of satisfaction with RSP and LSO/VO staff in terms of their ability to inspire confidence and their accessibility. For the most part, satisfaction varies between 80 and 100 percent with regards to both RSP and LSO/VDO/VO staff.



The FGDs additionally indicated that the LSOs had been imparted training in a diversity of skills as shown below in Figure 19.



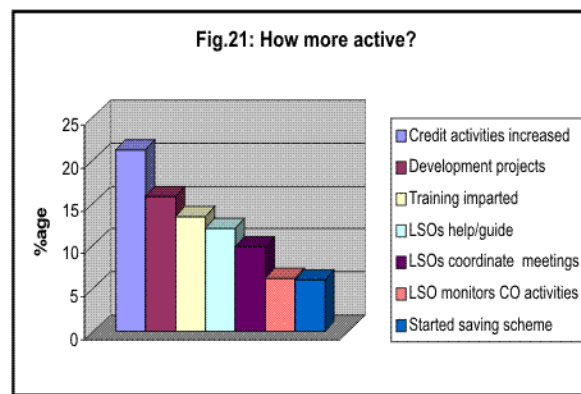
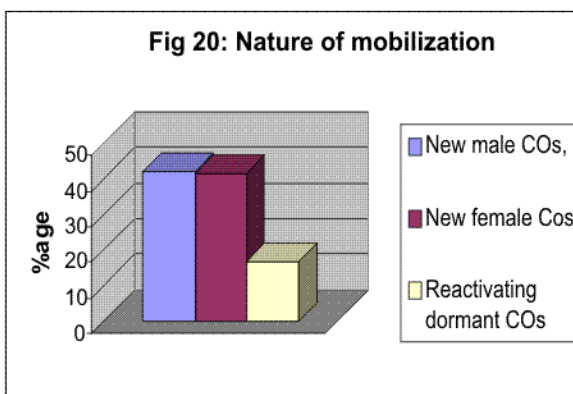
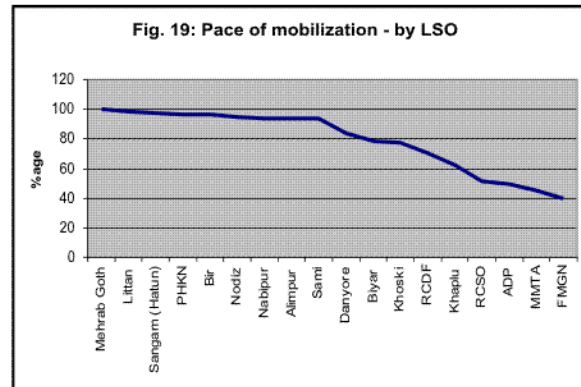
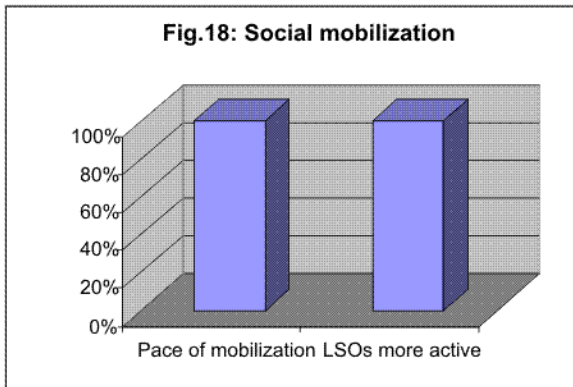
### 9.2.2 Inputs for sustainability

In this sub-section we review LSO performance in terms of more tangible measures of institutional sustainability. We define the indicators as: the pace of social mobilisation; gender balance; external linkages; diversity and completeness of interventions; CO member contributions to LSO projects; credit activities; organisation of savings scheme.

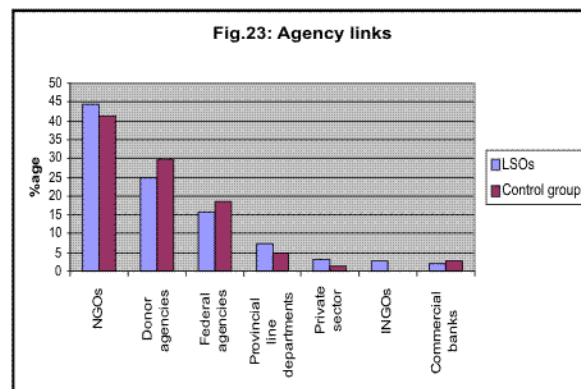
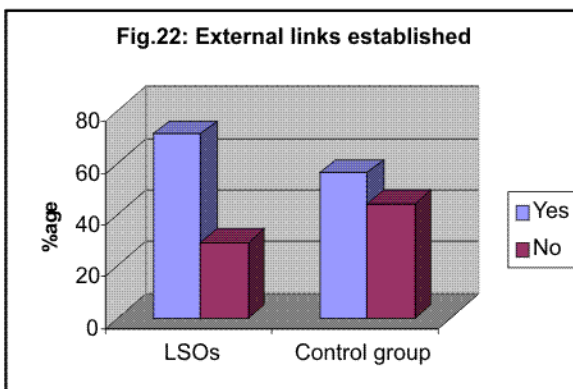
*Pace of social mobilisation:* As indicated in Figures 18 and 19, a high percentage (over 80 percent) of the respondents stated that the pace of social mobilisation had picked up once the LSOs were formed, as evident in the formation of new male and female COs and the reactivation of dormant COs (Figure 20). We observed this across the bulk of LSOs, with the respondents in FMGN, RCSO, MMTA and ADP being more equivocal about their LSOs' social mobilisation



successes.<sup>27</sup> Figure 21 shows an equal proportion of respondents also concurred that the LSOs had become more active, with a focus on credit, development projects and training.



*External linkages:* As shown on Figure 22, almost three fourths of the respondents concurred that the LSO had established links with various external agencies compared to under three-fifths for the control group. This suggests that the LSOs are under greater pressure to establish these linkages as they do not have the benefit of endowments or government support, or the perception of ongoing RSP funding. Figure 23 shows that both the LSOs and control group UCs found donor agencies and NGOs more receptive than government agencies. This is a measure of relative responsiveness to the LSOs, and does not denote lack of effort on their part. In fact, the LSOs, facilitated by the RSPs, have repeatedly attempted to establish links with line departments but with moderate success. Figure 23A shows that Gilgit-Baltistan and AJ&K LSOs have fared comparatively better, which is not surprising, as the governments in these regions are known to be people-friendly.



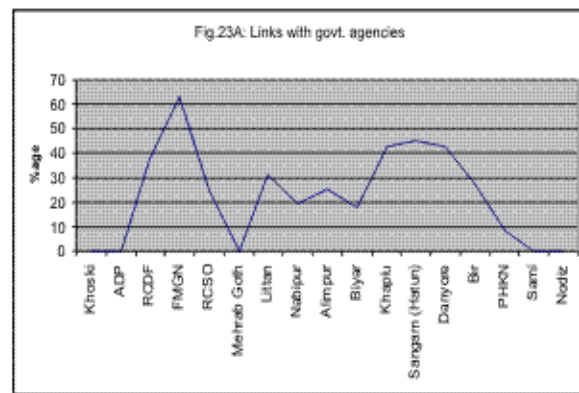
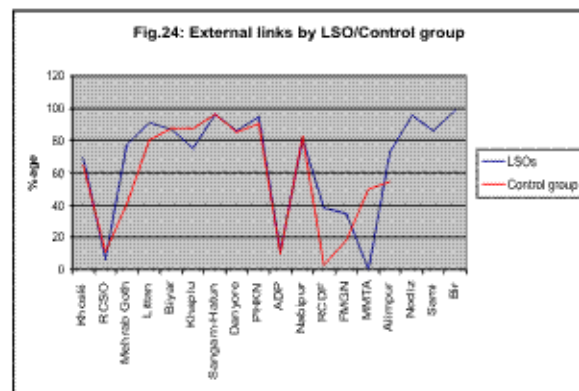


Figure 24 below shows the three LSOs which have had little success in establishing links of any kind are MMTA, ADP and RCSO. The Thar LSOs continue to be dependent primarily on TRDP and have yet to diversify their funding sources. With regard to RCSO, the finding is somewhat surprising and differs quite substantially from the NRSP-LSO compiled evidence.



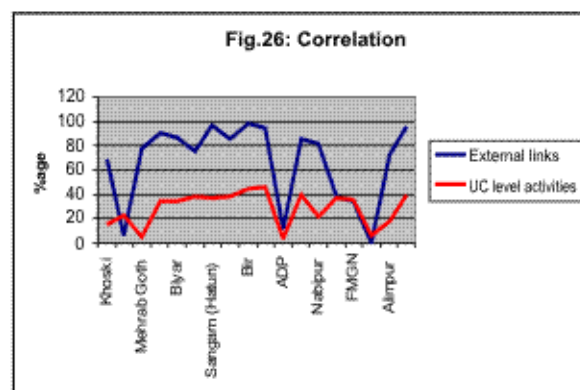
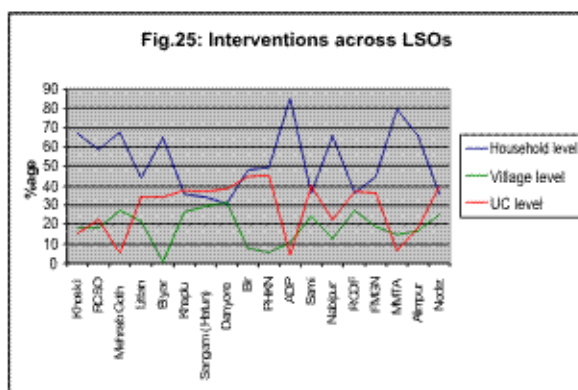
*Diversity of interventions:* A key reason for LSO formation is to ensure multi-tier interventions. As Table 4 below shows, we found the LSOs to be active at all levels (household, village and UC) in the aggregate. Figure 25 shows that across LSOs, household level activities are comparatively the highest, followed by UC level activities. The latter is an encouraging development and correlates directly with external linkages established as we note in Figure 26, which shows an almost perfect correlation between external linkages and UC level activities. The comparison across LSOs and the control groups also shows that the LSOs are moving in the right direction. While the LSO activities are almost a mirror image of control group activities and suggest a balanced approach, the only deviation is in relation to infrastructure projects. The comparative dearth of these projects is not surprising considering that LSOs are funding-constrained. However, the flip side is that they are relatively more active in establishing linkages in an effort to secure such funding.



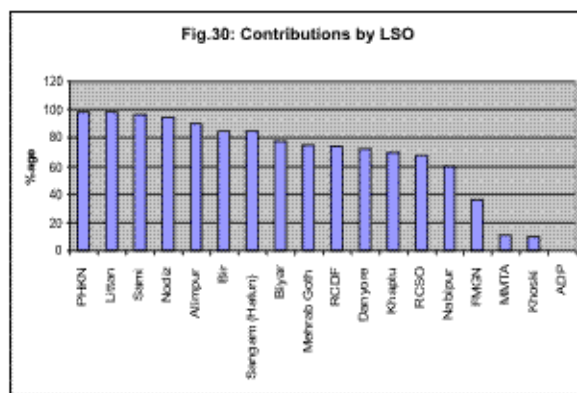
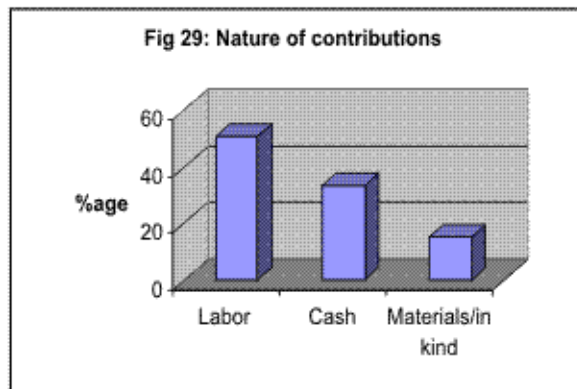
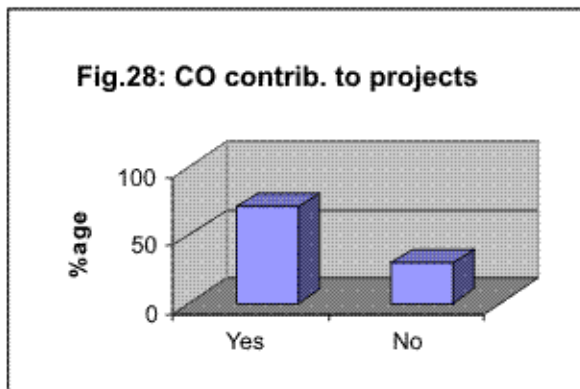
**Table 3: LSO interventions**

(%age response from CO members)

Interventions	LSOs	Control group
<b>Household level</b>		
Savings	28.0	30.0
Human skills training	23.2	26.5
CO formation	22.4	20.2
Support poorest households	11.2	10.8
<b>Total:</b>	<b>85.1</b>	<b>87.5</b>
<b>Village level</b>		
Human skills development	23.7	22.0
Support to poorest households and women	18.9	17.4
Monitoring CO maturity	13.3	12.9
CO strengthening and support	11.8	13.7
Undertaking infrastructure projects	7.1	17.8
Linkages and coordination	7.4	3.0
<b>Total:</b>	<b>82.2</b>	<b>86.8</b>
<b>UC level</b>		
External links with dev. agencies, CSOs, UC nazims	32.1	26.4
Mobilisation of ideas/resources	17.9	20.3
Supporting education, especially for women	11.4	14.1
Coord. between VOs	8.6	7.6
Dev. planning at UC level	8.1	5.7
Info. dissemination to VOs/COs	6.8	5.5
<b>Total:</b>	<b>84.9</b>	<b>79.6</b>



*CO member contributions to LSO projects.* Figure 28 shows that over 70 percent of the respondents stated they contributed to LSO projects/activities with a response variation ranging from 60 – 100 percent across LSOs as shown in Figure 30. Only four LSOs admitted to relatively small contributions. These were FMGN, MMTA, Khoski and ADP, arguably the poorest of the UCs. The contributions were labour, cash and in kind – in that order as shown below in Figure 29.



*Credit activities:* Figure 31 shows that over 75 percent of the respondents noted that the LSOs had secured external funding to on-lend to CO members.

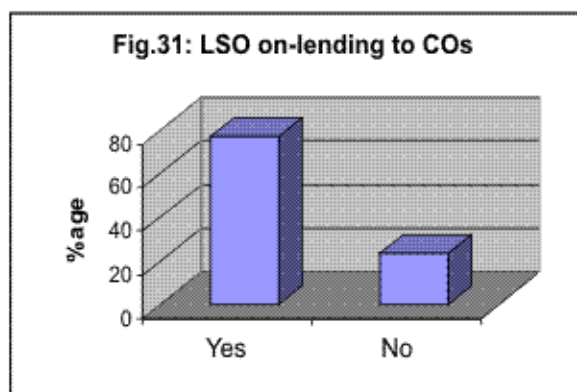




Figure 32 below shows that while the RSPs and RSPN contributed substantial funding, donors and banks provided an equally large chunk, indicating that the LSOs were diversifying their loan sources. Nearly 85 percent of the respondents stated they had access to these loans and a higher 92 percent indicated that women could access them (for a more detailed discussion on credit, please see sub-sections 10.1 and 12.2).

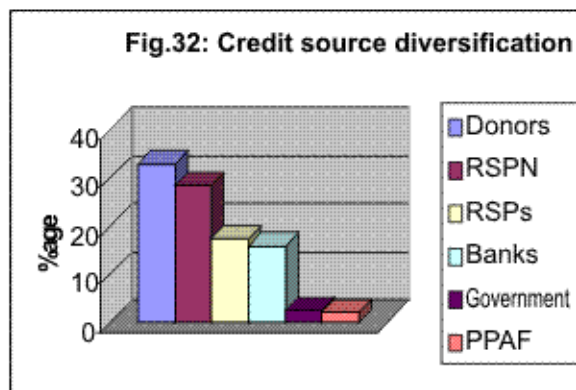
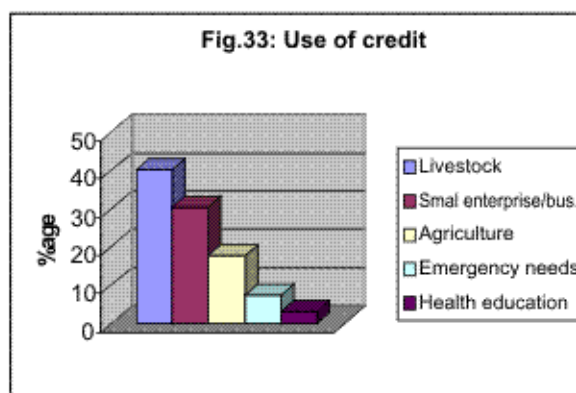
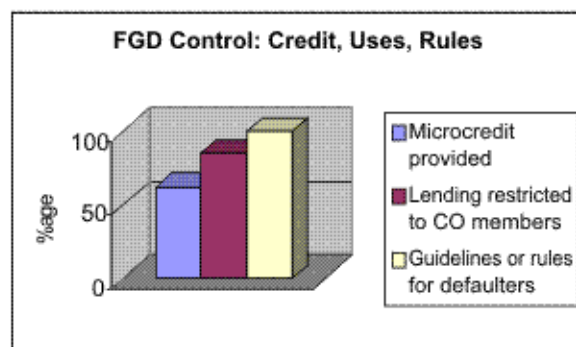


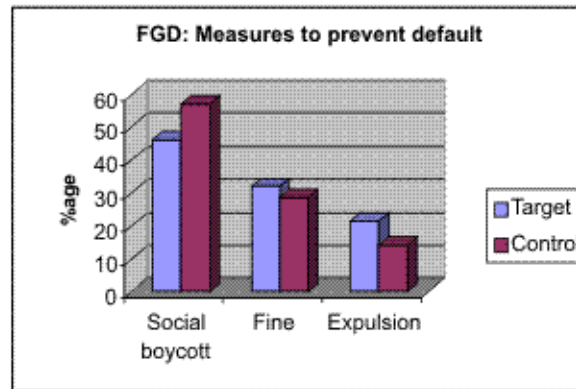
Figure 33 shows that livestock, small enterprises and agriculture constituted the three primary activities for which loans were extended.



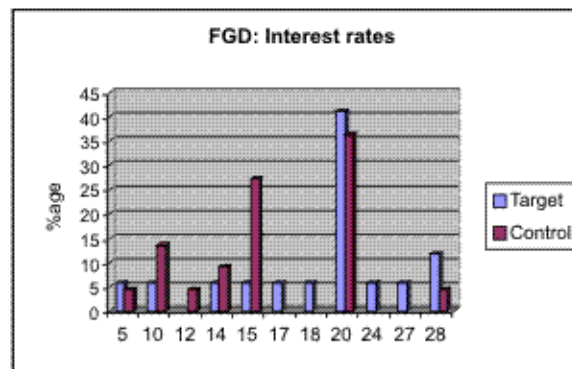
As indicated in the figure below, the control group FGDs also indicated that the RSPs provided credit, but they restricted it to CO members and supervised the lending closely.



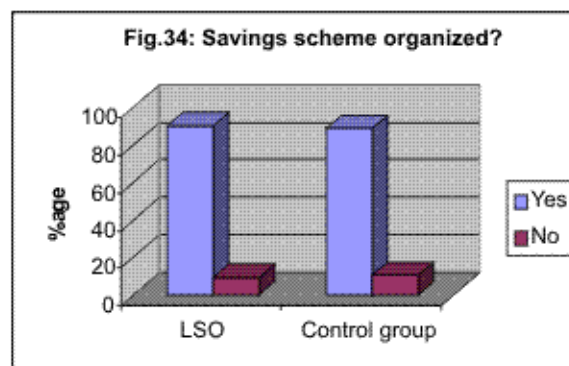
Both target and control group FGDs indicated that social boycott was the primary deterrent for default, consistent with socially collateralised credit.



The frequency of FGD responses indicated below suggests that lending rates in both groups converged around an interest rate of about twenty percent.

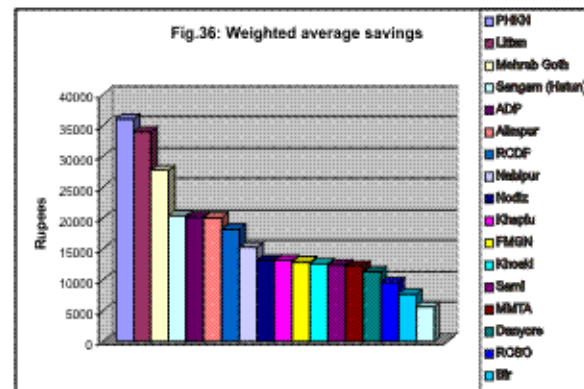
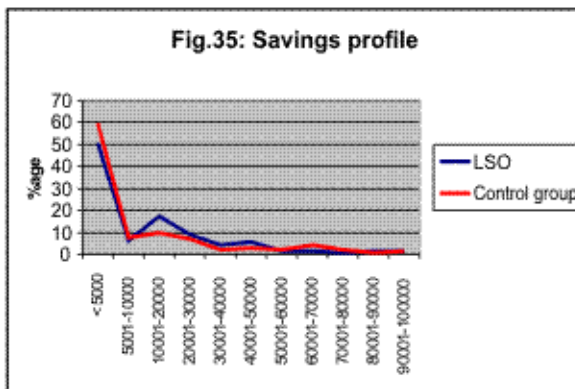


*Savings:* Figure 34 shows that a roughly equal proportion of the LSO and control group COs have extant saving schemes. The FGD group discussions also confirmed this.

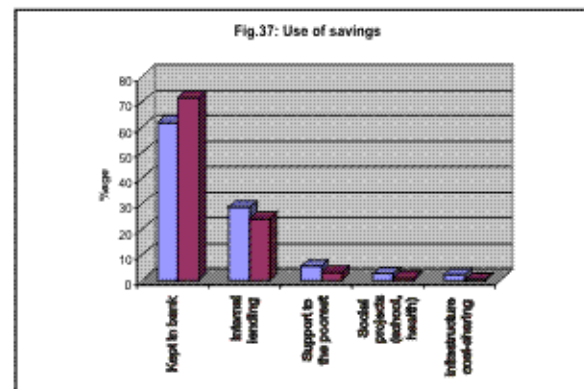
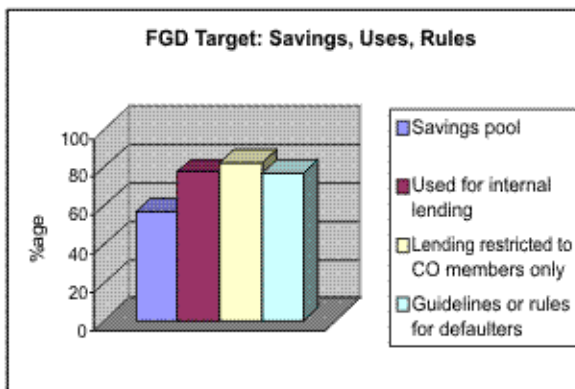




Overall, the savings profile is less than satisfactory, as more than 50 percent of the COs have accumulated savings of less than Rs.5,000/- while the control group situation is even worse at 60 percent (see Figure 35 below). The LSOs and the control group have a similar savings profile with the LSOs marginally out-performing the control group on a number of counts. About 43 percent of the respondents indicated savings ranging from Rs.5,000 to Rs.50,000/-, compared to only 30 percent in the control group. The weighted average savings for the LSO-managed COs were Rs.17.6 thousand, while the control group COs averaged Rs.16.6 thousand. Further, over 50 percent of savings were kept in a bank; it was even higher for the control group COs at 72 percent.



It is encouraging to note that LSO-managed COs recycled 30 percent of their savings as internal lending compared to 24 percent for the control group, a fact confirmed qualitatively by the FGDs. As indicated in the figure below, over 80 percent of the FGD respondents indicated that the savings were being used for internal lending.



In general, savings are an index of CO performance and also have the potential to contribute to the LSO's financial sustainability. Reciprocally, strong LSO engagement with the COs ensures healthy savings contributions. The emerging picture reveals that the LSOs are underperforming in this regard. Since the LSOs are relatively new it will take time for vertical links to strengthen, especially in those areas where a diminishing RSP presence has created a trust deficit, with some COs disbanding because their elected representatives had absconded with the funds; reactivating the dormant COs becomes that much more difficult for the LSOs.

### 9.2.3 Observations on LSO governance

Despite the encouraging feedback on institutional aspects, the information gleaned from key informant interviews and group discussions, both with LSO Board members and CO members, presented a more complex picture. Essentially, this information flags some concerns which the survey data has not highlighted, specifically with reference to the following LSOs, namely, Khaplu, Sangam, Alimpur, Danyore, PHKN, Biyar, Bheer and FMGN. Evolving management systems in some LSOs exhibited a tendency towards centralised decision-making.<sup>28</sup> Communities either held their hereditary rulers in respect, or a cult of leadership had emerged. While much less, instinctive deference to authority was still in evidence. So while the LSO precepts are egalitarian, the mode of governance at times tended to exhibit an autocratic bent, with a marked gender bias -- in fact, this under-representation of women in the governing bodies is endemic across LSOs. The deference to authority and a less than strident demand for accountability may be one of the challenges to overcome if these LSOs are to successfully assume their envisaged role. In the long run, LSO governance has to become institutionalised rather than individualised, no matter how benign the latter is.

Also, two management modes appear to have evolved while retaining the common overarching structure specified in the LSO guidelines. In Gilgit-Baltistan-Chitral, over twenty five years of AKRSP efforts have resulted in well entrenched VO and WOs.<sup>29</sup> The LSO has divided its responsibilities. Policy decisions reside with the Board of Directors/Executive Body and their implementation is the remit of the professional management staff (referred to as the Management Committee). While the separation has *a priori* merit the practice has revealed defects which need to be remedied. Weak communications between the board, the general body and the VO/WO members were one identified problem. Communities expressed dissatisfaction with the manner in which board/executive body members were elected. The perception was that process was not entirely transparent. Further communities observed they neither knew the constituent members, nor were decisions taken at the general body meetings conveyed to them -- even though they had elected representatives to this body themselves.

Weak communications led at times to defective projects and activities in terms of their quality and distributional focus. While member communities identified these at the outset, their involvement tapered off during the course of the project cycle, especially at the implementation and monitoring stages. Instead, the LSO engaged contractors, which meant added expense, shoddy workmanship and a general lack of ownership. At times, the siting of the projects/was questioned. Prominent examples the communities cited were the Broque irrigation project in Khaplu, a series of river diversion structures (*bunds*) in the Gupis river below Hatun, hand pumps facilitated by MMTA, community solar lights installed through the Khoski and ADP LSOs and solar-powered water pumps by the ADP LSOs. The Broque project is ambitious in conception, with potentially far reaching impacts. However, members are not clear who has actually funded this project. The diversion structures are reportedly faulty and have been partially swept away by floods. Almost all the hand pumps have stopped working. Quite clearly, LSOs projects and activities are enabled through its efforts to establish external linkages with various agencies. Each agency has its own particular style of doing business. Government agencies work through their own designated contractors, with an entrenched culture of corruption and kick-backs. Unfortunately, LSOs do not have the luxury of picking and choosing.



Therefore, their own internal governance structures need to be water tight to counteract the lack of transparency in government agencies.

The elected representatives, both of the LSO Board and the managers of the VOs/WOs countered that member participation at the general body and VO meetings tended to be desultory. In our view, this reflects poor leadership. Board members gave various reasons for not holding elections on time. They also felt their limited tenure did not give them enough time to interact fully with members. But they did concede that communication channels needed to be improved. With the exception of the Danyore LSO, women were noticeably under-represented in the board membership. This, of course, excludes the three women LSOs (PHKN, Aurat Development Programme (ADP) and Sami).

While critical of the Board/Executive Body members, the VO/WO members appreciated the efforts of the managers or social organisers who interacted with them regularly. The AKRSP, provides one-off funding for infrastructure and finances management salaries (Rs.25,000-30,000 per month), with the stipulation that they be phased out over three years. On the one hand, AKRSP'S concern is that paid professional staff detracts from the spirit of volunteerism which, ideally, should drive the LSOs.<sup>30</sup> On the other hand, the paid staff complained the salaries were too low in relation to their strenuous job requirements. Indeed, the younger and better managers tended to leave for well-paying jobs. Considering that relations with the community are built laboriously over time, their departure left a vacuum and led to a visible slackening of activities. The expectation that volunteerism can be tapped into and that incentives for effort can be dispensed with is heroic in our view. An ideal combination would be to temper idealism with incentives but have incentives closely tied with the LSOs financial sustainability -- the subject of a separate discussion.

In the other provinces and Azad Jammu and Kashmir (AJ&K), the locus of mobilisation is the CO, with relatively few VOs being formed at the village level. In this case, policy, planning and management responsibilities were combined in the LSO Executive Body. On the upside, the LSO leadership is strong, effective and community oriented. The last attribute appears to reflect an election process which is democratic, accountable and immune to influence peddling and *biradari* dominance. Only a secretary counts as paid staff, which is consistent with the spirit of volunteerism.

On the downside, we noted a tendency towards centralisation in four of the five LSOs surveyed in AJ&K (Kotli and Bagh) and the Khyber-Pakhtunkhwa (Haripur). Claims by the community that a 'B-team' was in place did not seem to be supported by the evidence given the quality of the leadership. In the group discussions with the LSO office holders, the LSO chairman tended to dominate. Both point to a traditional 'cult of leadership.' While this is not an indictment per se, as many of the LSO's modern counterparts exhibit similar tendencies, in the long run consultative decision making and strong second-tier management will ensure a more enduring LSO architecture.<sup>31</sup>

### 9.3 Assessment of benefits and outcomes

**Household income increase:** As Figure 38 below shows, over 70 percent of the target group respondents stated the LSOs had contributed to an increase in their household incomes, while the corresponding number for the control group was 62 percent. Figure 38A shows a muted response (less than 50 percent) to the income question was noted in only five LSOs. These were Khoski, Khaplu, MMTA, FMGN and RCSO.

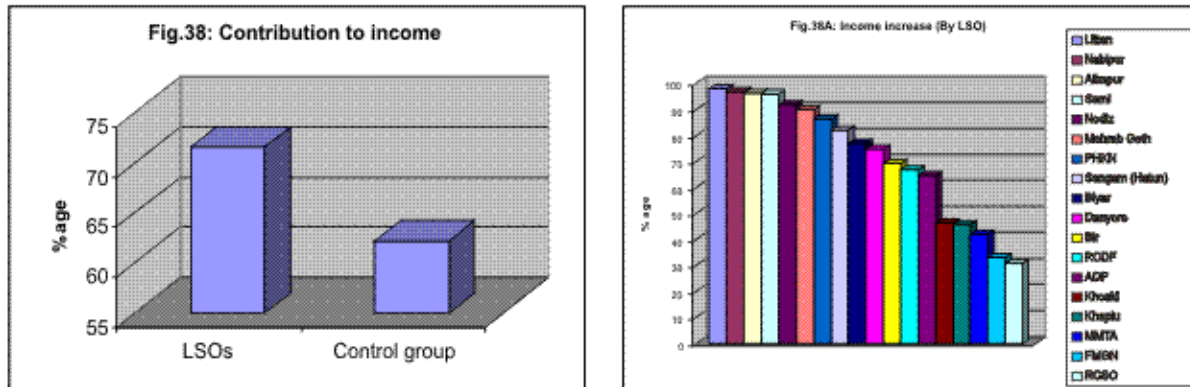
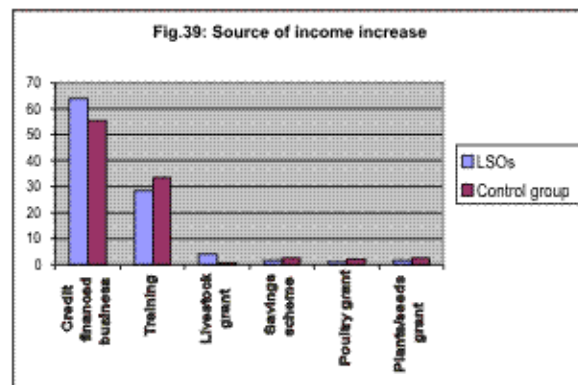
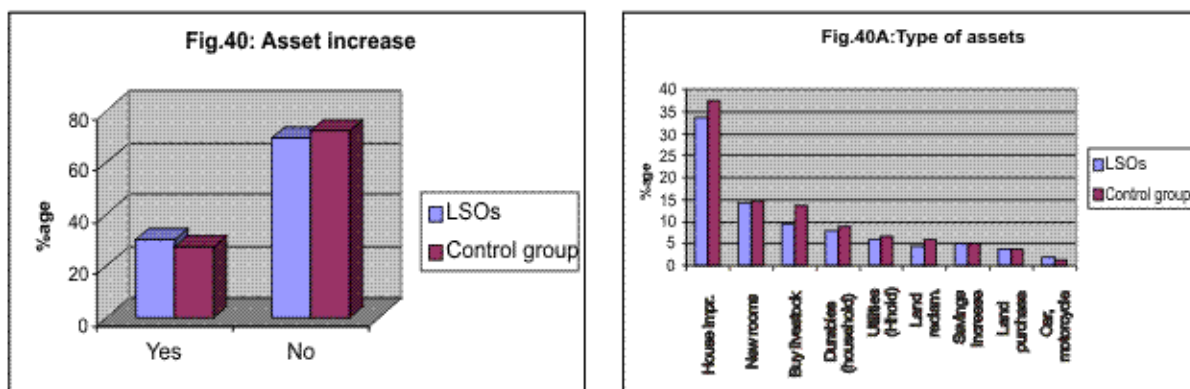


Figure 39 shows credit, training and livestock grants are the key income growth sources for the target group COs. The pattern is roughly similar for the control group COs with a relative de-emphasis on credit and more focus on training.



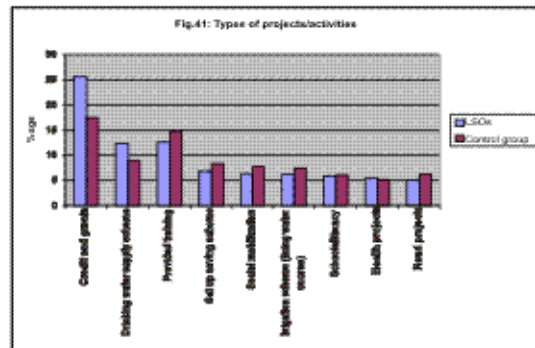
**Asset growth:** Figure 40 shows that only about 30 percent of the respondents indicated an increase in asset growth and about 60 percent of this increase constituted house improvements, new rooms and livestock purchases (Figure 40A). Both target and control groups reported a similar rate and pattern of asset growth.





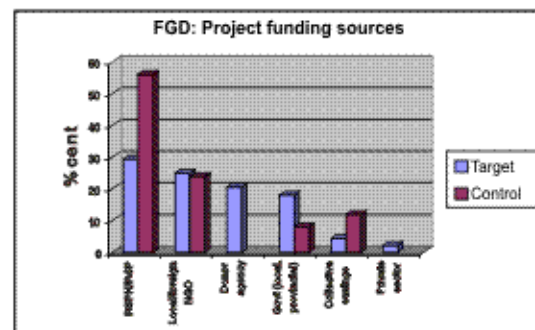
#### 9.4 Community perceptions of the LSOs

*Type orientation of projects/activities:* Figure 41 shows that both the LSOs and RSPs implemented a similar range of projects/activities, the only difference being the comparatively larger disbursement of credit and drinking water supply schemes by the LSOs and, not surprisingly, more training by the RSPs.

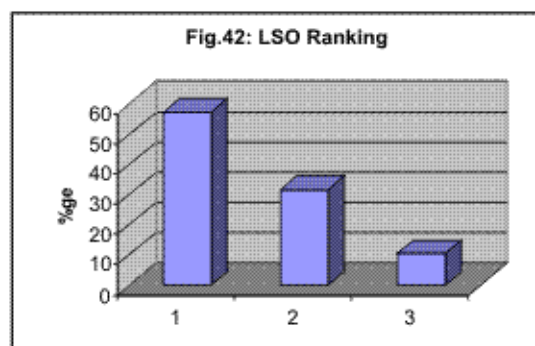


##### 9.4.1 Management of projects/activities

Project funding sources identified in the FGDs are indicated below. It is evident that LSO funding sources are more diversified than those of the RSPs.

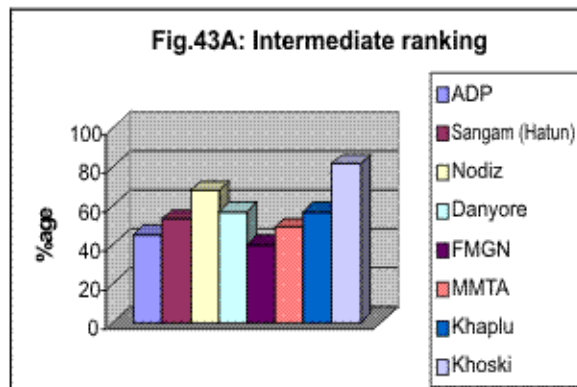
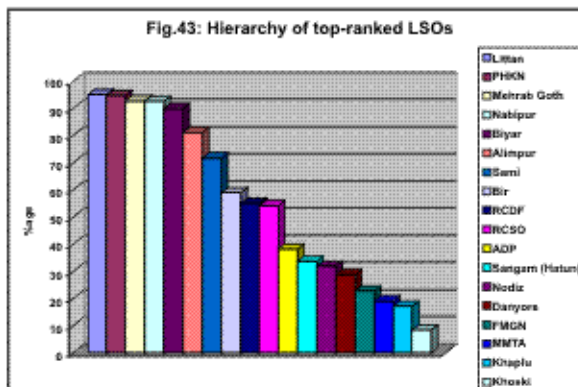


We asked the respondents to rank the LSOs (1 to 3 with 1 as the highest) according to their management of projects and activities. As shown in Figure 42, close to 60 percent of the respondents gave the LSOs a ranking of '1'.

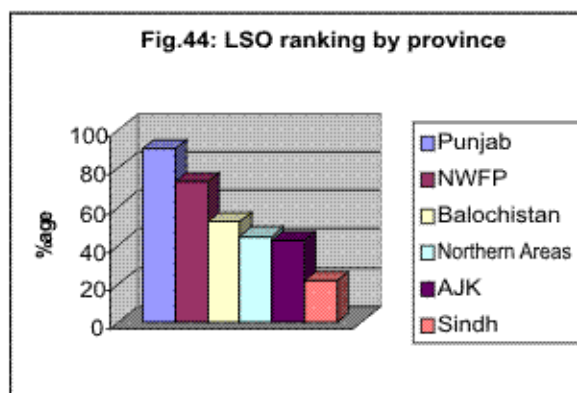


**Note:** We ranked the LSOs on a scale of 1 - 5 on the questionnaires. Subsequently, we compressed these rankings to 3. The LSOs now ranked '1' combine the previous rankings of 1 and 2; the LSOs now ranked '3' combine previous rankings of 4 and 5; the middle ranked LSOs are now numbered '2'.

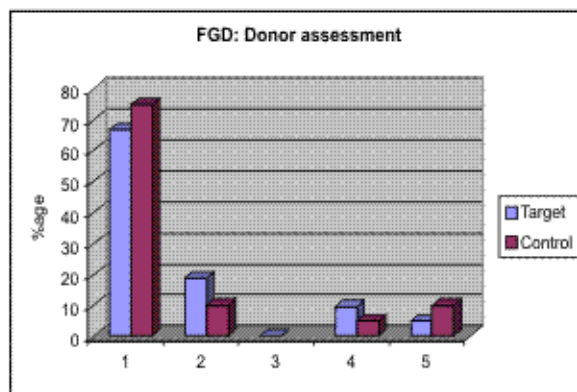
Disaggregated by LSO, ten LSOs received more than a 50 percent positive endorsement on this scale as shown in Figure 43. The eight LSOs below 50 percent were, in order, ADP, Sangam, Nodiz, Danyore, FMGN, MMTA, Khaplu and Khoski. However, they ranked high in the intermediate category ('2') as indicated below in Figure 43 A.



Punjab LSOs received the highest ranking, followed by the Khyber-Pakhtunkhwa LSOs as shown below in Figure 44. Punjab LSOs received the highest ranking, followed by the Khyber-Pakhtunkhwa LSOs.

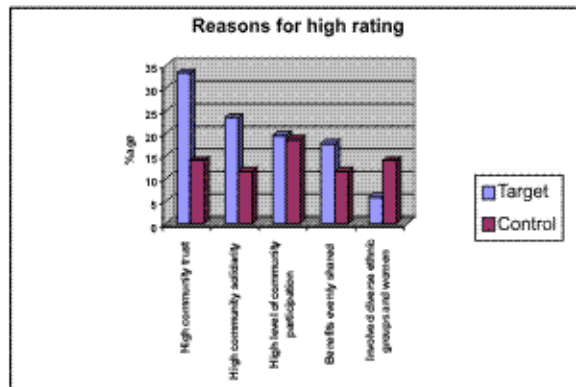


The focus group respondents also assessed donor performance both by rank ordering them and in qualitative terms. The impression in both FGD groups was that donors had performed well.



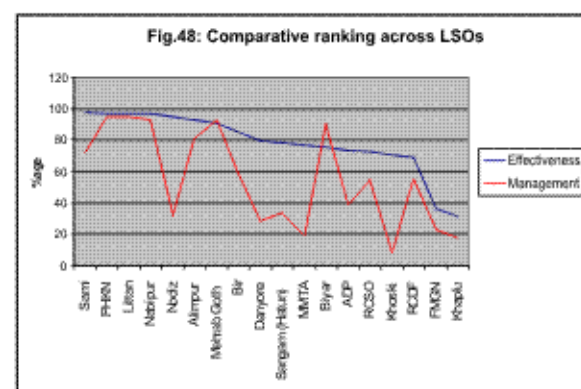
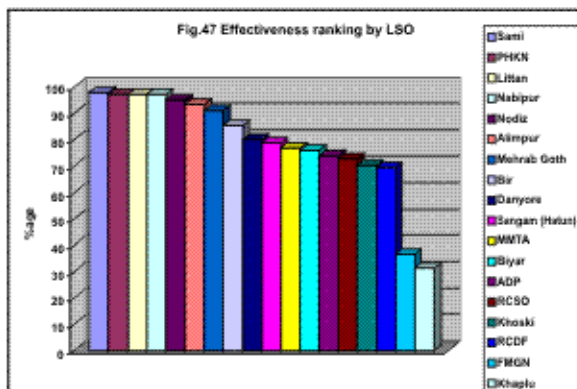
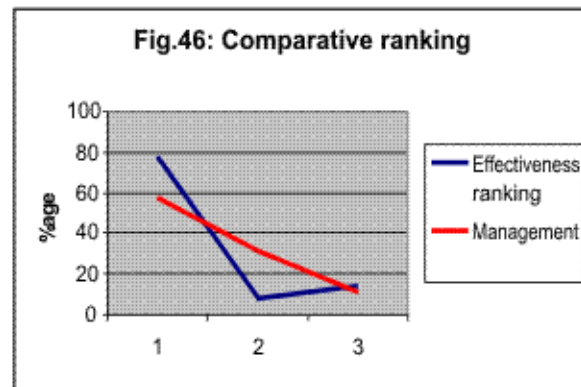
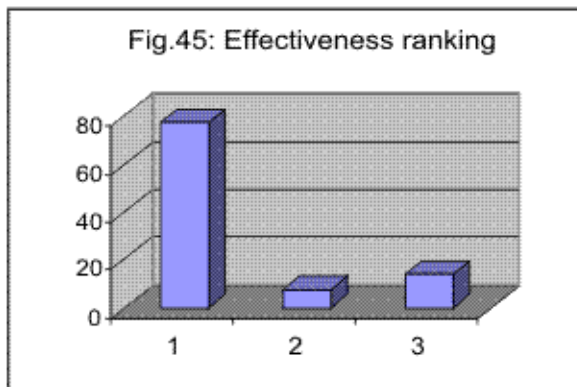


The qualitative criteria on which communities assessed the donors were benefit sharing, community participation and inclusion. Community trust and solidarity with donors rated highest is the positive ranking of donors.

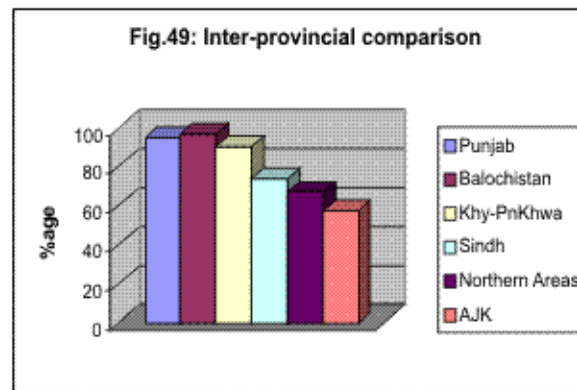


### 9.4.2 LSO effectiveness

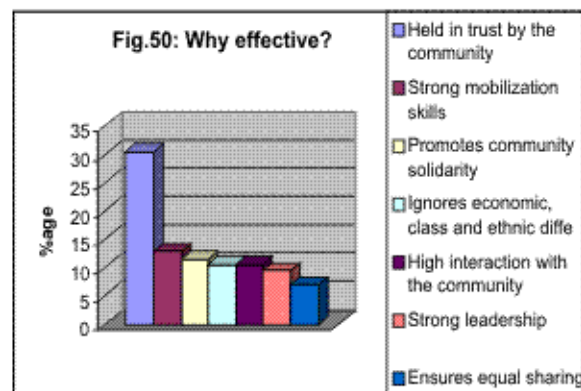
We also ranked perceptions of LSO effectiveness, measured by several indicators, such as gender equality, savings generation, credit disbursement, reduced dependence on RSPs and ability to secure internal and external funding. Figure 45 shows a high proportion (80 percent) of the respondents ranked the LSOs high, which was also a consistent assessment across LSOs, with only two exceptions, namely, FMGN and Khaplu (Figure 47). Comparing effectiveness and management across LSOs, the trend lines in Figure 46 are similar but the management measure exhibits far more variability (see Figure 48 also).



A cross-provincial comparison of effectiveness in Figure 49 reveals that Balochistan in second position and Sindh in the fourth position.



As indicated in Figure 50 below, the attribute contributing most to LSO credibility was the trust in which it was held by the community. This created a virtuous circle, since LSOs held in high trust were subsequently viewed as being more effective which added to the trust.



#### 9.4.3 Key decisions and the decision-making process

We asked respondents to comment on key decisions by the LSOs and the decision-making process; whether they considered it open and consultative. As Figure 51 shows, credit was the front runner in terms of perceived importance, followed by development projects and social services. Water supply was a recurring theme in social services. Table 4 indicates the LSOs ranking of what they viewed as the first or second most important decision. The FGD and household feedback singled out credit as the most important decision. Then there was an interesting divergence, with the FGDs crediting the LSOs with bringing about social change. Not surprisingly, the control group FGDs saw the key RSP decisions being centred on projects.



**Table 4: Water ranking**

RCSO	1
Mehrab Goth	2
Littan	1
Biyar	1
Khaplu	1
Danyore	2
Bir	1
PHKN	1
Sami	2
RCDF	1
FMGN	2
MMTA	2

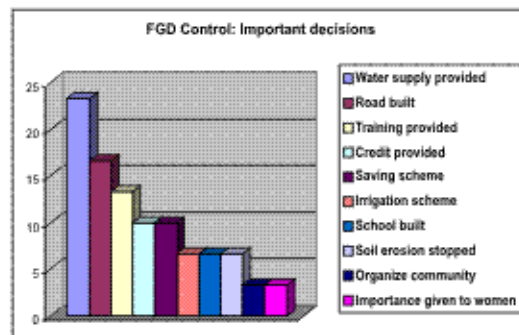
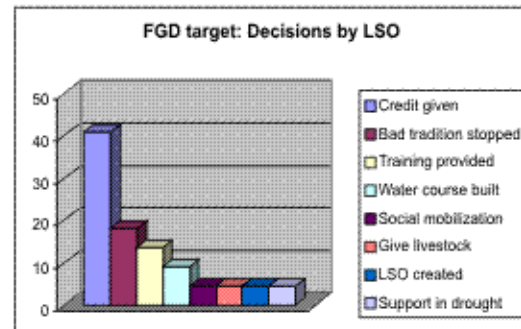
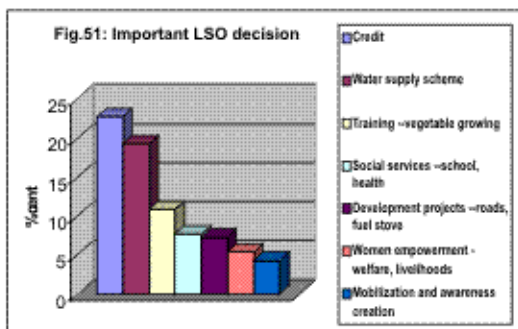
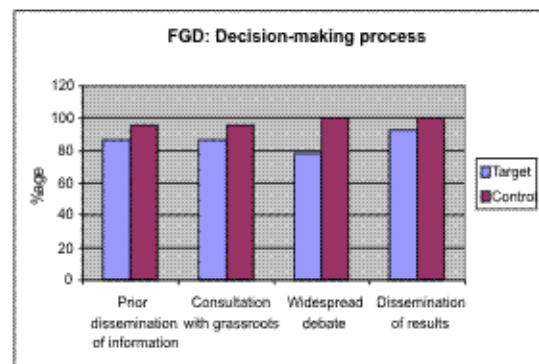
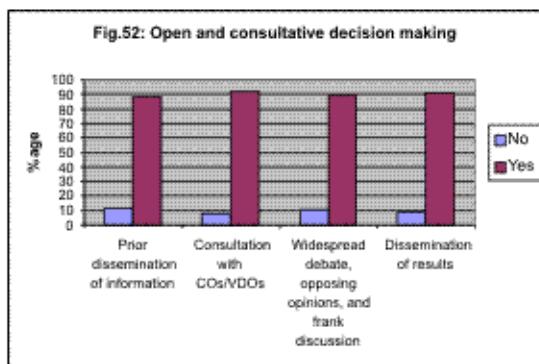
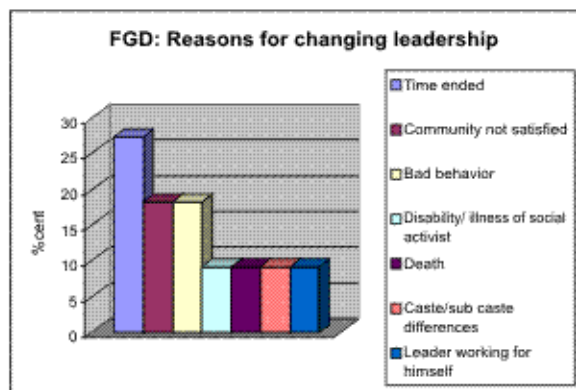


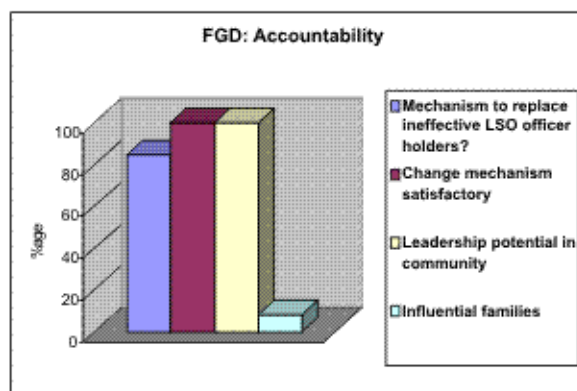
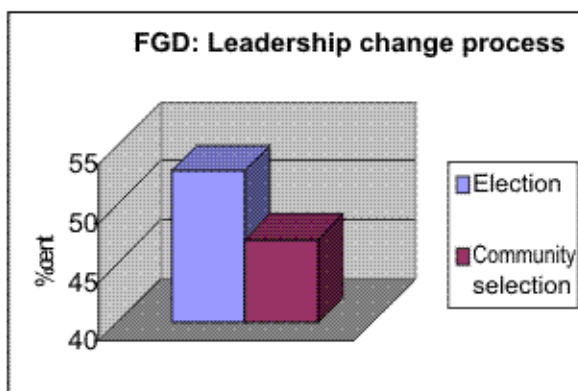
Figure 52 shows that the respondents across LSOs observed that decision-making was a participatory process, with almost 90 percent of the respondents concurring on the four criteria of openness and consultations. The three exceptions were FMGN, Khaplu and RCDF. Both the FGD target and control groups agreed with this assessment.



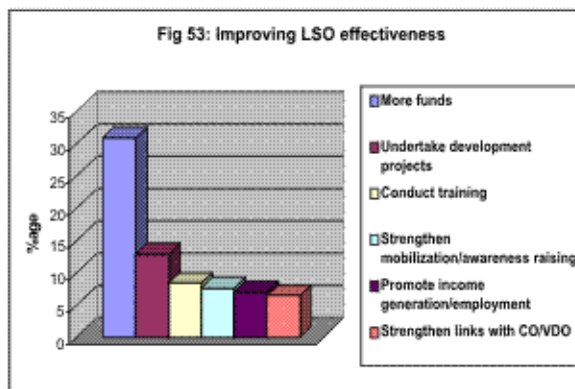
The target group FGDs provided valuable information on leadership roles. Almost half the LSOs had experienced leadership changes. A little over 27 percent of the respondents groups indicated that the leaders had completed their tenures, while slightly higher than 30 percent revealed that the leaders had to be removed because they did not measure up.



The respondent groups felt that the process for changing leadership was transparent with an established mechanism in place. In a departure from the more ambivalent responses in the household survey the perception here was that the community drew upon its leaders from the community, rather than from influential families. By the same token, LSOs were reasonably capable of resolving community disputes.



When asked about what would improve LSO effectiveness, not surprisingly, respondents felt increased funding was the primary requirement of the LSOs and a precursor to all its other activities as indicated in Figure 53 below.



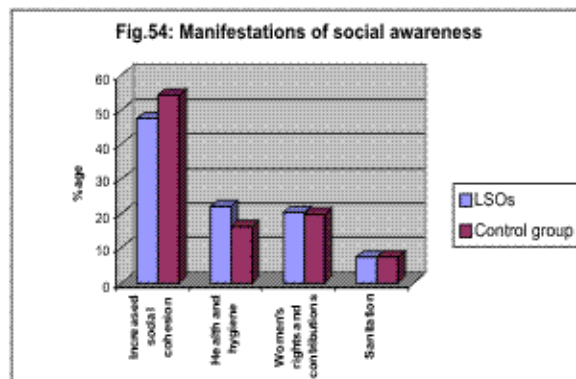


9.4.4 Inter-institutional comparison

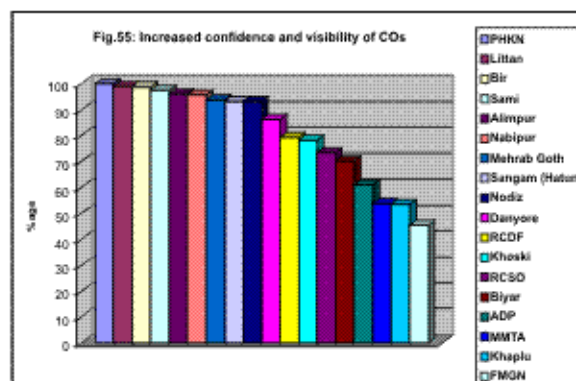
A consistent pattern emerged with regard to the broad spectrum of issues and activities the LSO and RSP COs are engaged in. First, there is considerable similarity across this spectrum, which is not surprising as the LSOs are extending the RSP programme activities. Second, the LSOs are consistently out-performing the RSPs in the public perception. The institutional comparisons show the LSOs in a favourable light. They have been relatively more successful than the RSPs in obtaining grants and scholarships for the poor and in securing government services (Table 5). This is to be expected as the LSOs essentially build upon the infrastructure and institutional capacity the RSPs have established. We reiterate the RSPs are not underperforming as they score high with the communities as well; it is just that the LSOs are doing even better. Ultimately, this should be a source of satisfaction for the RSPs as the LSOs are eventually meant to replace them. Both institutions achieved comparable success in raising social awareness among CO members and in increasing their visibility and confidence. Aspects of increased social awareness are increased social cohesion; focus on health, hygiene and sanitation and; greater attention to women’s rights and contributions as reported in Figure 54 below.

**Table 5: Inter-institutional performance comparison (Percentage)**

	LSOs	Control group
<i>Scholarships/grants for the poor</i>	22.5	7.6
<i>Raised social awareness</i>	82.3	92.4
<i>Increased confidence and visibility of COs</i>	82.3	81.7
<i>Secured government services</i>	46.4	31.5

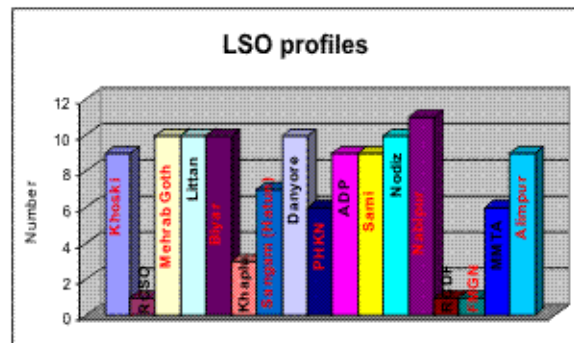


The increased confidence and visibility among COs is evident across LSOs as reported below in Figure 55.

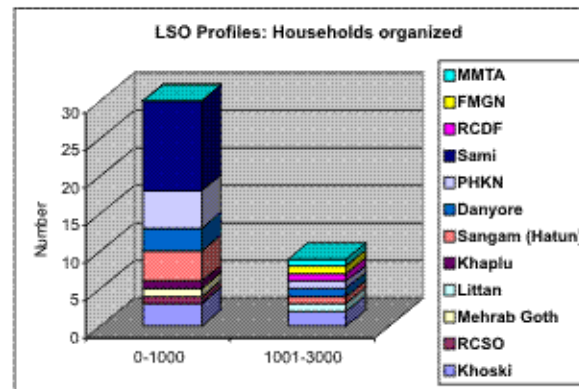
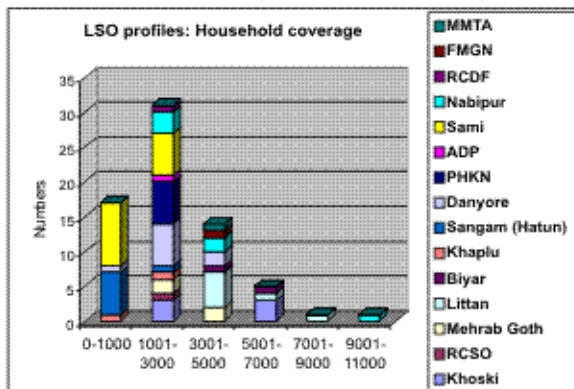


9.4.5 LSO profile responses

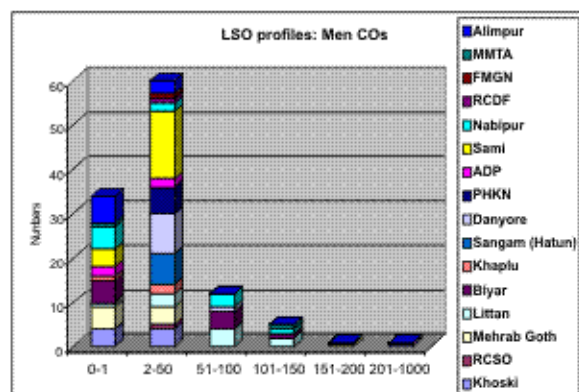
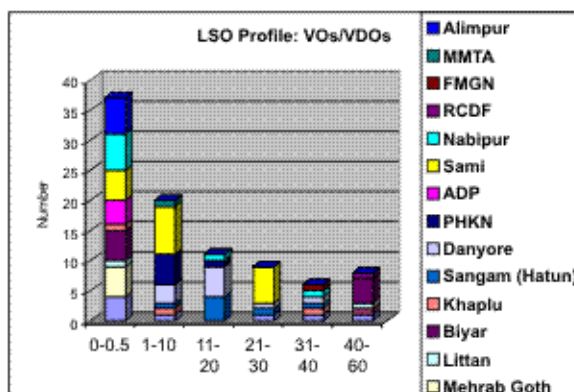
Typically, management staff prepares their own LSO profiles with the inevitable biases. In order to counter these biases, the RSPN asked us to administer LSO profiles they had prepared. We instructed the survey teams to implement 10 profiles per LSO and to interact only with CO members and not managers or office holders. There were slippages, both in terms of numerical and respondent coverage but the teams remained substantively on track. By and large, the respondents gave reasonably satisfactory responses to the questions the teams posed to them. As the figure below shows, the numerical coverage was quite satisfactory.



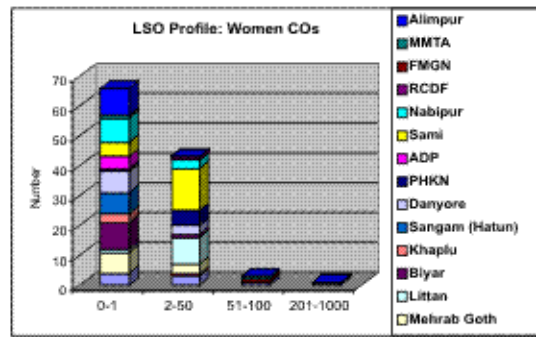
The median number of households per UC was 3,000 and the median number of organised households came to 1,500.



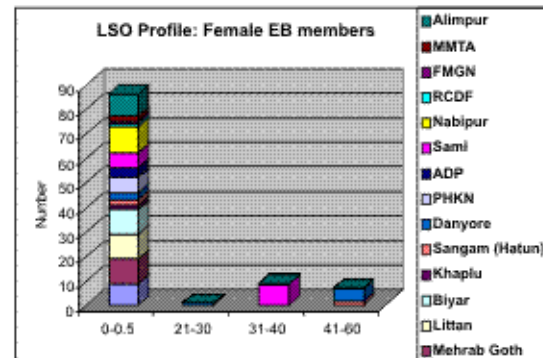
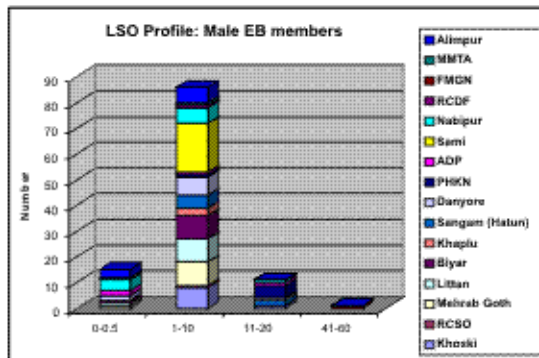
The median number of VO/VDOs per UC was 10, compared to 50 for the men's COs. The median value for women's COs, at 25, is half that of men as indicated below.



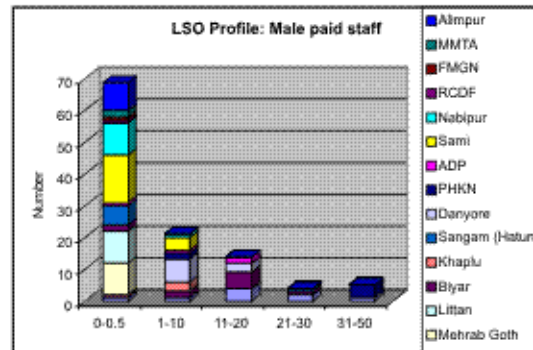




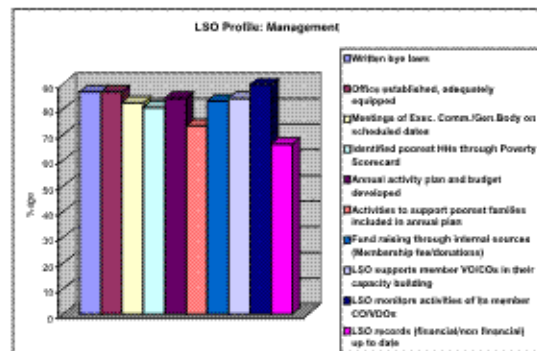
The LSO profiles confirmed the imbalance between male and female members of the General and Executive Bodies as indicated below. While the median for male EB members is between one and ten, it is less than one for females.



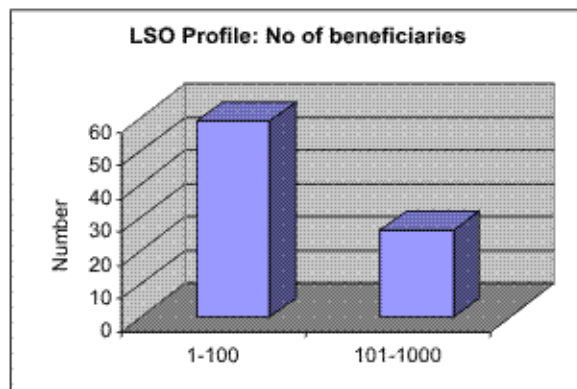
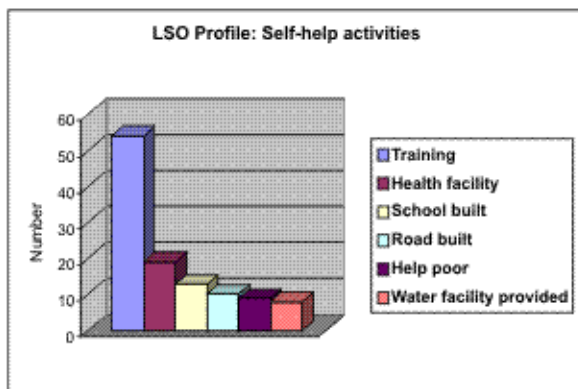
As the figure below shows, the median number for male paid staff was less than one.



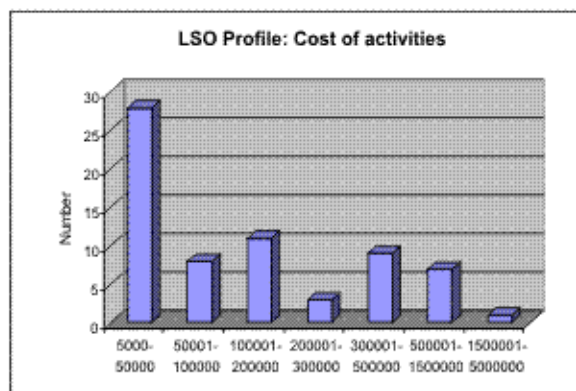
The profile respondents endorsed the household survey perceptions that LSOs were being well managed on all counts as indicated below.



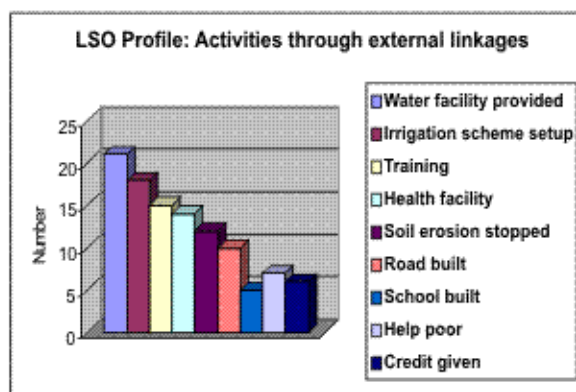
The respondents' perception was that the LSOs were involved in a range of self-help activities, with an emphasis on training. The median beneficiary number was about 300 households.



The cost of these activities predominantly fell between Rs.5,000/- to Rs.50,000/-. However, a substantial number of activities ranged between Rs.50,000/- to Rs.1.5 million.

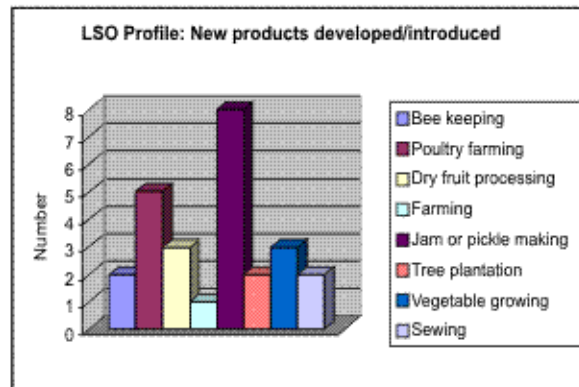
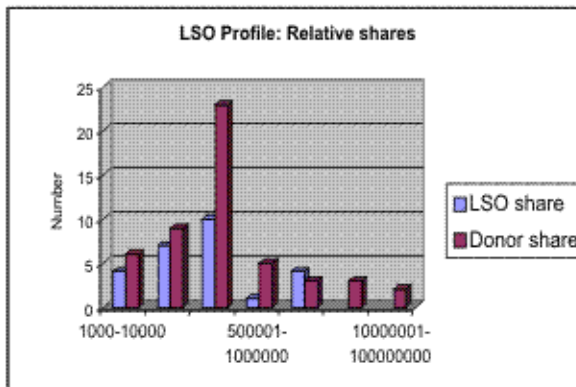


The LSOs had also undertaken activities with external support, quite similar in nature to its self-help initiatives with drinking water and irrigation schemes ranking highest.





The figure below indicates the relative contributions and, as evident, LSO contributions are quite substantial for the small to middle sized projects. Also the LSOs are quite adept in developing new activities.



## 10. Aspects of sustainability

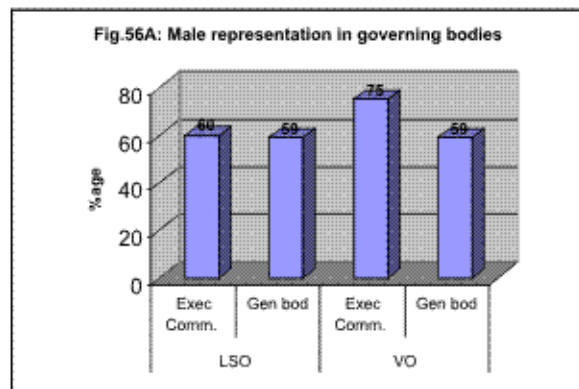
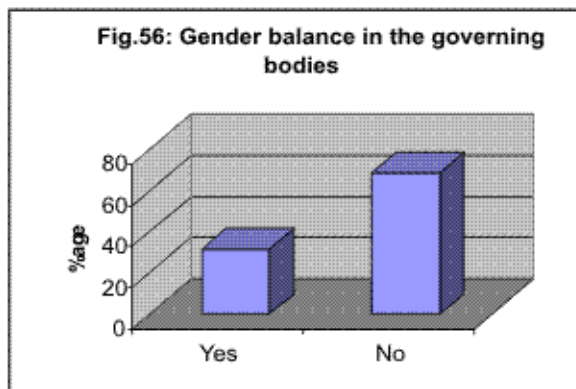
Three important aspects of sustainability emerged from the survey which we review in some detail. These are:

- Gender balance
- LSO as an exit strategy
- Financial sustainability

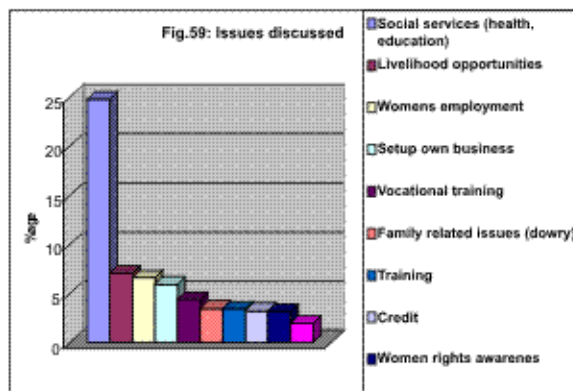
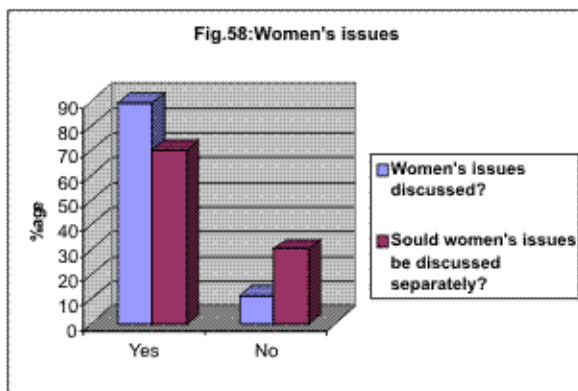
### 10.1 Gender balance<sup>32</sup>

#### 10.1.1 Survey findings

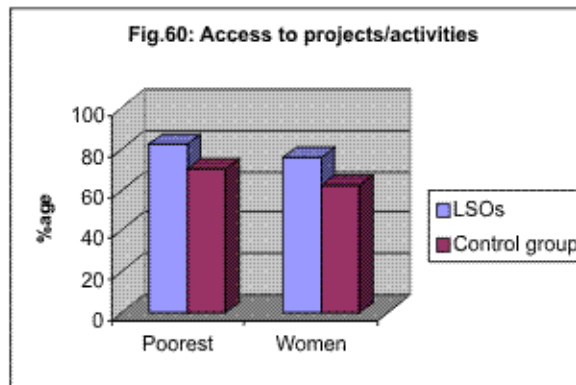
*Representation in governing bodies:* The majority of the women respondents, from 60–75 percent, noted a predominantly male representation in the LSO/VO governing bodies as shown in Figures 56 and 56A.



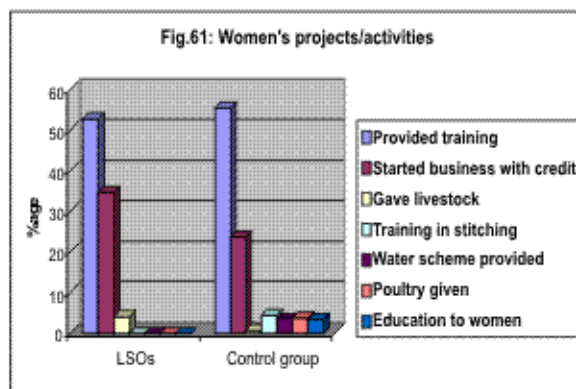
However, this disparity did not prevent discussions on a wide range of women's issues. The majority were sensitised enough to agree that women's issues should be discussed separately as shown in Figure 58. Social services (health and education) were the main topics discussed, as indicated in Figure 59. Decisions to empower women were an LSO priority and women found the decision making process to be open and consultative as well.



*Access to LSO projects activities:* Figure 60 below indicates that a large proportion (between 70 and 85 percent) of the women respondents in both groups observed that LSO-managed projects/activities were pro-poor and pro-women. However, the LSOs scored higher on both counts.



The benign training-credit nexus forms the dominant part of both LSO and RSP activities as shown in Figure 61 below. However, RSP projects/activities are more diverse and understandably so as they have the edge in terms of time and experience.





*Credit and savings:* Figure 62 below indicates that over 90 percent of the female respondents noted that women were able to access the credit the LSOs were on-lending.

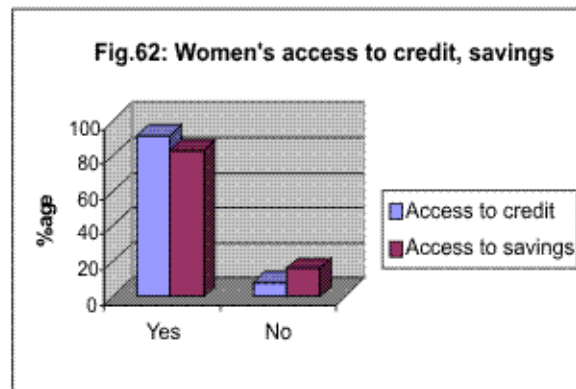
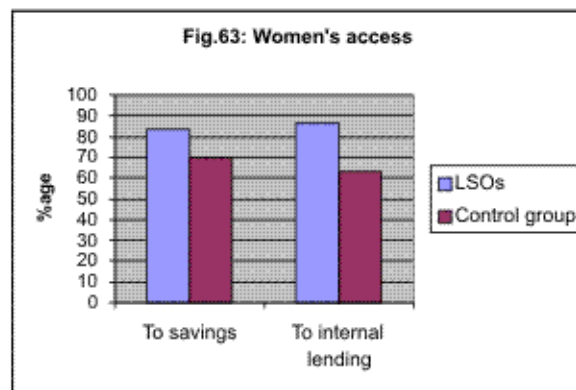
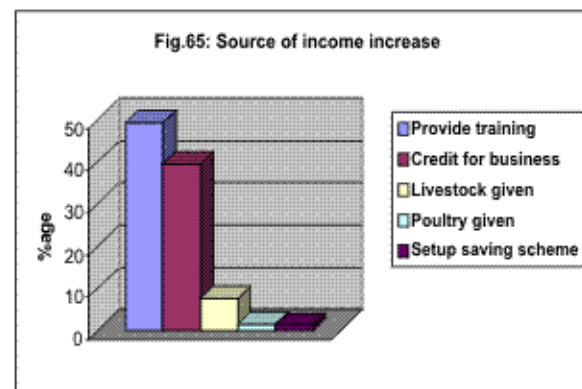
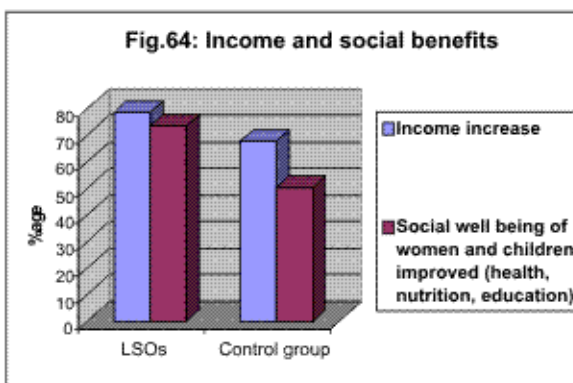


Figure 63 shows that well over 80 percent of respondents indicated that women could use CO savings, both for their own use and in the form of internal lending.



*Benefit perceptions:* As indicated in Figure 64, over four-fifths of the female respondents observed that women's income had increased. Building their capacity through training and providing credit to utilise this capacity were the two key contributing factors as shown in Figure 65. The LSOs also provided grants in the form of livestock and poultry but in much smaller amounts. Resultantly, social benefits occurred in the form of improved nutrition, health and education for children. The LSOs performed better than the RSPs in terms of improvements in both income and social well being.

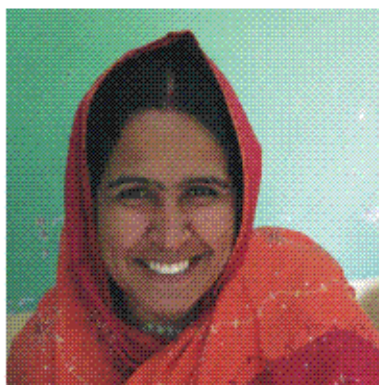
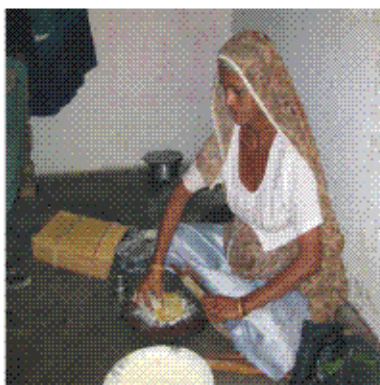


## 10.1.2 The impact of micro credit on women: Case studies from Tharparkar

Boxes 3-6 below documents case studies on the positive impact of micro credit on women.

*Box 3: LSO ADP, Case study of Lehri Bai of Mithi, Tharparkar*

Lehri Bai makes *khatiya paapar* in her house. She took a loan of Rs.10,000/- from LSO ADP to start this business. Previously she purchased her ingredients from Mithi, but as her sales increased she decided to go to Hyderabad, which was cheaper and offered more variety. She is supplying *paapar* to Hyderabad and Mithi and daily makes *paapar* worth Rs. 500/-. She is a widow and with this income she has raised three children, got them married, given them a reasonable trousseau and 4 *tolas* of gold to each daughter. She proudly states she is now financially independent and has developed self confidence.



*Santoshi – Social organizer*



*Box 4: LSO ADP CASE STUDY, Warya of Mithi, Tharparkar*

Warya is a resident of Mithi, Tharparkar. She has four daughters and one son. Her husband was holding down a small job. His meager income was insufficient to manage their household expenditure and educate their children. Warya was a house-bound woman, without qualifications and the confidence to go out and get a job. At the same time, she was desperate to augment the family income so that her family could enjoy a decent standard of living and she could provide her children with quality education.

She became a PDC member, took a loan of Rs.10,000/- and started stitching clothes. Not only did she repay the loan but began to add to the family income. Encouraged, she took another loan and this time bought a PECO sewing machine. Now she was generating an income of nearly Rs.300/-daily. As the income increased so did the family standard of living – including the health of the children and their education. Her elder daughters completed their matric, two younger ones are still completing their education and the son is studying in Hyderabad. The elder daughters have joined Warya in her tailoring business. She took a third loan and added her own money to buy two more machines. Now she owns four machines and earns up to Rs.500/- daily. Warya also conducts stitching lessons for the young girls in their neighborhood.

Diligence, perseverance and hard work have enabled Warya to pay back all her loans and become the proud owner of sewing machines valued at a couple of hundred thousand rupees. She now goes to Karachi to purchase thread. She has also managed to save money and make an additional room in the house. This room is used exclusively as the sewing room (see collage below) where she works and stores her threads and materials. From a shy, lonely recluse, Warya has become a confident woman, with a high self esteem. In appreciation and recognition of her hard work, Pakistan Poverty Alleviation Fund (PPAF) gave Warya a cash award of Rs. 70,000/-. And it all began with a Rs.10,000/- loan.



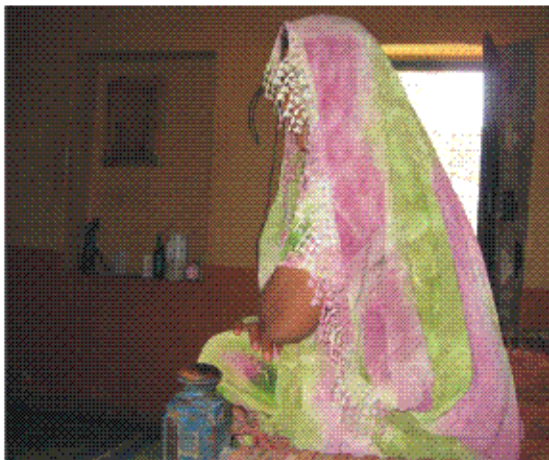


*Box 5: LSO ADP CASE STUDY, Kasturi of Mithi, Tharparkar*

Winding my way through narrow lanes with open drains, clogged with plastic bags, I was guided to Kasturi's house. Outside the door sat three plump black buffaloes, languidly swishing their tails to ward off the flies swarming all over them. On the *charpai* (bed) sat a cheerful woman clad in a colorful *ghagra* wearing traditional *thari* anklets, bangles and jewellery.

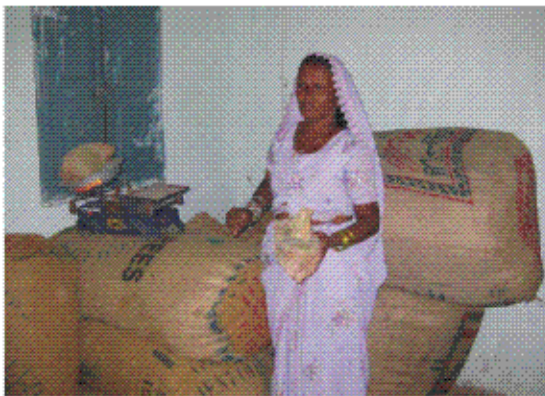
Coming from a very poor family but blessed with drive and resilience Kasturi took a Rs.10,000/- loan from the LSO, ADP. She purchased a buffalo, the LSO trained her, and she started selling milk. She paid off the loan within a year, took another loan and bought a second buffalo. After that there was no looking back for the resourceful and dynamic woman. Currently, she owns 5 buffaloes, sells 60 kilos of milk at Rs.40 per kilo and has involved her entire family in the dairy business.

As I was interviewing her there was a commotion outside. A three-year old calf was suffering severe convulsions, with its back arched and a heaving chest it fell to the ground. Then its limbs became rigid. Kasturi sprang up, took a syringe, snapped an ampule, filled it and deftly plunged it into the neck of the calf. She administered two doses while her husband held the calf down. It was a pleasure to witness her cool and efficiency and a warm, friendly and jovial relationship between the married couple.



*Box 6: LSO ADP CASE STUDY. Momal Mallhi of Mithi, Tharparkar*

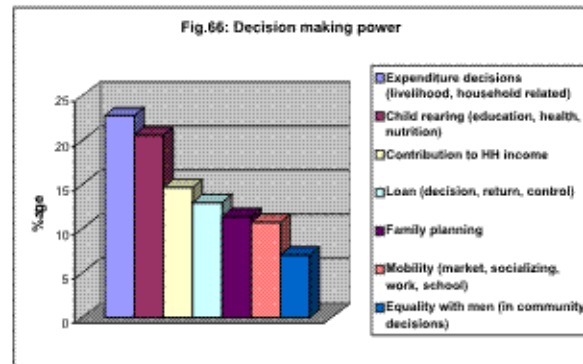
Momal Mallhi is a 45 year old woman. She supports seven family members, including a 60-year old husband -- formerly a taxi driver and now unemployed. Momal has *biri* (local cigarette) making skills but did not have money to purchase tobacco from the local market. Then she became a PDC member and took a Rs.10,000/- loan from the LSO, purchased tobacco from the market and started making *biris* at home. Neighborhood women and children, who could not venture out to the market, were now able to purchase *biris* from her house in which she has opened a small shop. She paid off her first loan and has taken a second one. Momal's business is growing and it has changed her and her family's life. Once a shy woman, she has developed enough confidence to travel from Mithi to the wholesale market in Hyderabad to purchase supplies. With the increased income, the family can eat better, wear good clothes and bear the children's education expenses. Momal has become the family decision maker, her self-image and status in the neighborhood has improved and she has become the PDC chairperson.



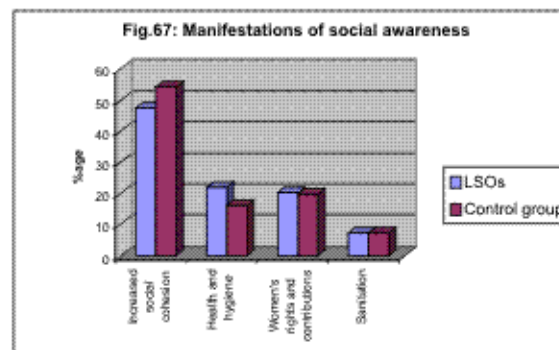
**Kanta - Social organizer**



*Decision making:* Figure 66 below shows that over 60 percent of the female respondents in the target group observed that women's decision-making powers had increased, compared to slightly over 50 percent for the control group. The perception was uniform across LSOs, with only six LSOs not concurring.



These powers were fairly broad-ranging as we can see below in Figure 67. Women's rights and contributions formed a key component of the LSOs' awareness creation efforts.



*Ranking of Women's LSOs:* It is a measure of the success of women's LSOs that Sami and PHKN scored, respectively, first and second position on the effectiveness index. ADP, however, scored low, in the 15<sup>th</sup> position. Women LSOs did almost as well on the project/activity management index. PHKN was ranked the second highest, Sami seventh and ADP 11<sup>th</sup>. While the ADP PDCs have achieved milestones in terms of their credit-based successes, they continue to rely heavily on TRDP social organisers. The LSO still has some way to go before it achieves institutional autonomy.

### 10.1.3 Discordance between needs, opportunities and representation

Reprising global findings this study too affirms that women are beneficiaries of micro credit; in this case through the instrumentality of the LSOs.<sup>33</sup> Women exhibited a strong need for the organisational and financial support extended by the RSPs and the LSOs. Both represent avenues for economic, social and cultural empowerment and for easing their cultural shackles.

In general, we noted that WOs were relatively more active than those of men's in Gilgit-Baltistan, AJ&K and Haripur. They were also more adaptable in a changing environment (reduced RSP presence). Partly this appears to reflect differences in perceptions. Men's

cognitive spaces have now extended beyond the village, which may explain why their COs and VOs tend to become dormant once the RSPs disengage from their current role. As such, their involvement risks becoming funding rather than needs-based. Women's spaces continue to be centred on the household. They are more receptive to initiatives that allow them to be home-based, such as skills development, credit, education, health, water and sanitation. By the same token, they are process rather than outcome oriented and, hence, can adapt to changes in the external environment. Indeed, in some cases we noted that the withdrawal of funding has induced an internal transformation, where the WOs had become self-sustaining entities – both credit and project driven. Many of these organisations had internalised the participatory principles that the RSPs had instilled in them and had launched independent initiatives, mostly income oriented but some focusing on education. Women were also more responsive to training and income generation opportunities offered by the LSOs.

As we noted the LSOs have become an important instrument for empowering women, which is a human rights imperative but is also called for by exogenous economic, demographic and cognitive transformations. Where women have successfully overcome male-defined cultural barriers, they are confident and protective about their hard-won spaces and rights, and set about asserting them quietly and effectively rather than in an overtly confrontational manner. Further, they represent a cohesive force, which transcends ethnic and religious differences.

However, the organisational complexion of the LSOs does not reflect their needs in as much as gender representation in the constituted bodies (executive committee, general body) still has a distinctly male slant. There is a similar imbalance in the male-female CO and VO-WO ratios. By any reckoning, policy and management decisions made by women are far more telling than those which have a patriarchal genesis. We found women reticent in our efforts to engage them in discussions in the mixed FGDs. While such reserved behaviour could be culturally defined, one would expect women to be a bit more forthcoming and confident given their documented achievements.

## **11. Are the LSOs a viable exit strategy?**

One of this study's premises is that the LSOs are an exit strategy for the RSPs. This strategy was shaped in a proactive context. In other words, the RSPs viewed the LSOs as their replacements, freeing them to turn to the role of capacity building and institutional strengthening and to serve as a donor liaison. Unlike the RSPs, the LSOs' roots are in the communities and, hence, this is welcomed from a sustainability perspective.



### 11.1 Survey findings on perceived LSO dependence

The current state of LSO dependence establishes an initial benchmark for taking the exit strategy forward. Figure 68 shows that close to 55 percent of the respondents felt that LSOs continued to remain dependent on the RSPs.

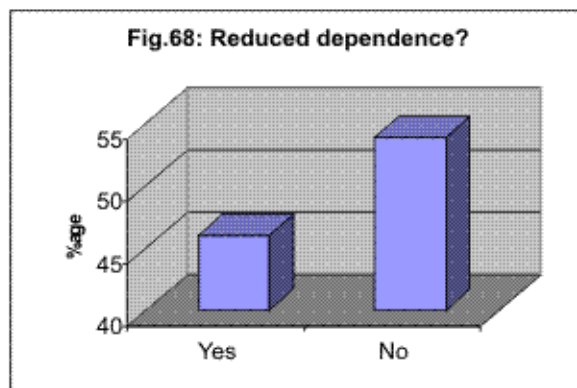


Figure 69 below provides the provincial breakdown with Balochistan ranking first (least perceived dependence) in this regard and Sindh last.

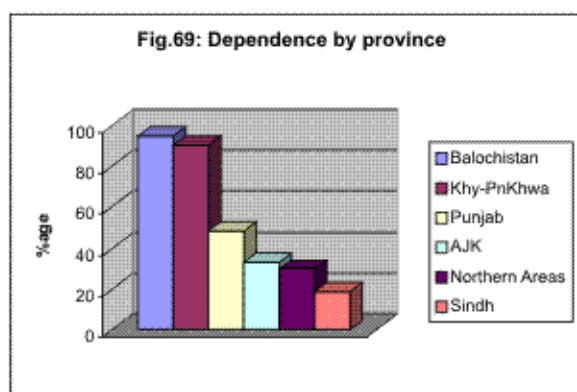


Figure 70 below ranks the LSOs on this perceived dependence. Dependent LSOs indicated a need for continued RSP funding, training and technical support.

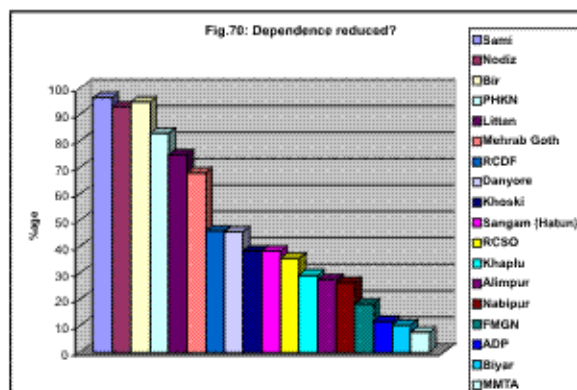


Figure 71 shows in general a poor correlation between reduced dependence on the one hand and good management of projects/activities and overall LSO effectiveness on the other hand.

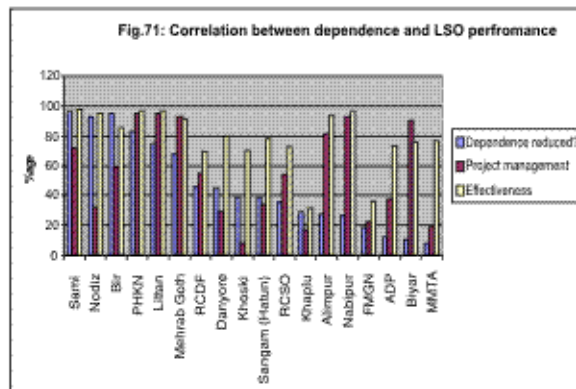


Figure 71A below shows a correlation in the case of six LSOs (33 percent of the total), and we posit that these LSOs have become institutionally and financially sustainable. This level of independence, inferred from community perceptions, is an impressive achievement, in view of the relatively short time that these LSOs have been in existence.

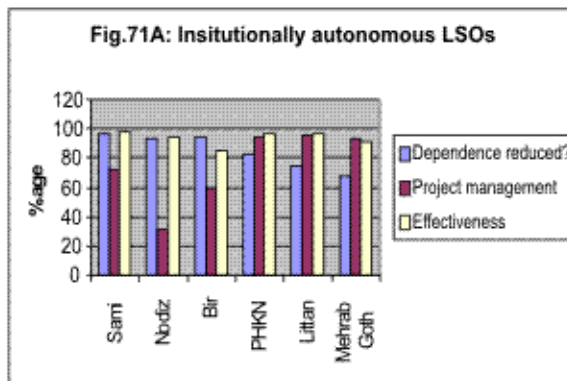
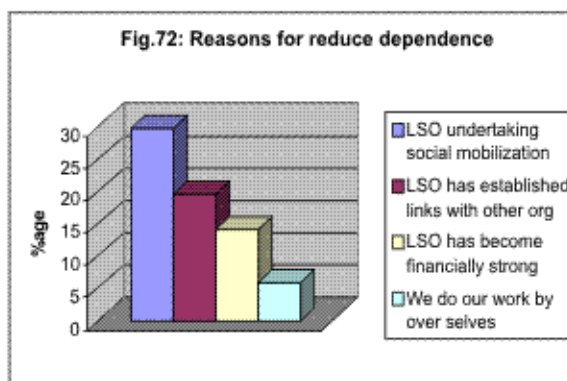
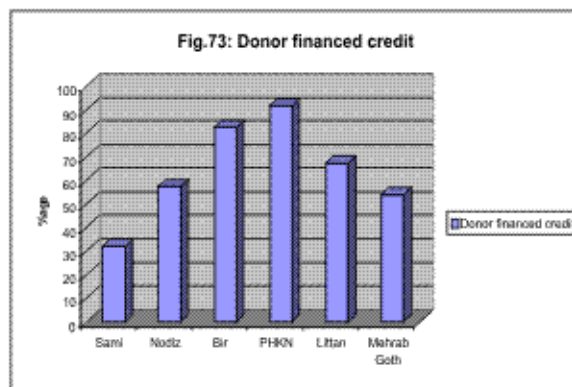


Figure 72 shows that for those 6 LSOs close to 70 percent of the respondents attributed the self-reliance to social mobilisation, external links established with other organisations, financial independence and a sense of pride in doing their work themselves.





We cross-checked respondent perceptions of dependence by exploring the extent to which the LSOs we classified as independent had diversified their loan sources for on-lending to COs. Of the six identified, there was a perception of donor financed credit in five of them.



### 11.2 Observational evidence on LSO sustainability

The manner in which the RSP engages with the LSO has a bearing on its performance. While we did not specify indicators for such engagement, we found that those LSOs which maintained close process links with the RSPs were more likely to eventually become viable and self-sustaining. The NRSP in Punjab exemplifies these links which, on the whole, are sustained and nurturing rather than intrusive. Many RSPs have substantively terminated their engagement after providing one-off funding for LSO office infrastructure<sup>34</sup>. While they continue to provide limited salary support the links, otherwise, are tenuous. This has left the LSOs floundering and unsure of themselves.

An ongoing debate revolves around whether the LSOs and RSPs roles are interchangeable or complementary. First, some argue that it is unrealistic to expect the LSOs to replace the RSPs, rich as the latter are in technical, financial and human resources. Others counter that the LSOs can rely on activists and volunteers and that being an integral part of the community will ensure that projects and activities are implemented cost-effectively. Second, institutional resistance can delay the transition. It was not uncommon to hear RSP staff referring to LSOs as mini-RSPs. Also, we noted some dissent within the RSPs where some felt the LSOs should be the product of a felt need. However, such reservations have deferred to policy, which is to proactively form LSOs. But, the lack of complete buy-in by RSP staff may have slowed down the transition in some areas.

External constraints, too, are present. First, donor funding has become scarce, especially in Gilgit-Baltistan-Chitral, with the result that the RSPs have disengaged prematurely. The nature of the RSP-LSO relations has a regional context. In Gilgit-Baltistan-Chitral, the AKRSP is coming to grips with declining donor support. As such, the LSOs are being accorded relatively low priority. This has taken the shape of a one-off contribution for salary support and office infrastructure, occasional training and some linkage development – somewhat of a cookie-cutter approach. On the whole the LSOs feel they have been abandoned prematurely, when there is a need for continued capacity building and help in promoting linkages. In economics terminology, this represents the ‘infant industry’ argument for protection where an industry is externally supported to the point of self-sufficiency before being left to fend for itself.

In contrast, the interface in the Punjab and Haripur is more sustained. However, the relationship remains unequal to the extent that RSPs and LSOs are implementing similar programmes. In other words, substitution is the operative word. The micro credit and development programmes of the RSPs are well entrenched and tend to swamp LSO efforts. In an ideal complementary relationship, both these activities would be channelled through the LSOs, concurrent with focused efforts to build their capacity – especially when the LSO credit record is exemplary. We do add a caveat here that both the RSPN and the RSP leadership are unequivocal in their perceptions about the LSO's role. The institutional resistance is lower down the chain of command and it is at this level that mindsets need to be harmonised with policy.

### 11.3 *Are communities ready for the transition?*

Cross-cutting and traditional forms of social capital exist as informal groupings (*tanzeems* or informal organisations), village events which produce cohesion and harmony and mutual aid traditions, which can all lead to collective action to enhance well being. Then there are context specific traditions, for instance those built around natural resource management (NRM) in Gilgit-Baltistan-Chitral (see Box 1). Ideally, these traditions should form the bedrock upon which the RSPs shape their mobilisation initiatives, whether they are household or village level organisations, or the overarching LSOs and their federated structures.

Not surprisingly, we found the constituted organisations less durable than the traditional manifestations of social capital. Many of these organisations had become inactive in those UCs where the AKRSP had reduced its presence. There were several complaints that the president or manager had defaulted on loans or absconded with the savings.<sup>35</sup> This made it all the more difficult for the LSOs to reorganise them. In other cases, we noted strong donor dependency, meaning that funding infusions were the main lifeline for these organisations. Indeed, in many UCs the LSOs have taken on the added burden of reactivating dormant COs, which appear to have mobilised around projects rather than the generic community social capital. A repeated complaint was that the RSPs had formed COs but there had been no substantive follow-up. Possibly, the AKRSP could have anticipated and averted this dependency mindset.

In yet other cases, the original organisations transformed themselves into savings societies and cooperatives and limited themselves to internal lending. However, they did retain a welfare orientation, giving cheap loans to the needy, along with productive loans. In the Punjab, the bulk of COs have become credit organisations partly through intent and partly by default. In other words, they were organised around credit at the outset, or were reduced to it due to the RSPs inability to deliver development benefits.

Dependency was not the only factor in the COs inability to motivate themselves. A key change is altered cognitive perceptions, especially in Gilgit-Baltistan-Chitral, the AJ&K and Haripur. A combination of high unemployment and down-country opportunities have made male communities more outward looking. In turn, this has inhibited the spirit of volunteerism. In contrast, as earlier reported, women not only continue to remain area-confined, they are also stepping into typically male domains – forced to do so by economic necessity.



#### 11.4 *Do communities need LSOs?*

The question brings up the seeming dichotomy in the RSPs on need versus external motivation. We also indicated that the latter had taken precedence over the former. However, a priori, an established need forms a good foundation on which to build an LSO. In some UCs the CO members had expressed this need. In one UC, in particular, members had even offered to pay higher fees if the RSP approved its request for an LSO.<sup>36</sup> Among other things, the respondents envisaged the LSO's role as one of forming linkages, mobilising and monitoring community activities and organising training. The expressed need for the LSOs was strongest in those areas where the RSPs were easing out, leaving the communities feeling vulnerable.

The external motivation (as opposed to need) for establishing LSOs has a structural basis. This is especially so in the Punjab where the RSP-CO interface is linear, framing itself primarily around credit. Control group UCs in Multan, Bhakkar and Khanewal were vaguely aware of what an LSO represented. Recognising this, the NRSP has bifurcated credit and development functions in the Bahawalpur district in southern Punjab. Credit responsibilities now lie with its microfinance bank, while social mobilisation and, eventually, development activities are to be undertaken via the PPAF-funded Participatory Development through Social Mobilisation (PDSM) project. The project already has begun to address the gender imbalance by focusing exclusively on WOs. The project is also sensitising women members on the vertical aspects of mobilisation (WO/VO/LSO), delineating the responsibilities of the higher tiers.

In an ideal complementary relationship, the activities the LSOs can take over entirely are: social mobilisation – once they acquire the basic insights they are able to do it better than the RSPs; CO-household level activities; project identification/planning/proposal writing; selective training; establishing external linkages. However, RSP financial support training, external linkage facilitation, coordination for participation in central workshops are areas where the RSPs will need to continue engaging.

The RSPN has proposed and some RSPs are selectively promoting the establishment of LSO federations. The premise is that a higher profile will empower the LSOs internally and improve their negotiating position with donors (private, public or external). There are two views on how this can best be done. One view supports building up from the grassroots (CO) level and moving sequentially up the ladder. Another view proposes doing this immediately, letting the chips fall where they may. A concern here is that the more levels there are in the hierarchy, the greater the likelihood of a disconnect with the grassroots level. Indeed, as indicated earlier, communities complained about weak vertical communications.

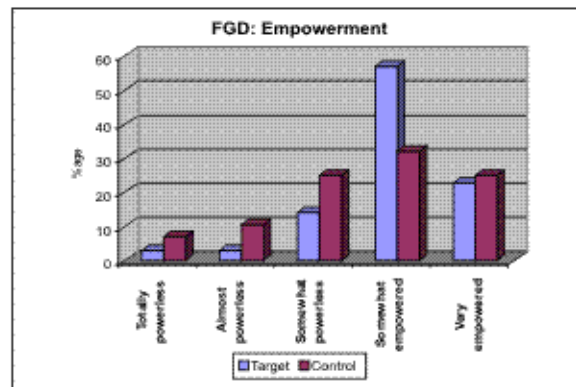
#### 11.5 *Success stories*

Some LSOs have shown themselves to be highly motivated, with a strong base of volunteers. Not only have they made a difference but, have also inspired activism, both individually and collectively. Two notable examples are PHKN (Haripur) and Goth Mehrab (Bahawalpur). Both LSOs have acquired the requisite degree of autonomy to establish their own development agendas and determine the kind of support they need from the RSPs. The relationship is essentially a synergistic one, where the RSPs, too, are proactive in their support. A few minor

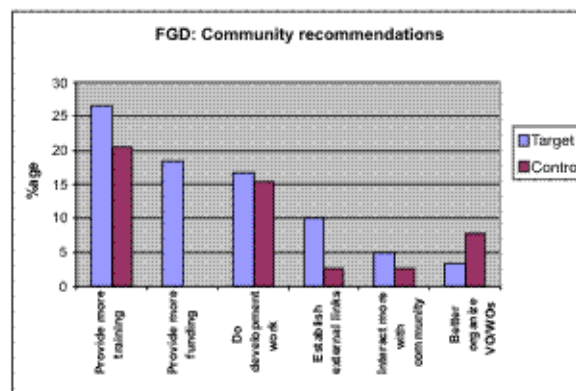


anomalies remain; the Mehrab Goth LSO is referred to as a ‘mini RSP’ which undermines its autonomous status. Also, as we mentioned earlier, there does not appear to be a rationale for a village bank overseen by the RSP in the PHKN’s remit – the mandate should shift to the LSO itself.<sup>37</sup>

The FGDs revealed a high level of empowerment has been attained, more so in the target than the control group. About 55 percent and 22 percent respectively in the target groups reported being somewhat or very empowered compared to 31 percent and 24 percent respectively for the control groups.



Thus, both sets of respondents in the FGDs had indicated that the LSOs had empowered the communities. Their recommendations for the LSOs were fairly set piece, with a focus on training and funding, and along the lines which the LSOs were already pursuing as indicated below.



Ultimately, our take on the question is that, yes, the LSOs are a viable exit strategy for the RSPs, but the processes necessary to effect this transition are lacking. In our view, the RSP-LSO interface needs to become more proactive. At the outset, the LSOs are a creation of the RSPs, giving them an induced rather than an autonomous flavour. The transition from the former to the latter will require strong process interventions, such as technical, human and financial empowerment. We note the key difference, namely that the LSOs represent embodied social capital while the RSPs are facilitators. But it is the RSPs which occupy centre-stage in community perceptions and these perceptions will change only if the required process

interventions are carried out. Most critical in this regard is setting LSOs on the track to financial sustainability.

## 12. Financial sustainability

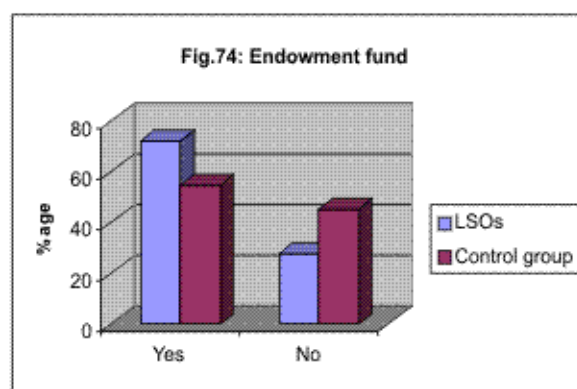
### 12.1 Existing funding sources

Achieving financial sustainability can be viewed as a two-part strategy. In its current form, the RSPN is facilitating the first part through its community investment fund (CIF). This entails giving the LSOs a grant in the form of a revolving fund of either Rs. one or two million. The CIF generates interest when disbursed as credit and part of this is used for LSO operational expenses and part ploughed back into the revolving fund. The accrued returns already range from Rs. 100,000 to 400,000 and as they grow over time will become small LSO endowments.

The second part of the strategy follows the adage, “necessity is the mother of invention.” The LSOs have devised various innovative ways to generate additional resources. These include voluntary community contributions, donor funding set-asides, room and implement rentals among other initiatives. Some LSO-specific initiatives are:

- Contributions from the sale of wheat, rice and fruit (Alimpur and Nabipur)
- Sub-letting rooms in the office complex for daily occupancy (PHKN)
- Savings from donor-funded projects (PHKN)
- Community (CO, general body) contributions (Goth Mehrab, PHKN)
- Rental from agricultural implements (Goth Mehrab - planned)
- Earnings from the sale of greenhouse vegetables (Goth Mehrab – planned)
- Savings from matching government grants (RCSO)
- Water charges from irrigation schemes (Khaplu - planned)

The observational evidence above is supplemented with evidence from the survey and the two information sources tend to match. Figure 74 shows that the LSOs have been more successful than the control group in raising an endowment fund, not surprising as their need is more pressing. Thus close to 70 percent LSOs have an endowment fund compared to about 50 percent for the control group.





However, as Figure 75 below demonstrates, the main source of this LSO endowment is the RSPN, whereas the RSPs have more diverse funding sources.<sup>38</sup>

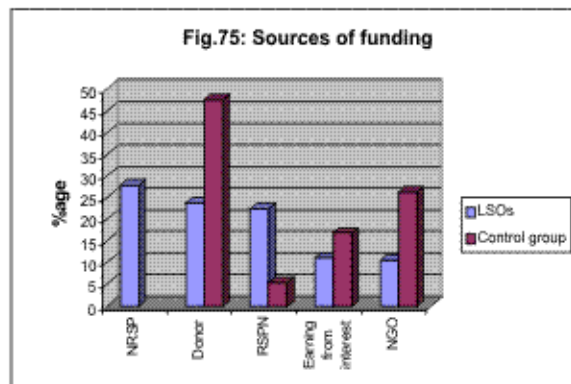
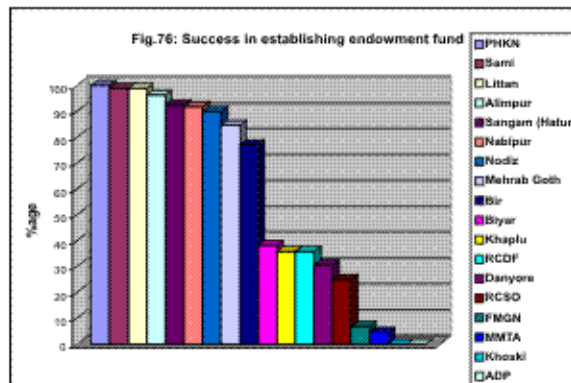


Figure 76 shows that the LSOs, which have successfully established an endowment fund, are also those which ranked high in terms of their effectiveness and management ranking.



## 12.2 Micro credit issues and disbursement modalities

The demand for micro credit is pervasive across provinces. In fact, we noted that in control group UCs in Gilgit-Baltistan -- especially where the RSPs had disengaged, many VOs/WOs had reconstituted themselves as credit societies. In the Punjab, too, the COs have a strong credit orientation, regardless of whether they are in target or control group UCs. Clearly, income generation support is a critical need in the depressed economic environment that prevailed during our fieldwork, and the RSPN-funded community support fund (CIF) recognises this need. The fund also allows the LSOs to generate funding (via interest) to cover its operational costs and, eventually, build up small endowments. However, as the more discerning members have pointed out, system integrity demands a more diversified portfolio of activities which combines credit with social and physical infrastructure, services, and capacity building. While micro credit provides the wherewithal to broaden the activity base, the possibility exists that, without discerning leadership, the credit orientation may jeopardise other LSO priorities.<sup>39</sup>

Credit portfolios and loan modalities vary widely across LSOs. On an encouraging note, some LSOs have relied on their trust dividend to eliminate ID card requirements and surety deductions. Others, however, exhibit a trust deficit by retaining similar loan terms as the RSPs or microfinance banks. For instance, one LSO insists upon retaining TDRs (term deposit receipt). Another has gone to the extent of disbursing a small number of large loans to businessmen in

order to protect its CIF endowment. While there is merit in not opting for a cookie-cutter approach, this does flaunt basic principles of micro credit. In fact, there seems to be a direct correlation between the LSO's credibility with its members and easy loan terms.

Easy loan terms also tend to be linked with diversity in the loan portfolio in as much as the loans are extended for multiple uses, which include emergency loans that target the poor and the needy – sections of the community not normally eligible for these loans. Needless to say, the LSO recovery record is better than the RSPs or the microfinance institutions. Ultimately, as the LSOs gain independent recognition within the communities, the expectation is that members will not default.

There appear to be a few inconsistencies in donor funding. It is not clear why CIF amounts vary across LSOs – Rs. one million in some cases and Rs. two million in others. Also, the smaller grants in Gilgit-Baltistan-Chitral are contingent upon a lump sum repayment of Rs.50,000 to the AKRSP, while the larger grants are exempt. An explanation provided by one RSP reader of our draft report was that the amounts varied by size of LSOs in terms of households, as well as the RSPs' own desire to serve more LSOs, e.g. one RSP used Rs 2.00 million from RSPN meant for one LSO to serve four LSOs with smaller grants of Rs. 0.50 million. The Sindh Government's providing CIFs to VOs formed by one RSP under the Union Council-based Poverty Reduction Programme suggests a wider acceptance of the concept.

### **12.3 Potential funding sources**

Minor resource generation efforts will not go far towards keeping the LSOs financially viable. Community contributions and donor funding are directly linked to LSO outreach and impact. In turn, these attributes are partly a function of its financial resilience, creating a chicken and egg situation. An external infusion of funds is required to break this cycle, keeping in mind that volunteerism and activism cannot sustain itself without a modicum of incentives. The RSPN CIF is an important contribution but may not be enough. The concurrent credit operations via RSP-established village banks or direct RSP loaning can be an important funding source if they are handed over to the LSOs. The initial RSPN tranche has demonstrated that, with a few exceptions, the LSOs can manage credit operations efficiently and equitably. It goes without saying that a sudden transfer is neither feasible nor advised. It should be linked to the LSOs ability to manage the additional funding and also to ensure an appropriate balance between credit and development. However, the sustainability imperative requires that financial empowerment of the LSOs be clearly articulated as an RSP objective. Our assessment, based on field observations is that each LSO should be given an endowment of Rs.4 million to be used entirely for credit and its release to the LSOs should be staggered according to past record and assessed ability to absorb the funds.

Then, there can be region-specific solutions. Gilgit-Baltistan-Chitral have enormous market potential in high quality, disease free, agricultural and horticultural produce. Tharparkar is renowned for its carpets, tapestries, shawls and embroidery and Balochistan can be tapped for its horticultural produce. This potential can be harnessed through marketing and transport co-operatives. However, there are technical, training, management and financial prerequisites which call for close support and collaboration with the RSPs in these initiatives.



### 13. Conclusions

Partly due to financial constraints but also as a sustainability exercise, the RSPs, with the assistance of RSPN, are exploring an exit strategy from some of the extensive social mobilisation, grassroots organisation construction, and participatory development activities they are engaged in. The issue at hand is whether LSOs as apex organisations could be used as a mechanism to consolidate the work that RSPs have done so that the latter can move on to capacity building activities and mobilising other marginalised communities not yet reached. While our review of the literature indicated the existence of multi-tier apex organisations as an institutional entity in grassroots participatory development, we are not aware of any systematic attempt to create and strengthen such organisations as a mechanism to consolidate, strengthen and indigenise the process so that the organisations are *of* the people and not only *for* the people.

Exploring whether this is a viable exit strategy for the RSPs is our key research question and we also explored an associated question of the importance of procedures, systems and protocols to this process. Our working hypothesis is that the ability to tap latent social capital in communities and build on that to construct new forms of institutional social capital, which includes the various tiers of the LSO, would be central to the success of such a strategy. Success is measured as the ability of the LSO to induce collective action and deliver benefits to the households and communities.

To measure success, we included 18 LSOs in our sample in consultation with RSPN. These were purposively selected by RSPN based on temporal, spatial and performance criteria and so our findings are not premised on a random selection as would have been ideal. However, since most of the LSOs have only been in operation a limited period of time, at most five years, a random selection at this stage would not have been possible and so follow-up studies are needed.

Our findings are based on project and process observations by the lead researcher, household surveys, FGDs, key informant interviews, and group discussions with all the stake-holders. The research design included control groups for the LSOs such that we surveyed in adjoining villages where RSP has a presence but there was no LSO. The presence of the lead researcher in the field, virtually throughout the fieldwork, ensured quality control, provided field insights, and gave us confidence in the findings.

The findings based on observation of the outstanding projects and processes reflect the ability of LSOs to successfully mobilise for ambitious collective action for community betterment. The projects tackled were much needed, ambitious in scale, and demonstrated a surprising level of innovation in finding solutions to difficult problems. Observation of processes demonstrated the LSOs ability to bring about cultural change that empowers communities, women, and the poorest of the poor and enables them to engage in such collective action. Among the most interesting observations pertain to the LSO skilfully dealing with feudal oppression and how women, once empowered, jealously guarded acquired spaces and rights.

Our survey results indicate that overall the proposed exit strategy is promising. The LSOs are active and over four-fifths of the respondents expressed satisfaction with the pace of work.



About three-fourths observed that linkages with donor, private sector and other development NGOs was picking up. Since linkages are a key part of the strategy for diversifying the resource and activity base, this is encouraging. Other successes include the greater LSO ability than RSPs in raising endowment funds, though their sources are less diversified; LSO target COs showed a greater recovery rate in micro lending than control groups; LSO projects were more likely to be perceived as pro-women and pro-poor; LSOs were perceived as more successful than RSPs in securing scholarships for the poor and in securing government services; LSOs were perceived as more successful than RSPs in improvements in income and social well being. Since LSOs are a creation of RSPs, this should be a source of pride for the latter, just as parents celebrate a higher level of achievement than themselves among their progeny.

The communities for the most part appeared to be aware and engaged with regards to process which they viewed as participatory. There was an awareness that meetings were being held, minutes taken, and accounts audited. Communities had started saving and these savings were being recycled as internal lending, where 85 percent had access to loans. Four-fifths rated the LSOs high on effectiveness.

Perhaps the most positive findings pertain to gender. Even though the representation in the governance bodies of LSOs/VOs is still disproportionately male, attitudes for gender inclusion were surprisingly positive across the board (90 percent favourable). There was also a high degree of gender sensitivity in terms of the importance of separate discussion of women's issues and women found the decision making process to be open and consultative. Over four-fifths of the women responded that they had access to CO savings and a similar count responded that their incomes had increased as a result of LSO activity. As has been found to be more broadly the case, this was viewed to have had a positive impact on the education, nutrition and health of their children. Two-thirds viewed their decision making powers had improved and in this regard were more empowered. The WOs were more active and also more adaptable and hence capable of doing without RSP support. While the men in general were more outward looking as a livelihood strategy, women were willing and able to fill in the spaces vacated. Perhaps this also explains why women LSOs took the top two spots in the ranking of LSOs based on an effectiveness index.

## 14. Recommendations

RSPN and the RSPs have developed a sound exit strategy. In our assessment, a third of the LSOs have become institutionally and financially sustainable, an impressive achievement given the short time period they have been in existence. There appear to be two prevailing strategies on how to proceed. One view can be characterised by a "sink or swim" approach. At times, such as in Gilgit-Baltistan-Chitral, this seems to be motivated by necessity as financial constraints impel the RSPs to move on. An alternative is a more nurturing strategy and this is the one we endorse to ensure a higher success rate.

In our view, much more hard work is needed to ensure that the LSOs are on firm foundations so that they can take over and indeed excel at the work RSPs are doing. However, as will become evident from our recommendations, this will require an altered approach. LSOs have a comparative advantage in doing development work given that they are rooted in the community

and that they embody the social capital that can be tapped to make collective action work for communities that they are a part of and represent. They also have the major advantage of possessing local knowledge.

However, the localism could also be a disadvantage and RSPs will need to be wary of when that is the case to offset potential negative effects. For example, as our brief review of history demonstrates, local governance in most parts of Pakistan emerges from a tradition of ruling rather than serving. This was reinforced by colonialism and the post-colonial experience further entrenched autocratic and hierarchical governance that represents an obstacle to the attempts to institute participatory governance. Particularly in cases where hereditary governance trumps newly sown participatory norms, the RSPs will need to run interference in a diplomatic manner. It is tempting not to rock the boat, and that is the approach adopted often in government initiatives, but this would be a poor start for a valuable social endeavour. RSPs have traditionally by-passed rather than take on entrenched rural elites and that is sensible. However, the clout that they possess being partly government organisations can be put to good use in running interference where needed to ensure LSO democratic governance and accountability mechanisms are in place.

Another problem is lack of an effective communications strategy, as part of the exit strategy, since perceptions in such social endeavours can create reality. We sensed a high level of dissatisfaction at the grassroots level with the board, executive body, and general body and much of this could be attributed to a lack of awareness. The concept of an executive body that is distinct from the management committee is a sophisticated one even for the NGO sector in urban areas. However, given the much greater level of sophistication, this practice has been understood and is now entrenched in that sector. A much more effective communications strategy will be needed in rural areas to attain a similar comfort level at the rural grassroots level. However, RSPs will also need an inward communications strategy. While RSPN and the top RSP leadership are fully on board with the exit strategy being implemented, there is a lack of complete buy-in lower down the hierarchy among those actually charged with implementing the strategy.

One manifestation of this disconnect is the reluctance to gracefully bow out. RSPs continue to be perceived by communities as the weighty partner. Until the community perceives the baton to have been transferred, they will continue to look towards RSPs and a dependence mentality is the antidote of a participatory approach that the RSPs have worked so hard to cultivate. In some cases, this will mean withdrawing from spaces that the LSO has the competence to take over. We found that in Punjab and Haripur, parallel RSP programmes, such as in micro-credit, actually competing and infringing on LSO space. RSPs need to concede space so that the LSOs are centre stage in community perception and reality.

Timing of course will be of the essence and this is an art and not a science. Some internal maturity indicators can help, but this decision can never be mechanical. Wrong decisions are inevitable, and are something to learn from. But the extremes of pre-mature abandonment or an unwillingness to concede space should be avoided. Also, institutionalising follow-up and capacity building once space has been conceded will still be needed.



As we indicated in the text, in an ideal complementary relationship, the activities the LSOs can take over entirely are: social mobilisation – once they acquire the basic insights they are able to do it better than the RSPs; CO-household level activities; project identification/planning/proposal writing; selective training; establishing external linkages. However, RSP financial support, training, external linkage facilitation, and coordination for participation in central workshops are areas where the RSPs will need to continue engaging.

Our fieldwork demonstrated a wide diversity, complexity, and richness in grassroots institutions. In keeping with our recommendation for establishing firm foundations for LSOs, RSPs may need to be more sensitive to the latent and active social capital that already exists in communities and build on that rather than have one common approach to institution construction. This would be more in keeping with the essence of the participatory approach that the RSPs have instituted with considerable success.

As the RSPs make clear, for projects participation means involvement in all aspects from needs assessment, conception, to maintenance. In cases where there is a disengagement of the executive committee with projects and they were contracted out, participation cannot have been achieved. Local participation and ownership would require a full engagement with all stages of the project including implementation and monitoring. We were surprised to come across projects in which the communities even questioned the site.

The RSPs also need to make clear to the LSO leadership that the onus of attaining full participation is on them. To turn around and blame communities for desultory participation is simply to demonstrate a lack of understanding of the process they are engaged in. We do not view a paid rather than a voluntary managerial staff as the problem per se. RSP staff is paid and yet also have the privilege of working for organisations that do good. Why should this be any different for LSO managerial staff working in very remote locations in difficult conditions? They too have the privilege of working with and for their own communities but the incentives need to be right. To not recognise this reality is to set the organisations up for high turnover and without the active labour market that now exists for the broader development NGO sector, turnover imposes a very high cost.

The main issue will be establishing a sustained revenue stream (possibly in part forthcoming from an endowment fund). The communities currently are too poor for a “pay for service” model to work. Ultimately, the LSOs are delivering services that the state should (constitutionally and as citizen rights) but does not have the capacity to. The systematic destruction of the local government system and the resulting administrative vacuum this created, as evident during the floods of summer 2010, is a vivid illustration of the familiar adage, ‘cutting off ones nose to spite one’s face.’ In addition, a new dimension of institutional sustainability is highlighted in that LSOs are perceived to be apolitical and, therefore, not vulnerable to political manipulation. Essentially, the state needs to view the LSOs as complementing them, but it must provide the revenue stream for capacity building and service delivery. Even as higher level RSP leadership continues to advocate for this, building the infrastructure of sustainable, apex organisations at the grassroots level needs to continue to persuade the state that effective organisations *of* the people can be partners in rural development. An example of partnership is the UC Poverty Reduction Programme in which the state is funding COs and their agglomeration into VOs. Donors may

need to provide the stop-gap financing until the political process resolves the issue of local government, which is currently in limbo in Pakistan.

An effective interface with government is another key area for RSPs to focus on. While respondents expressed satisfaction with the pace of linkages being established with other sectors (donors, development NGOs, private sector), they noted a lack of interface with the government line departments. This process needs to be institutionalised so that LSOs can tap into what is available -- naming and shaming could be among the arsenal of tools available to them. As earlier indicated, service delivery is primarily the responsibility of government. Organised communities will make the reception of these services more effective, but some pump-priming may also be needed to get them flowing.



**Annex 1: Survey Instruments**

*Target group questionnaire*

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*For office use only*

**Name of LSO** \_\_\_\_\_

# Questionnaire

## LSO Assessment: Target group

By

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## Questionnaire for the Target Group

## Introduction:

<p><i>Name of Village/Mohallah</i></p> <p>_____</p> <p><i>Tehsil:</i> _____</p> <p><i>District:</i> _____</p> <p><i>Name of Respondent:</i> _____</p> <p><i>Age:</i> _____ completed years</p> <p><i>Sex:</i> Male _____ Female _____</p> <p>_____</p> <p>Size of household (Nos)</p> <p>Adults &gt; (16 )</p> <p>Children &lt; or = 16</p>	<p><b>Name</b> _____ <b>of</b> _____ <b>Researcher:</b></p> <p><b>Date of interview:</b> _____ / _____ / 2009</p> <p><b>Time of interview Started:</b> <table style="display: inline-table; border-collapse: collapse;"><tr><td style="border: 1px solid black; width: 20px; text-align: center;">Hours</td><td style="border: 1px solid black; width: 20px; text-align: center;">:</td><td style="border: 1px solid black; width: 20px; text-align: center;">Minutes</td><td style="border: 1px solid black; width: 20px;"></td></tr></table></p> <p><b>Time of interview Completed:</b> <table style="display: inline-table; border-collapse: collapse;"><tr><td style="border: 1px solid black; width: 20px;"></td><td style="border: 1px solid black; width: 20px;"></td><td style="border: 1px solid black; width: 20px;"></td><td style="border: 1px solid black; width: 20px;"></td></tr></table></p>	Hours	:	Minutes					
Hours	:	Minutes							
<p><b>Data entry operator(DEO):</b> Name: _____ Code: <table style="display: inline-table; border-collapse: collapse;"><tr><td style="border: 1px solid black; width: 20px;"></td><td style="border: 1px solid black; width: 20px;"></td></tr></table> Date: _____ / _____ / 2009</p>									

<b>Section A: Social capital stock (the focus here is on assessing the stock of social capital that existed in the village before the RSPs and other NGO initiatives. We want to find out about traditional authority systems, institutions, norms and attitudes towards collective action).</b>		
<b>Qno.</b>	<b>Questions</b>	<b>Responses</b>
<b><i>Institutions of authority</i></b>		
A1	a) What were the primary positions of leadership ( <i>riwayati sarbara, sarpanjh</i> ) in your village in the past	1. Nambardar 2. Patidar 3. Zaildar 4. Nawab 5. Khan 6. Malik 7. Any others
	b) How did leaders occupy these positions?	1. Elected 2. Appointed 3. Hereditary 4. Rotation 7. Other (Specify)___
	c) What functions did they perform?	1. Social welfare work 2. Development work 3. Conducted panchayats, jirgas 7. Any other
A2	a) Are these leaders still influential?	1. Yes (Go to A3) 2. No
	b) If no, why not (open question)?	
<b><i>Role of social institutions. PLEASE INCLUDE OLD/TRADITIONAL INSTITUTIONS NOT NEW ONES</i></b>		
A3	What institutions in the village worked for the development and welfare of local community ( <i>falaho behbud</i> )? (open question)	
A4	a) Do these institutions continue to exist?	1. Yes 2. No (Go to A5)
	b) Do these institutions continue to promote development and welfare of villagers (the poor, women, poor women)?	1. Yes 2. No
	c) If no, why not (open question)?	
<b><i>Social cohesion</i></b>		
A5	Do events or functions in the village act to create a sense of community spirit ( <i>yakjehti</i> )?	1. Yes 2. No (Go to A7)



**Section A: Social capital stock (the focus here is on assessing the stock of social capital that existed in the village before the RSPs and other NGO initiatives. We want to find out about traditional authority systems, institutions, norms and attitudes towards collective action).**

<b>Qno.</b>	<b>Questions</b>	<b>Responses</b>
A6	Name of event or function	1. Wedding 2. Funeral 3. Khatum 4. Eid 5. Friday prayers 6. Mela 7. Other (Specify)
<b><i>Mutual aid</i></b>		
A7	Have you ever received assistance from fellow-villagers in a time of need over the past year?	1. Yes 2. No (Go to A10)
A8	What type of assistance did you receive?	1. Agricultural labour 2. Construction labour 3. Construction materials 4. Cleaning/repair of irrigation channels 5. Food provision 6. Livestock/draught animals 7. Seed 8. Agricultural implements 9. cash 11. clothes 12. household items 77. Any other.....
A9	What is your relationship to those to whom you received assistance from?	1. Patrilineal relative 2. Matrilineal relative 3. Neighbour 4. Friend 5. Fellow member of an organisation 77. Any other
<b><i>Household participation in collective action</i></b>		
A10	Apart from being a CO member, are you or any other household member a member of any local (non-RSP related organisation - tanzeem, religious trust, charity, committee, community-based organisation (CBO))?	1. Yes 2. No (Go to A14)
A11	Are women of the household members of any local organisation?	1. Yes 2. No (Go to A14)
A12	If either is yes, please describe these organisations (open question referring to both A10 and A11. LSOs and RSPs NOT to be mentioned here)	
A13	What is the nature of activities carried out by the organisations of which you are a member (both men and women's)	1. Natural resource management (water, agri/livestock/forests) 2. Social sector activities (health, education) 3. Infrastructure (roads, irrigation channels, land reclamation) 4. Community defence/security

<b>Section A: Social capital stock (the focus here is on assessing the stock of social capital that existed in the village before the RSPs and other NGO initiatives. We want to find out about traditional authority systems, institutions, norms and attitudes towards collective action).</b>		
<b>Qno.</b>	<b>Questions</b>	<b>Responses</b>
		5. support to poorest 6. support to women 7. income generation 8 savings generation 9. small loaning activities from own savings 10. fostering linkages 11. awareness raising 12. micro credit from RSP or other organisations 77. Other (specify)_____
<b><i>Laws and their impact</i></b>		
A14	a) What laws was your village governed by in the past?	1. Statutory law (qanoon) 2. Customary law (riwaj) 3. Mixed
	b) If mixed, please explain (open question).	
A15	Please rank them in order of importance if both 1 and 2 circled in A14 (1 = most important, 3 = least important). Don't know is NOT acceptable.	
A16	Which institution upheld this law?	1. Panchayats 2. Jirgas 3. Civil courts 77. Any other(s)
A17	a) Did this institution perform any other functions?	1. Yes 2. No
	b) If yes, specify	1. Promoting village harmony 2. Development 3. Social work 77. Any other
	c) Is this institution still functional?	1. Yes (Go to B1) 2. No
	d) Explain why not	

<b>Section B: Institutional assessment: Process and input achievements</b>		
<b>Process achievements</b>		
<i>Procedures/systems</i>		
B1	a) How is the LSO ( <i>dehi tariqati</i> ) Executive Committee selected (if by election, ask if by secret ballot, show of hands, consensus)?	1. Election 2. Nomination by influentials 3. Community selection 77. Others [Specify]
	b) How is the LSO General Body selected (if by election, ask if by secret ballot, show of hands, consensus)?	1. Election 3. Nomination by influentials 4. Community selection 77. Others [Specify]
B2	a) How is the VO/VDO ( <i>dehi tariqati</i> ) Executive Committee selected (if by election, ask if by secret ballot, show of hands, consensus)?	1. Election 2. Nomination by influentials 3. Community selection 77. Others [Specify]
	b) How is the VDO General Body selected (if by election, ask if by secret ballot, show of hands, consensus)?	1. Election 2. Nomination by influentials 3. Community selection 77. Others [Specify]
B3	a) How often does the LSO executive committee meet?	1. Monthly 2. Quarterly 3. Six monthly 4. Annually 5. Irregular
	b) How often does the LSO general body meet?	1. Monthly 2. Quarterly 3. Six monthly 4. Annually 5. Irregular
	c) How often does the VDO/VO executive committee meet?	1. Monthly 2. Quarterly 3. Six monthly 4. Annually 5. Irregular
	d) How often does the VO/VDO general body meet?	1. Monthly 2. Quarterly 3. Six monthly 4. Annually 5. Irregular



B4	a) Does the LSO maintain a record of the meetings?	1. Yes 2. No
	b) Does the VDO/VO maintain a record of the meetings?	1. Yes 2. No
B5	a) Are the LSO accounts audited?	1. Yes 2. No
	b) If yes, how is the auditing done?	1. Internal 2. External
	a) Are the VDO/VO accounts audited?	1. Yes 2. No
	b) Is yes, how is the auditing done?	1. Internal 2. External
B6	a) Are the LSO/VDO executive committee and general body members mostly from a few influential families?	1. Yes 2. No (Go to B7)
	b) If yes, why?	
<b>Inputs</b>		
B7	a) Has the pace of social mobilisation ( <i>samajhi tehreek</i> ) picked up since the LSOs/VDOs were formed in relation to COs?	1. Yes 2. No (Go to B8)
	b) What form has this taken?	1. formation of new male COs, 2. reactivation of dormant COs 3. formation of new female COs? 4. any other?
B8	a) Have COs become more active ( <i>fahal</i> ) since the LSO was formed?	1. Yes 2. No (Go to B9)
	b) If yes, please explain how	
B9	a) Is the LSO/VDO management structure gender balanced?	1. Yes 2. No
	b) What is the distribution for males/females (please indicate as a ratio in percentage terms):  LSO Executive Committee: LSO General Body:  VDO Executive Committee: VDO General Body:	

B10	a) Has the LSO/VDO established any links ( <i>rabta</i> ) with external agencies ( <i>idaras</i> ) (in relation to funding, policy support, and projects)?	1. Yes 2. No (Go to B12)
	b) How was this done? Please explain the process.	
B11	Please name the agencies	1. Federal agencies 2. Provincial line departments 3. Donor agencies 4. Commercial banks 5. Private sector 6. NGOs 7. INGOs 77. Any other (Please specify)
B12	Have women's issues been specifically discussed at LSO meetings?	1. Yes 2. No (Go to B13)
	c) What are these issues?	
	d. Do you think women's issues should be discussed separately at meetings dedicated solely to women's issues?	1. Yes 2. No (Go to B13)
B13	Are the LSO/VDO leaders/volunteers/staff well-trained?	1. Yes 2. No
B14	a) Are the LSO/VDO leaders/volunteers/staff easily accessible?	1. Yes 2. No
	b) Do you have confidence in them?	1. Yes 2. No
B15	What functions/activities has the LSO/VDO carried out ( <b>The enumerator should explain to the respondent upfront that the LSO/VDOs work at 3 levels. For each level he/she should identify 3-4 activities that will make each level of responsibility clear to the respondent). DON'T indicate demands.</b> )	
	a) At the household level the LSO/VDO is responsible for:	1. CO Formation 2. Savings 3. Human skills training 4. CMST selection 5. Micro investment plan (MIP) 6. Internal lending 7. Poverty profile implementation 8. Support poorest households 77. Any other (please specify)

	b) At the village level the LSO/VDO is responsible for:	<ol style="list-style-type: none"> <li>1. Monitoring CO maturity</li> <li>2. CO strengthening and support</li> <li>3. Help in MIP to CO</li> <li>4. VO Plan of Development</li> <li>5. Linkages and coordination between CO &amp; LSO</li> <li>6. Transparent management system</li> <li>7. Reconciliation committees Welfare activities.</li> <li>8. Undertaking infrastructure projects</li> <li>9. Support to poorest households</li> <li>10. Supporting inclusion of women and poorest in COs</li> <li>11. Human skills development</li> <li>12. Links with market/bazaar for inputs/output</li> <li>77. Any other (please specify)</li> </ol>
	c) At the UC level, LSO is responsible for:	<ol style="list-style-type: none"> <li>1. Mobilisation of ideas/resources through linkage with Departments, Donors, Local Government and</li> <li>2. Other Development Agencies.</li> <li>3. Poverty Profile of Union</li> <li>4. Audit of COs/VOs</li> <li>5. Information Dissemination to VOs/COs</li> <li>6. Development Planning at Union level</li> <li>7. Advocacy of Human Rights</li> <li>8. Supporting education, especially for women and Poor</li> <li>9. linkages with market/bazaar for inputs/outputs</li> <li>10. coordination between VDOs</li> <li>11. linking with other local civil society organisations</li> <li>12. more links with UC Chairperson/Nazim</li> <li>77. Any other (please specify)</li> </ol>
B16	a) Does the LSO manage its projects/activities itself,	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
	b) If no who manages them (donor-employed contractors, LSO-employed contractors)?	
	c) What is the LSO's role in these projects (supervision, monitoring)?	
	d) Does the VDO/VO manage its projects/activities itself,	<ol style="list-style-type: none"> <li>3. Yes (Go to B17)</li> <li>4. No</li> </ol>
	e) If no who manages them (donor-employed contractors, VDO/VO-employed contractors)?	
	f) What is the VDO/VO's role in these projects (supervision, monitoring)?	



B17	a) Rate management of LSO projects/activities from 1-5, where 1 is very well-managed and 5 is poorly managed?	
	b) Explain your rating?	
	c) Rate management of VDO/VO projects/activities from 1-5, where 1 is very well-managed and 5 is poorly managed?	
	c) Explain your rating?	
B18	What has been the most important decision made by the LSO since its formation? If no decision go to B20?	
B19	Thinking about this decision, did any of the following take place?	
	<b>Details</b>	<b>Yes</b>
		<b>No</b>
	a. Prior dissemination of information	1
	b. Consultation with COs/VDOs	1
	c. Widespread debate, opposing opinions, and frank discussion	1
	d. Dissemination of results	1
B20	Has LSO dependence on the RSPs reduced over time?	1. Yes 2. No
B21	If yes, how?	
B22	If not, why not?	
B23	Have CO members contributed to LSO managed projects (or projects implemented by member VDOs)	1. Yes 2. No (Go to B25)

B24	What is the nature of the contributions by CO members?	<ol style="list-style-type: none"> <li>1. Cash</li> <li>2. Labor</li> <li>3. Materials/in kind</li> <li>77. Any other (specify)</li> </ol>
B25	Has the LSO secured any funding which it lends to COs as credit?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to B28)</li> </ol>
B26	a) Who provided these funds?	<ol style="list-style-type: none"> <li>1. Banks</li> <li>2. Donors</li> <li>3. government</li> <li>4. PPAF</li> <li>5. RSPN</li> <li>6. RSPs</li> <li>77 Any others (please specify)</li> </ol>
	b) Do you have access to this credit?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
	c) If not, why not?	
	d) Do women have access to this credit?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Don't know</li> </ol>
B27	How is this credit used?	<ol style="list-style-type: none"> <li>1. For livestock</li> <li>2. for agriculture</li> <li>3. for small enterprises/small businesses</li> <li>4. health/education</li> <li>5. emergency needs</li> <li>77. Any other</li> </ol>
B28	a) Has the LSO or member VDOs or member COs organised a savings scheme?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to B31)</li> </ol>
	b) Please explain how this scheme is set up?	
B29	How much money has your CO contributed to this scheme?	
B30	a) How are the member's savings in your CO used?	<ol style="list-style-type: none"> <li>1. used for cost sharing in infrastructure projects (roads, channels)</li> <li>2. used for social projects (school, health centre, water supply)</li> <li>3. Internal lending for household income generation</li> <li>4. kept in bank</li> <li>5. used for support to the poorest</li> <li>77 Any other (please specify)</li> </ol>
	b) Can women utilise these savings?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
	c) Are these savings utilised for internal lending?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to B31)</li> </ol>
	d) Do women have access to these loans?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>

B31	Keeping all the above factors in mind, please rank the LSO's effectiveness on a scale of 1-5 (1 most effective, 5 least effective)	<ul style="list-style-type: none"> <li>1 most effective</li> <li>2</li> <li>3</li> <li>4</li> <li>5 least effective</li> </ul>
B32	State why you think it is effective, if ranked 1 or 2	<ul style="list-style-type: none"> <li>1. Held in trust by the community</li> <li>2. Promotes community solidarity</li> <li>3. High interaction with the community</li> <li>4. Ensures equal sharing of benefits</li> <li>5. Apolitical</li> <li>6. Strong leadership</li> <li>7. Ignores economic, class and ethnic differences</li> <li>8. Strong mobilisation skills</li> <li>9. created links with other organisations</li> <li>77. Any other (please specify)</li> </ul>
B33	a) State why you think it is ineffective, if ranked 4-5	<ul style="list-style-type: none"> <li>1. Not held in trust by the community</li> <li>2. Creates community divisiveness</li> <li>3. Low interaction with the community</li> <li>4. Benefits not equally shared</li> <li>5. Political</li> <li>6. Weak leadership</li> <li>7. Gives importance to economic, class and ethnic differences</li> <li>8. Weak mobilisation skills</li> <li>9. no links created with other organisations</li> <li>77. Any other (please specify)</li> </ul>
	b) What should be done to make the LSO more effective? (There should be 1-3 suggestions. Avoid mentioning demands. Also general suggestions like "more money" should be avoided. Be more specific.)	



Section C: Perception of outcomes/benefits		
At the household/CO level		
C1	a) Has the LSO contributed to an increase in household income?	1. Yes 2. No
	b) If yes, please explain how (by creating new COs, providing them credit, developing skills through training etc.)?	
C2	a) Has the LSO contributed to an increase in women's income?	
	b) If yes, please explain how (providing animals to widows, developing skills through training etc.)?	
	c) Has the social well being of women and their children improved (health, nutrition, education)	1. Yes 2. No
C3	Has the LSO contributed to an increase in your assets	1. Yes 2. No (Go to C5)
C4	Please explain (what type of assets?). <b>(Often the outcome may be indirect. The enumerator may need to probe a little. For instance, ask the respondent how much of the wheat or cotton crop he has saved and how this saving is utilised)?</b>	1. New rooms 2. House improvement 3. Utilities (drainage, sanitary) 4. Durables (TV, VCR, DVD other electronics) 5. Car, motorcycle 6. Land purchase 7. Any other (please specify)
C5	Do women have more decision making powers in personal and household matters?	1. Yes 2. No (Go to C7)
C6	Specify in what way. Could you please explain what, specifically, has contributed to their empowerment?	1. Expenditure (livelihood, household related) 2. Loan (decision, return, control) 3. Income generation 4. Family planning 5. Child rearing (education, health, nutrition) 6. Mobility (market, socialising, work, school, health centre) 7. Equality with men (community decisions, household violence, expenditure decisions) 7. Any other

Union council/LSO level		
C7	What kind of projects/activities/services have been undertaken since the LSO was established ( <b>this has been asked before but is a way of cross-checking</b> )?	<ol style="list-style-type: none"> <li>1. Boys School</li> <li>2. Girls school</li> <li>3. Mixed school</li> <li>4. Drinking water supply scheme</li> <li>5. Sewerage</li> <li>6. Drainage</li> <li>7. Irrigation scheme (lining water course/ desiltation)</li> <li>8. Communications/ roads</li> <li>9. NRM (Natural Resource Management) Projects</li> <li>10. Agricultural machinery</li> <li>11. Gas pipeline</li> <li>12. Environment Project</li> <li>13. Establishing sloping agricultural land models</li> <li>14. Fuel efficient stoves</li> <li>15. Improvement of pasture lands</li> <li>16. Vegetation/ Check damming</li> <li>17. Forest sector development</li> <li>18. Solar systems (lighting, irrigation)</li> <li>19. School nutrition project</li> <li>20. Literacy programme</li> <li>21. Health camps/ immunisation</li> <li>22. Family planning</li> <li>23. Primary health</li> <li>24. Toilets</li> <li>25. Provision of small loans from LSO revolving fund</li> <li>77 Others [specify]</li> </ol>
C8	a) Are some of these projects/activities/services aimed at the poorest?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
	b) Which are these projects/activities/services?	
	c) Are some of these projects/activities/services aimed at women?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to C9)</li> </ol>
	d) Which are these projects/activities/services?	
C9	Has a system of grants/scholarships been set up for the deserving (poor, female children) since the LSO was established?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
C10	a) Has the LSO brought about increased social awareness?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to C11)</li> </ol>
	b) Please explain	<ol style="list-style-type: none"> <li>1. Increased social cohesion</li> <li>2. Women's rights and contributions</li> <li>3. Sanitation</li> <li>4. Health and hygiene</li> <li>77. Any others (please specify)</li> </ol>

C11	a) Has LSO been successful in establishing an endowment fund (this is a fund which is kept in a bank and the interest from it is used for various activities)?	1. Yes 2. No (Go to C12)
	b) If yes, how much and from where?	
	c) What is the endowment fund used for?	1. Women's welfare 2. Welfare of the poorest 3. Capacity building 4. Projects 5. Providing small loans 6. Operational expense 7. Any others (please specify).....
C12	Has the establishment of the LSO increased confidence and visibility of the COs (has it strengthened them)?	1. Yes 2. No
C13	Has the LSO been successful in getting services from the government (including local government), and other agencies for the benefit of communities?	1. Yes 2. No (Go to C15)
C14	If yes, please explain what kind of services (the broad categories are infrastructure, utilities and social – schools, health facilities)	
<b>Human development</b>		
<i>List all household children up to age 16</i>		
C15	Education	
	Age	Years of schooling attained
	1.	
	2.	
	3.	
	4.	
	5.	
	6.	
	7.	
	8.	
	9.	
	10.	
<i>Rate child health from 1-5, with 1 being 'very good' and 5 'very poor.'</i>		



C16	Child health
	1. =
	2. =
	3. =
	4. =
	5. =
	6. =
	7. =
	8. =
	9. =
	10. =

*Control group questionnaire*

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*For office use only*

**Union Council =**

## **Questionnaire**

### **LSO Assessment: Control group (UC with RSPs but no LSOs)**

**By**

**Shaheen Rafi Khan and Shahrukh Rafi Khan  
No 29, Street 19, Sector F6/2  
Islamabad.  
Tel: (92-51) 2823443  
Email: srafi7@gmail.com**

## Questionnaire for the Control Group

### Introduction:

<p><i>Name of Village/Mohallah</i></p> <p>_____</p> <p><i>Tehsil:</i> _____</p> <p><i>District:</i> _____</p> <p><i>Name of Respondent:</i> _____</p> <p><i>Age:</i> _____ completed years</p> <p><i>Sex:</i> Male _____ Female _____</p> <p>_____</p> <p>Size of household (Nos)</p> <p>Adults &gt; (16 )</p> <p>Children &lt; or = 16</p>	<p style="text-align: center;"><b>Name                    of                    Researcher:</b></p> <p>_____</p> <p><b>Date of interview:</b>        ____/____/2009</p> <p><b>Time of interview Started:</b></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center; font-size: small;">Hours</td> <td style="text-align: center; font-size: small;">Minutes</td> </tr> <tr> <td style="text-align: center;"> <input style="width: 20px; height: 20px;" type="text"/> : <input style="width: 20px; height: 20px;" type="text"/> </td> <td style="text-align: center;"> <input style="width: 20px; height: 20px;" type="text"/> : <input style="width: 20px; height: 20px;" type="text"/> </td> </tr> </table> <p><i>Time of interview Completed:</i></p>	Hours	Minutes	<input style="width: 20px; height: 20px;" type="text"/> : <input style="width: 20px; height: 20px;" type="text"/>	<input style="width: 20px; height: 20px;" type="text"/> : <input style="width: 20px; height: 20px;" type="text"/>
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<p><b>Data entry operator(DEO):</b> Name: _____ Code: <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> Date: ____/____/2009</p>					



<b>Section A: Social capital stock (the focus here is on assessing the stock of social capital that existed in the village before the RSPs and other NGO initiatives. We want to find out about traditional authority systems, institutions, norms and attitudes towards collective action).</b>		
<b>Qno.</b>	<b>Questions</b>	<b>Responses</b>
<i>Institutions of authority</i>		
A1	a) What were the primary positions of leadership ( <i>riwayati sarbara, sarpanjh</i> ) in your village in the past	1. Nambardar 2. Patidar 3. Zaildar 4. Nawab 5. Khan 6. Malik 77. Any others
	b) How did leaders occupy these positions?	1. Elected 2. Appointed 3. Hereditary 4. Rotation 77. Other (Specify)_____
	c) What functions did they perform?	1. Social welfare work 2. Development work 3. Conducted panchayats, jirgas 77. Any other
A2	a) Are these leaders still influential?	1. Yes 2. No (Go to A3)
	b) Why not (open question)?	
<b>Role of social institutions. PLEASE INCLUDE OLD/TRADITIONAL INSTITUTIONS NOT NEW ONES</b>		
A3	What institutions in the village worked for the development and welfare of local community ( <i>falaho behbud</i> )? (open question)	
A4	a) Do these institutions continue to exist?	1. Yes 2. No (Go to A5)
	b) Do these institutions continue to promote development and welfare of villagers (the poor, women, poor women)?	1. Yes (Go to A5) 2. No
	e) If no, why not?	

<b>Social cohesion</b>		
A5	Do events or functions in the village act to create a sense of community spirit ( <i>yakjehti</i> )?	1. Yes 2. No (Go to A7)
A6	Name of event or function	1. Wedding 2. Funeral 3. Khatum 4. Eid 5. Friday prayers 6. Mela 7. Other (Specify)
<b>Mutual aid</b>		
A7	Have you ever received assistance from fellow-villagers in a time of need over the past year?	1. Yes 2. No (Go to A10)
A8	What type of assistance did you receive?	1. Agricultural labor 2. Construction labor 3. Construction materials 4. Cleaning/repair of irrigation channels 5. Food provision 6. Livestock/draught animals 7. Seed 8. Agricultural implements 9. Cash 11. Clothes 12. Household items 77. Any other.....
A9	What is your relationship to those whom you received assistance from?	1. Patrilineal relative 2. Matrilineal relative 3. Neighbour 4. Friend 5. Fellow member of an organisation 77. Any other
<b>Household participation in collective action</b>		
A10	Apart from being a CO member are you or any other household member a member of any local (non-RSP related organisation - tanzeem, religious trust, charity, committee, CBO)	1. Yes 2. No
A11	Are women of the household members of any local organisation?	1. Yes 2. No (Go to A15)
A12	If either is yes, please describe these organisations? (open question referring to both A10 and A11. LSOs and RSPs NOT to be mentioned here)?	
A13	What is the nature of activities carried out by the organisations of which you are a member (both men and women)	1. Natural resource management (water, agri/livestock/forests) 2. Social sector activities (health, education) 3. Infrastructure (roads, irrigation channels, land reclamation) 4. Community defence/security 5. Support to poorest 6. Support to women

		7. Income generation 8. Savings generation 9. Small loaning activities from own savings 10. Fostering linkages 11. Awareness raising 12. Micro credit from RSP or other organisations 77. Other (specify) _____
<b>Laws and their impact</b>		
A14	a) What laws was your village governed by in the past?	1. Statutory law (qanoon) 2. Customary law (riwaj) 3. Mixed
	b) If mixed, please explain	
A15	Please rank them in order of importance if both 1 and 2 circled in A14 (1 = most important, 3 = least important). Don't know is NOT acceptable.	
A16	Which institution upheld this law?	1. Panchayats 2. Jirgas 3. Civil courts 77. Any other(s) _____
A17	a) Were there functions other than upholding and implementing the law?	1. Yes 2. No (Go to B1)
	b) If yes, specify	1. Promoting village harmony 2. Development 3. Social work 77. Any other _____
	c) Is this institution still functional?	1. Yes 2. No
	f) Explain why not	



<b>Section B: Institutional assessment: Process and input achievements</b>		
<b>Process achievements</b>		
B1	a) Has the RSP established any links ( <i>rabta</i> ) with external agencies ( <i>idaras</i> ) (in relation to funding, policy support, and projects)?	1. Yes 2. No (Go to B3)
	d) How was this done? Please explain the process.	
B2	Please name the agencies	1. Federal agencies 2. Provincial line departments 3. Donor agencies 4. Commercial banks 5. Private sector 6. NGOs 7. Any other (Please specify)
B3	Are the RSP leaders/volunteers/staff well-trained?	1. Yes 2. No
B4	a) Are the RSP leaders/volunteers/staff easily accessible?	1. Yes 2. No
	b) Do you have confidence in them?	1. Yes 2. No
B5	<b>What functions/activities has the RSP carried out (The enumerator should explain to the respondent upfront that the RSPs work at 3 levels. For each level he/she should identify 3-4 activities that will make each level of responsibility clear to the respondent). DON'T indicate demands.</b>	
	a) At the CO level the RSP is responsible for:	1. CO Formation 2. Savings 3. Human skills training 4. CMST selection 5. Micro investment plan (MIP) 6. Internal lending 7. Poverty profile implementation 8. Support poorest households 7. Any other (please specify)
	b) At the village level the RSP is responsible for:	1. Monitoring CO maturity 2. CO strengthening and support 3. Help in MIP to CO 4. VO Plan of Development 5. Linkages and coordination between CO & LSO 6. Transparent management system 7. Reconciliation committees Welfare activities. 8. Undertaking infrastructure projects 9. Support to poorest households 10. Supporting inclusion of women and poorest in COs 11. Human skills development 12. Links with market/bazaar for inputs/output 7. Any other (please specify)

	c) At the UC level, the RSP is responsible for:	13. Mobilisation of ideas/resources through linkage with Departments, Donors, Local Government and 14. Other Development Agencies. 15. Poverty Profile of Union 16. Audit of COs/VOs 17. Information Dissemination to VOs/COs 18. Development Planning at Union level 19. Advocacy of Human Rights 20. Supporting education, especially for women and Poor 21. Linkages with market/bazaar for inputs/outputs 22. Coordination between VDOs 23. Linking with other local civil society organisations 24. More links with UC Chairperson/Nazim 77. Any other (please specify)	
B6	a) Rate management of RSP projects/activities from 1-5, where 1 is very well-managed and 5 is poorly managed?		
	e) Explain your rating?		
B7	What has been the most important decision made by the RSP since its formation? If no decision go to B20?		
B8	Thinking about this decision, did any of the following take place?		
	<b>Details</b>	<b>Yes</b>	<b>No</b>
	a. Prior dissemination of information	1	2
	b. Consultation with COs	1	2
	c. Widespread debate, opposing opinions, and frank discussion	1	2
	d. Dissemination of results	1	2

B9	a) Has the RSP or VDO or CO organised a savings scheme?	1. Yes 2. No (Go to B12)
	b) Please explain how this scheme is set up?	
B10	How much money has your CO contributed to this scheme?	
B11	a) How are the member's savings in your CO used?	1. Used for cost sharing in infrastructure projects (roads, channels) 2. Used for social projects (school, health centre, water supply) 3. Internal lending for household income generation 4. Kept in bank 5. Used for support to the poorest 77 Any other (please specify)
	b) Can women utilise these savings?	1. Yes 2. No
	c) Are these savings utilised for internal lending?	1. Yes 2. No
	d) Do women have access to these loans?	1. Yes 2. No
B12	Keeping all the above factors in mind, please rank the RSPs effectiveness on a scale of 1-5 (1 most effective, 5 least effective)	1 most effective 2 3 4 5 least effective
B13	State why you think it is effective, if ranked 1 or 2	1. Held in trust by the community 2. Promotes community solidarity 3. High interaction with the community 4. Ensures equal sharing of benefits 5. Apolitical 6. Strong leadership 7. Ignores economic, class and ethnic differences 8. Strong mobilisation skills 9. Created links with other organisations 77. Any other (please specify)



B14	a) State why you think it is ineffective, if ranked 4-5	<ol style="list-style-type: none"> <li>1. Not held in trust by the community</li> <li>2. Creates community divisiveness</li> <li>3. Low interaction with the community</li> <li>4. Benefits not equally shared</li> <li>5. Political</li> <li>6. Weak leadership</li> <li>7. Gives importance to economic, class and ethnic differences</li> <li>8. Weak mobilisation skills</li> <li>9. No links created with other organisations</li> <li>77. Any other (please specify)</li> </ol>
	b) What should be done to make the RSP more effective? (There should be 1-3 suggestions. Avoid mentioning demands. Also general suggestions like “more money” should be avoided. Be more specific.)	

Section C: Perception of outcomes/benefits		
At the household/CO level		
C1	a) Has the RSP contributed to an increase in household income?	1. Yes 2. No
	b) If yes, please explain how (by creating new COs, providing them credit, developing skills through training etc.)?	
C2	a) Has the RSP contributed to an increase in women's income?	
	b) If yes, please explain how (providing animals to widows, developing skills through training etc.)?	
	c) Has the social well being of women and their children improved (health, nutrition, education)	1. Yes 2. No
C3	Has the RSP contributed to an increase in your assets	1. Yes 2. No (Go to C5)
C4	Please explain (what type of assets?). <b>(Often the outcome may be indirect. The enumerator may need to probe a little. For instance, ask the respondent how much of the wheat or cotton crop he has saved and how this saving is utilised)?</b>	1. New rooms 2. House improvement 3. Utilities (drainage, sanitary) 4. Durables (TV, VCR, DVD other electronics) 5. Car, motorcycle 6. Land purchase 7. Any other (please specify)
C5	Do women have more decision making powers in personal and household matters?	1. Yes 2. No (Go to C7)
C6	Specify in what way. Could you please explain what, specifically, has contributed to their empowerment?	1. Expenditure (livelihood, household related) 2. Loan (decision, return, control) 3. Income generation 4. Family planning 5. Child rearing (education, health, nutrition) 6. Mobility (market, socialising, work, school, health centre) 7. Equality with men (community decisions, household violence, expenditure decisions) 7. Any other

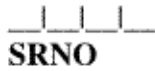
C7	What kind of projects/activities/services have been undertaken since the RSP was established ( <b>this has been asked before but is a way of cross-checking</b> )?	<ol style="list-style-type: none"> <li>1. Boys School</li> <li>2. Girls school</li> <li>3. Mixed school</li> <li>4. Drinking water supply scheme</li> <li>5. Sewerage</li> <li>6. Drainage</li> <li>7. Irrigation scheme (lining water course/ desiltation)</li> <li>8. Communications/ roads</li> <li>9. NRM (Natural Resource Management) Projects</li> <li>10. Agricultural machinery</li> <li>11. Gas pipeline</li> <li>12. Environment Project</li> <li>13. Establishing sloping agricultural land models</li> <li>14. Fuel efficient stoves</li> <li>15. Improvement of pasture lands</li> <li>16. Vegetation/ Check damming</li> <li>17. Forest sector development</li> <li>18. Solar systems (lighting, irrigation)</li> <li>19. School nutrition project</li> <li>20. Literacy programme</li> <li>21. Health camps/ immunisation</li> <li>22. Family planning</li> <li>23. Primary health</li> <li>24. Toilets</li> <li>25. Provision of small loans from LSO revolving fund</li> <li>77 Others [specify]</li> </ol>
C8	a) Are some of these projects/activities/services aimed at the poorest?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
	b) Which are these projects/activities/services?	
	c) Are some of these projects/activities/services aimed at women?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to C9)</li> </ol>
	d) Which are these projects/activities/services?	
C9	Has a system of grants/scholarships been set up for the deserving (poor, female children) since the RSP was established?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
C10	a) Has the RSP brought about increased social awareness?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to C11)</li> </ol>
	b) Please explain	<ol style="list-style-type: none"> <li>1. Increased social cohesion</li> <li>2. Women's rights and contributions</li> <li>3. Sanitation</li> <li>4. Health and hygiene</li> <li>77. Any others (please specify)</li> </ol>
C11	a) Has RSP been successful in establishing an endowment fund (this is a fund which is kept in a bank and the interest from it is used for various activities) ?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No (Go to C12)</li> </ol>



	b) If yes, how much and from where?																																		
	c) What is the endowment fund used for?	1. Women's welfare 2. Welfare of the poorest 3. Capacity building 4. Projects 5. Providing small loans 6. Operational expense 7. Any others (please specify)																																	
C12	Has the establishment of the RSP increased confidence and visibility of the VDOs/COs (has it strengthened them)?	1. Yes 2. No																																	
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*Target group FGD*

May 14, 2009

  
SRNO

## **FGD checklist: Target group**

### **Strictly Confidential**

This information is confidential and the names and addresses of the respondent will not be used for any purpose other than this RSPN Research Study. Names will not be linked to the information gathered and handled only by the project staff.

\_\_\_\_|\_\_\_\_|\_\_\_\_|\_\_\_\_

SRNO

<b>AREA</b>	
A1. Name of Union Council	____ ____
A2. Name of LSO	____ ____
A3. Type of LSO [M/ F/ Mix]	____ ____
<b>INTERVIEW</b>	
A4. Date	____ ____:____ ____:____ ____
A5. Name of interviewer	
A6. Interviewer's signature	



How do you define this Union Council? [Map, geographical boundaries, place names, and the following reference points; start with this community map as a warm-up exercise]		
On the map, where are the.....		Villages? Connecting roads? Major rivers? UC headquarters? Secondary school? Sources of water? Waste and garbage disposal sites?
Q1	UC topology	Plain ..... 1 Hilly ..... 2 Mixed ..... 3
Q2	Total arable land in UC	
Q3	Number of biradris in UC (by name)	
Q4	Number of sub castes (by name per biradri)	
Q5	UC literacy	
	Does the LSO (executive committee, general board) meet regularly as required?	Yes ..... 1 No [Go to Q7] ..... 2
Q6	Should the frequency with which the meetings are held be greater, less, or remain the same?	Greater ..... 1 Less ..... 2 The same ..... 3
Q7	What kind of trainings have the LSO members (general body, executive committee, professional staff) received and how often?	Community management skills training ..... 01 Leadership Management Skills Training ..... 02 Natural resources management training ..... 03 Financial management training ..... 04 Subject specialist workshops ..... 05 Enterprise development training ..... 06 Social sector training ..... 07 Occupational training ..... 08

		Activist workshop .....09 Exposure visits .....10 Functioning of CO .....11 Others [Specify] .....77
Q8	What has been the most important decision made by the LSO in the past year?	No decision [Go to Q10].....0 Decision : _____
Q9	Thinking about this decision, did any of the following take place?	
	<b>Details</b>	<b>Yes</b> <b>No</b>
	a. Prior dissemination of information	1          2
	b. Consultation with grassroots	1          2
	c. Widespread debate, opposing opinions, and frank discussion	1          2
	d. Dissemination of results	1          2
Q10	Has the LSO leadership ever changed?	Yes ..... 1 No.....2
Q11	If yes, why was the leadership changed?	Disability/ illness of social activist .....01 Death of social activist.....02 Bad behaviour of social activist.....03 Caste/ sub caste differences .....04 Political differences .....05 Social activist working for himself .....06 Community not satisfied with social activist.....07 NRSP not satisfied with social activist .....08 Others [Specify] .....77
Q12	If yes, through what process did the change come about?	Election ..... 1 Nomination by influentials Community selected it .....3 Others [Specify] .....7
Q13	Is there a mechanism to replace ineffective LSO officer holders?	Yes .....1 No [Go to Q15] .....2 Not applicable .....3

Q14	If yes, are you satisfied with this mechanism?	Yes ..... 1 No..... 2
Q15	Do you think there are enough people in the community to assume leadership if necessary?	Yes ..... 1 No..... 2
Q16	Are the leaders mostly from a few influential families?	Yes ..... 1 No..... 2
Q17	Is the LSO willing and able to deal with membership related problems such as non-attendance at meetings or rude behaviour?	Yes ..... 1 No..... 2
Q18	Has the LSO settled disputes among CO members or among CO members and non-members?	Yes ..... 1 No..... 2
Q19	If yes, please describe?	_____ _____ _____
Q20	Does the LSO have a pool of savings (either generated internally or funded by the RSPN)	
Q21	Has the LSO used its savings for internal lending?	Yes ..... 1 No (Go to Q26) ..... 2
Q22	If yes, what was the interest rate?	Interest rate _____ %
Q23	Was the lending restricted to CO members only?	Yes ..... 1 No..... 2
Q24	For serious cases of default on LSO loans do guidelines or rules exist to	Yes ..... 1 No..... 2



	expel the defaulter?	
Q25	If yes, what are these?	Social boycott ..... 1 Fine ..... 2 Expulsion ..... 3 Others ..... 7
Q26	In the last three years, has there been any funding provided for a project/ activity/ service other than micro credit?	By the RSPN or RSP (province appropriate) ..... <b>A</b> Has the LSO/VDO ever used collective savings for any project/ activity/ service? [Check LSO/VDO record for the relevant information] ..... <b>B</b> From the government (local, provincial, federal) ..... <b>C</b> Local or international NGO ..... <b>D</b> Donor agency ..... <b>E</b> Private sector ..... <b>F</b> Any other ..... <b>G</b>
Q27	If yes, which project/activity/service. <i>[Please categorise responses by A, B, C etc. depending on the donor. For instance, if RSPN has funded a boys school and a donor an NRM project, then in this column please write:</i>  <i>01 – A</i> <i>09 - E</i>	Boys School ..... 01 Girls school ..... 02 Mixed school ..... 03 Drinking water supply scheme ..... 04 Sewerage ..... 05 Drainage ..... 06 Irrigation scheme (lining water course/ desiltation) ..... 07 Communications/ roads ..... 08 NRM (Natural Resource Management) Projects ..... 09 Agricultural machinery ..... 10 Bio Gas ..... 11 Environment Project ..... 12 Establishing sloping agricultural land models ..... 13 Fuel efficient stoves ..... 14 Improvement of pasture lands ..... 15 Vegetation/ Check damming ..... 16 Forest sector development ..... 17

		Solar concentrator .....18 Solar powered light emitting diodes .....19 Solar pumps .....20 School nutrition project .....21 Feeding in school .....22 Literacy programme.....23 Health camps/ immunisation .....24 Family planning services .....25 Primary health.....26 Toilets .....27 Others [specify].....77
Q28	CO assessment of donor performance (1–5: 1 is best 5 is worst?). [Again the grading should be by donor and rank. For instance, A – 1 E – 4	
Q29	Best one if ranked 1 or 2 [Otherwise go to Q32]	
Q30	State why you think it was effective, if ranked 1 or 2	High community trust .....01 High community solidarity .....02 High level of participation in this community .....03 Benefits evenly shared in this community .....04 Community need for service great and all worked Together .....06 We are all similar and of the same biraderi/ sub caste and work well together .....07 Few political differences in this community so we work well together .....08 Rich and poor work well together in this community...09 We have excellent leadership that inspired us .....10 We have an excellent social activist that effectively mobilised us .....11 NRSP has a good reputation and there is a high level of trust in this organisation.....12 Other (Specify) .....77
Q31	If none ranked 1 or 2, why do you think this was the case?	Low community trust.....01 Low community solidarity .....02 People not willing to participate in anything here .....03 Influential get all the benefit.....04 Poor excluded .....05 We did not need service.....06 Too many biradaris/ sub castes in this community .....07 Too many political differences in this community .....08 Rich and poor can not work together here .....09

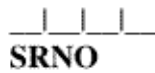
		Poor leadership ..... 10 Ineffective social activist who was unable to mobilise the community..... 11 People do not trust NGOs in this community ..... 12 Other (Specify) ..... 77
Q32	What was the total cost of the project?	Rs. _____
Q33	What was the contribution of the community?	Cash Rs. _____ Kind Rs. _____ Labor Rs. _____
Q35	Do you feel that that belonging to the CO has resulted in your having the power to change the course of your life?	Totally powerless ..... 1 Almost powerless..... 2 Somewhat powerless..... 3 Mostly powerful..... 4 Very powerful ..... 5
Q36	<b>SUGGESTIONS</b> What would you suggest for making the LSO more effective?	_____ _____ _____ _____

Interviewer's signature: \_\_\_\_\_



*Control group FGD*

May 14, 2009

  
SRNO

## **FGD checklist: Control group**

### **Strictly Confidential**

This information is confidential and the names and addresses of the respondent will not be used for any purpose other than this RSPN Research Study. Names will not be linked to the information gathered and handled only by the project staff.

\_\_\_\_\_  
 SRNO

<b>AREA</b>	
A1. Name of Union Council	_____
A2. Name of RSP	_____
<b>INTERVIEW</b>	
A3. Date	____:____:____
A4. Name of interviewer	
A5. Interviewer's signature	

How do you define this Union Council? [Map, geographical boundaries, place names, and the following reference points; start with this community map as a warm-up exercise]				
On the map, where are the.....		Villages? Connecting roads? Major rivers? UC headquarters? Secondary school? Sources of water? Waste and garbage disposal sites?		
Q1	UC topology	Plain .....	1	
		Hilly .....	2	
		Mixed .....	3	
Q2	Total arable land in UC			
Q3	Number of biradaris in UC (by name)			
Q4	Number of sub castes (by name per biradari)			
Q5	UC literacy			
Q6	What has been the most important decision made by the RSP in the past year?	No decision [Go to Q10].....0 Decision : _____		
Q7	Thinking about this decision, did any of the following take place?			
		<b>Details</b>	<b>Yes</b>	<b>No</b>
		a. Prior dissemination of information	1	2
		b. Consultation with grassroots	1	2
		c. Widespread debate, opposing opinions, and frank discussion	1	2
		d. Dissemination of results	1	2



Q8	Has the RSP settled disputes among CO members or among CO members and non-members?	Yes ..... 1 No..... 2
Q9	If yes, please describe?	_____ _____ _____
Q10	Has/did the RSP provided micro credit?	Yes ..... 1 No.... (Go to Q15)..... 2
Q11	If yes, what is/was the interest rate?	Interest rate _____ %
Q12	Is/was the lending restricted to CO members only?	Yes ..... 1 No..... 2
	For serious cases of default on RSP loans do/did guidelines or rules exist to expel the defaulter?	Yes ..... 1 No..... 2
Q13	If yes, what are/were these?	Social boycott ..... 1 Fine ..... 2 Expulsion ..... 3 Others..... 7
Q14	Why was micro credit programme discontinued?	
Q15	Has/did the RSP establish a savings scheme?	Yes ..... 1 No (Go to Q17) ..... 2
Q16	Is/were these savings used for internal lending?	
Q17	In the last three years, has there been any funding provided for a project/ activity/ service other than micro credit?	By the RSPN or RSP (province appropriate) ..... <b>A</b> From the government (local, provincial, federal)..... <b>C</b> Local or international NGO..... <b>D</b> Donor agency..... <b>E</b> Private sector..... <b>F</b> Any other..... <b>G</b>

Q18	<p>If yes, which project/activity/service.  <i>[Please categorise responses by A, B, C etc. depending on the donor. For instance, if RSPN has funded a boys school and a donor an NRM project, then in this column please write:</i></p> <p>01 – A  09 – E</p>	<table border="0"> <tr><td>Boys School .....</td><td>01</td></tr> <tr><td>Girls school .....</td><td>02</td></tr> <tr><td>Mixed school.....</td><td>03</td></tr> <tr><td>Drinking water supply scheme .....</td><td>04</td></tr> <tr><td>Sewerage.....</td><td>05</td></tr> <tr><td>Drainage.....</td><td>06</td></tr> <tr><td>Irrigation scheme (lining water course/ desiltation) .....</td><td>07</td></tr> <tr><td>Communications/ roads .....</td><td>08</td></tr> <tr><td>NRM (Natural Resource Management) Projects .....</td><td>09</td></tr> <tr><td>Agricultural machinery .....</td><td>10</td></tr> <tr><td>Bio Gas .....</td><td>11</td></tr> <tr><td>Environment Project .....</td><td>12</td></tr> <tr><td>Establishing sloping agricultural land models .....</td><td>13</td></tr> <tr><td>Fuel efficient stoves .....</td><td>14</td></tr> <tr><td>Improvement of pasture lands.....</td><td>15</td></tr> <tr><td>Vegetation/ Check damming .....</td><td>16</td></tr> <tr><td>Forest sector development .....</td><td>17</td></tr> <tr><td>Solar concentrator .....</td><td>18</td></tr> <tr><td>Solar powered light emitting diodes .....</td><td>19</td></tr> <tr><td>Solar pumps .....</td><td>20</td></tr> <tr><td>School nutrition project .....</td><td>21</td></tr> <tr><td>Feeding in school .....</td><td>22</td></tr> <tr><td>Literacy programme.....</td><td>23</td></tr> <tr><td>Health camps/ immunisation .....</td><td>24</td></tr> <tr><td>Family planning services .....</td><td>25</td></tr> <tr><td>Primary health.....</td><td>26</td></tr> <tr><td>Toilets .....</td><td>27</td></tr> <tr><td>Others [specify].....</td><td>77</td></tr> </table>	Boys School .....	01	Girls school .....	02	Mixed school.....	03	Drinking water supply scheme .....	04	Sewerage.....	05	Drainage.....	06	Irrigation scheme (lining water course/ desiltation) .....	07	Communications/ roads .....	08	NRM (Natural Resource Management) Projects .....	09	Agricultural machinery .....	10	Bio Gas .....	11	Environment Project .....	12	Establishing sloping agricultural land models .....	13	Fuel efficient stoves .....	14	Improvement of pasture lands.....	15	Vegetation/ Check damming .....	16	Forest sector development .....	17	Solar concentrator .....	18	Solar powered light emitting diodes .....	19	Solar pumps .....	20	School nutrition project .....	21	Feeding in school .....	22	Literacy programme.....	23	Health camps/ immunisation .....	24	Family planning services .....	25	Primary health.....	26	Toilets .....	27	Others [specify].....	77
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Q19	<p>CO assessment of donor performance (1–5: 1 is best, 5 is worst?). <i>[Again the grading should be by donor and rank. For instance,</i></p> <p>A – 2  E – 1</p>																																																									
Q20	<p>Best one if ranked 1 or 2?  [Otherwise go to Q23]</p>																																																									

Q21	State why you think it was effective, if ranked 1 or 2	High community trust .....01 High community solidarity .....02 High level of participation in this community .....03 Benefits evenly shared in this community .....04 Community need for service great and all worked Together .....06 We are all similar and of the same biradari/ sub caste and work well together .....07 Few political differences in this community so we work well together .....08 Rich and poor work well together in this community...09 We have excellent leadership that inspired us .....10 We have an excellent social activist that effectively mobilised us .....11 NRSP has a good reputation and there is a high level of trust in this organisation.....12 Other (Specify) .....77
Q22	If none ranked 1 or 2, why do you think this was the case?	Low community trust.....01 Low community solidarity .....02 People not willing to participate in anything here .....03 Influential get all the benefit.....04 Poor excluded .....05 We did not need service.....06 Too may biradaris/ sub castes in this community .....07 Too many political differences in this community .....08 Rich and poor can not work together here .....09 Poor leadership .....10 Ineffective social activist who was unable to mobilise the community.....11 People do not trust NGOs in this community .....12 Other (Specify) .....77
Q23	What was the total cost of the project?	Rs. _____
Q24	What was the contribution of the community?	Cash Rs. _____ Kind Rs. _____ Labor Rs. _____
Q25	Do you feel that that belonging to the CO has	Totally powerless .....1 Almost powerless .....2



	resulted in your having the power to change the course of your life?	Somewhat powerless.....3 Mostly powerful.....4 Very powerful.....5
Q26	<b>SUGGESTIONS</b> What would you suggest for making the RSP more effective?	_____ _____ _____ _____

Interviewer's signature: \_\_\_\_\_

*LSO profile*

<b>LSO Profile</b>			
As on -----			
<b>RSP</b>			
<b>Region</b>			
<b>Area Office</b>		Union Council	
<b>1 Name of LSO</b>			
<b>Postal Address</b>			
<b>Telephone No</b>			
<b>Email address</b>			
<b>2 Date of Formation</b>			
<b>3 3.1 Registration No.</b>		<b>3.2 Registration Act</b>	
<b>4 Household Coverage in the UC</b>			
4.1 Total Households in the UC		%age	
4.2 Organised households under LSO			
4.3 Women members organised under LSO			
<b>5 Member Organisations</b>			
5.1 VDOs		Number	%age
5.2 Men COs			
5.3 Women COs			
5.4 Mixed COs			
Total			
<b>6 6.1 General body members</b>			
6.1.1 Men		Number	%age
6.1.2 Women			
Total		0	
<b>6.2 Executive body members</b>			
6.2.1 Men		Number	%age
6.2.2 Women			
Total			

**6.3 Paid staff**

		Number	%age
6.3.1	Men		
6.3.2	Women		
Total			

**7 LSO Fund/CIF**

		Amount	%age
7.1	From LSO's internal sources		
7.2	From RSPN		
7.3	From other sources		
Total			
		CIF *	Mic. Credit
7.4	Use of LSO fund: (*CIF means lending to only the poorest families through women)		Fixed Deposit
7.5	Fund		

**8 Management**

	Yes/No
8.1	The LSO has a written by laws
8.2	LSO office established and adequately equipped
8.3	Regular meeting of Executive Committee/General Body on scheduled dates
8.4	Identified poorest HHs through Poverty Scorecard
8.5	Annual activity plan and budget developed
8.6	Activities to support poorest families included in annual plan
8.7	Fund raising through internal sources (Membership fee/donations)
8.8	LSO supports member VO/COs in their capacity building
8.9	LSO monitors activities of its member CO/VDOs
8.10	LSO records (financial/non financial) are up to date
8.11	LSO accounts are being audited by an external body

**9 Self-help activities by LSO**

(Please list important/major self-help activities undertaken by the LSO)

	Activity	Cost	No of Beneficiaries
9.1			
9.2			
9.3			
9.4			
9.5			



**10 LSO activities through linkages with external bodies**

(Please list important/major activities undertaken by the LSO)

	Name of Donor	Activity	LSO share	Donor's share	Total Cost
10.1					
10.2					
10.3					
10.4					
10.5					

**11 New Products developed/introduced by LSO**

	Name of Product	Purpose/Utility
11.1		
11.2		
11.3		

## Annex II: Survey implementation details

## Target group

LSO	Target group					
	Union Council	Household Questionnaire	FGD Check list	Group discussion (LSO office holders)	LSO profile	Informant interviews
<b>AJ&amp;K</b>						
RCDF, Kotli	Tarala	128	2		1	4
FMGN, Kotli	Goi	118	2		1	4
RCSO, Bagh	Degwar	78	2	1	1	4
<b>Sub-total:</b>		<b>324</b>	<b>6</b>	<b>1</b>	<b>3</b>	<b>12</b>
<b>Khyber-Pakhtunkhwa</b>						
PHKN, Haripur	Pind Hashim Khan	72	2	1	6	2
Bir, Haripur	Bir	101	2	1	0	0
<b>Sub-total:</b>		<b>173</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>2</b>
<b>Chitral</b>						
Biyar, Chitral	Charun	113	2	1	10	2
<b>Sub-total:</b>		<b>113</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>2</b>
<b>Gilgit-Baltistan</b>						
Khaplu, Baltistan	Khaplu	92	2	1	7	3
Sangam (Hatun), Gilgit	Hatun	94	2	1	9	2
Danyore, Gilgit	Danyore	97	2	1	10	2
<b>Sub-total:</b>		<b>283</b>	<b>6</b>	<b>3</b>	<b>26</b>	<b>7</b>
<b>Punjab</b>						
Litten, Punjab	Litten	100	2	1	10	0
Alimpur, Punjab	Alimpur	105	2	1	10	0
Nabipur, Punjab	Nabipur	96	2	1	10	0
Goth Mehrab, Punjab	Goth Mehrab	100	2	1	10	3
<b>Sub-total:</b>		<b>401</b>	<b>8</b>	<b>4</b>	<b>40</b>	<b>3</b>
<b>Tharparkar</b>						
Aurat Development Programme (ADP), Mithi	Mithi	96	2	1	10	4
Megh Malhar Tariqati Idara (MMTA)	Mithrio Bhatti	77	2	1	9	2
<b>Sub-total:</b>		<b>173</b>	<b>4</b>	<b>2</b>	<b>19</b>	<b>6</b>
<b>Sind</b>						
Khoski, Badin	Khoski	69	2	1	10	3
<b>Sub-total:</b>		<b>69</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>3</b>
<b>Balochistan</b>						
Nodiz, Turbat	Nodiz	75	2	1	10	
Sami, Turbat	Sami	80	2		10	
<b>Sub-total:</b>		<b>155</b>	<b>4</b>	<b>1</b>	<b>20</b>	
<b>Total:</b>		<b>1691</b>	<b>36</b>	<b>15</b>	<b>134</b>	<b>35</b>

*Control group*

<b>Control group</b>				
<b>Union Councils (with RSP, no LSO)</b>	<b>Related LSO</b>	<b>Household Questionnaire</b>	<b>FGD Check list</b>	<b>Group discussion (RSP office holders)</b>
<b>AJ&amp;K</b>				
Atkora, Kotli	RCDF	90		
Qamrotie, Kotli	FMGN	149		
Kalali, Bagh	RCSO	84	1	1
<b>Sub-total:</b>		<b>323</b>	<b>1</b>	<b>1</b>
<b>Khyber-Pakhtunkhwa</b>				
Mankara, Haripur	PHKN	82	3	1
<b>Sub-total:</b>		<b>82</b>	<b>3</b>	<b>1</b>
<b>Chitral</b>				
Owir, Upper Chitral	Biyar	114	2	1
<b>Sub-total:</b>		<b>114</b>	<b>2</b>	<b>1</b>
<b>Gilgit-Baltistan</b>				
Sailing	Khaplu	89	2	1
Bubur	Sangam (Hatun)	94	2	1
Jalalabad	Danyore	90	2	1
<b>Sub-total:</b>		<b>273</b>	<b>6</b>	<b>3</b>
<b>Punjab</b>				
Goharwala	Litten	100	2	0
Matti Tal	Alimpur	101	2	1
Kot Bahadur	Nabipur	100	2	0
Jundido Misson Mari Sheikh	Goth Mehrab	82	2	0
<b>Sub-total:</b>		<b>383</b>	<b>8</b>	<b>1</b>
<b>Sindh</b>				
Mithi	ADP	101	2	1
Joruo	MAMTA	90	2	1
			4	2
Khalifo Qasim, Dehi Jarkas	Khoski	87	2	1
<b>Sub-total:</b>		<b>278</b>	<b>2</b>	<b>1</b>
<b>Total:</b>		<b>1453</b>	<b>26</b>	<b>10</b>



## **Annex III: Terms of Reference for the Study “Local Support Organisations: Rural Support Programmes Letting Go, Citizens Taking Charge**

### **1. Introduction**

The Rural Support Programme Network (RSPN) is presently steering the process of social mobilisation towards institutional sustainability, by both indigenising and consolidating the process. As their activities extend across Pakistan, and new community organisations (CO) are formed, the RSPs need to disengage with existing COs in order to engage with new ones. Accordingly, the RSPs have begun to form apex organisations at the village and the union council levels. As these organisations mature, they also begin to form COs, complementing the work of the RSPs. These local support organisations (LSO) go beyond merely substituting for the RSPs; they represent an indigenisation of the social mobilisation and organisation process, ensuring a permanent support system which is both locally owned, self reliant and capable of formulating context-specific development programmes. The LSOs, defined as grassroots development organisations, now number 112 in all. Of these 45 LSOs are being guided by the RSPN, and are the subject of this evaluation.

The aim of this study is to determine whether LSOs are able to address community needs. The consultants will explore the dynamic processes at work, including the complex and integrated nature of social capital, in order to assess what accounts for LSO successes. In particular, they will examine:

- The pace of social mobilisation (CO and VDO formation).
- The quality of CO formation. For instance, is there multi-ethnic and gender representation in the COs. Has there been a change in participation by the village poorest.
- The effectiveness of vertical linkages (from COs, to VDOs, to LSOs) for service delivery measured by derived (induced) benefits.
- The autonomous (spontaneous) collective action and associated benefits produced for the communities through these vertical linkages.
- The cross-sector development linkages and associated benefits facilitated by the VDOs and LSOs (with line departments, UCs, NGOs, donors, private sector)
- Are LSOs disengaging with the RSPs and become self-sustaining
- How effectively are LSOs working with local government to derive benefits for the communities?
- How have LSOs impacted the operational cost of RSP operation? Have these been reduced and by how much?
- Do the LSOs have adequate procedures and systems in place to function effectively.

### **2. Defining well being and benefits**

Three categories of potential benefits can be identified:

- CO/Household level: Assets, income, credit, social empowerment, women’s empowerment, education, health and nutrition.
- VDO/Village level: CPIs (assessed using RSP engineering units); internal lending

- LFO/Union Council level: Cross-cutting infrastructure projects (assessed using RSP engineering units), credit disbursed, endowment fund development, bringing about better policies by interfacing with local government.

### 3. Objectives

The study objective is to measure LSO effectiveness. The consultants will measure this effectiveness using subjective and objective criteria:

- Subjective: Perceptions of respondents (household survey, FGDs, key informant interviews)
- Objective: Using a control groups for comparisons

The assessment of quality of COs will be based on a maturity index the RSP uses, although we will also give added weight to autonomous collective action in this index.

### 4. Research design

For each LSO in the sample there will be one control. For this control the consultants will select households from the adjoining/nearest union council (UC) that is not part of the RSP-LSO/VDO/CO structure to study well being and autonomous collective action. Social capital is likely to play a role in autonomous collective action. The purpose is to control for the broad social and economic conditions in order to isolate the impacts of the RSP-LSO/VDO/CO.

### 5. Research methodology

The table below provides a list of LSOs to date.

RSPs	Total	Formed before Jun. 30, 2006	Formed before Jun. 30, 2007
<b>AKRSP</b>	12	10	1
<b>BRSP</b>	2	0	0
<b>SRSP</b>	7	3	2
<b>NRSP</b>	14	5	3
<b>TDRP</b>	8	3	2
<b>PRSP</b>	2	0	0
<b>Total:</b>	45	21	8

#### 5.1 Sampling

The LSO is the unit of analysis (list of LSOs already provided by RSPN) and 18 LSOs will be assessed and evaluated. Since the guidelines for the LSO plan set a time frame of three years for maturity, LSOs in operation for less than three (preferably five years) will be excluded. While 21 LSOs qualify for selection on this criterion, the distribution of these LSOs is skewed across the RSPs, with the bulk being concentrated in the AKRSP and NRSP. As the first stratification, we

will select two LSOs each from all the provinces. The two LSOs for the Punjab will be selected from the NRSP group.

For the sampling, we will try and maintain statistical rigor -- obviously we will have to keep budgetary and time dimensions in mind as well as the length of the questionnaire. Despite these foreseen constraints, we have opted for a 5 percent sample size to ensure statistically significant parameters. This translates into 1500 household from the target group and an equal number for the control group.

## 5.2 *Research instruments*

### 5.2.1 Household questionnaire

We will set up three research instruments, in order to cross-check information from the different sources. The first instrument will be the household surveys aimed at generating information on benefits generated by the LSOs, both at the household and collective levels, their assessment of prior social capital, and the nature of interactions with the LSOs among others.

Two questionnaires have been developed iteratively (in consultation with the RSPN) for the target and the control groups. The target group questionnaire consists of 3 parts:

- ✓ Part I - Social capital assessment: Identify the “stock” of social capital in the community.
- ✓ Part II - Process and input assessment: The process assessment will focus on institutional sustainability of the LSO/VDO/CO structures (staffing, training, internal democracy, saving, project planning systems, M&E arrangements, etc.). The presumption is that mature organisations at the various tiers should contribute to more effective outcomes (part III).
- ✓ Part III – Perceptions of outcomes/benefits: This section focuses on community level perceptions both of a quantitative and qualitative nature.

Part II will not be included in the control group questionnaire.

The target group questionnaire has been pre-tested prior to implementation. A survey coordinator, data manager and field researchers will be part of the research team. They will be provided short intensive training sessions to familiarise them with study objectives.

### 5.2.2 Focus Group discussions (FGD)

We will develop two check lists for the FGDs, one each for the target group and control groups. In addition, a women’s FGD will be conducted for each of the eighteen LSOs. Issues covered in the FGDs will be identical to the ones covered in individual questionnaires. This exercise will serve to validate the information received at the household level. Each FGD will consist of 15-20 participants and none of them will be from the surveyed households.



### 5.2.3 Informant interviews

The informants would be RSP staff, experts, academics, LSO/VDO members, local notables, UC members, interacting line department officials. The purpose of these interviews is to validate the household level findings as well as provide complementary institutional information.

## 6. Work plan

The activities, work plan and study duration is indicated in the following table:

Activities	June.-Aug., 2009	Sept-Nov., 2009	Dec., 2009
<i>Literature search</i>			
<i>Survey tools completed</i>			
<i>Training of researchers</i>	Three teams to be given one-day onsite training sequentially		
<i>Pre-test</i>	Completed		
<i>Survey implementation</i>			
<i>Interim progress report</i>			
<i>Conducting FGDs</i>			
<i>Conducting informant interviews</i>			
<i>Data processing</i>			
<i>Data analysis</i>			
<i>Draft study submitted</i>			
<i>Seminar/workshop</i>			
<i>Final report submitted</i>			

## 7. Deliverables

The consultants will prepare and submit the following deliverables:

- Collaborative development of target and control group questionnaires (with the RSPN)
- Development of checklists for FGDs and informant interviews
- Development and implementation of training modules for field enumerators (RSPN participation optional)
- Interim Progress Report
- Draft Report
- Final Report
- Conduct workshop on draft report findings
- Study presentation at conference organised by the RSPN.

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## Notes

<sup>1</sup> For a list of LSOs in our sample please refer to Annex II.

<sup>2</sup> The 5 titles refer to different parts of Pakistan

<sup>3</sup> Union councils are the lowest administrative tier above which are *tehsils*, districts and provinces.

<sup>4</sup> See Aziz (2006).

<sup>5</sup> For example, the Chitral Network of LSOs, Ghizer Network of LSOs and Dargai Network of LSOs.

<sup>6</sup> Other RSPs, especially the National Rural Support Programme and the Sarhad Rural Support Programme also supported apex bodies of COs at the village, union council and tehsil levels in relatively mature communities.

<sup>7</sup> See Khan (1992).

<sup>8</sup> Defined by revenue authorities for tax purposes and much larger than regular villages that represent more cohesive communities that social mobilisation is centred on.

<sup>9</sup> However, practice has shown that sequencing in this order is not critical. In many instances, VDOs are facilitated by LSOs that have already been formed.

<sup>10</sup> In 2002, mature community organisations also began to register themselves as Citizen Community Boards (CCBs) as envisioned in the Local Government Ordinance [Government of Pakistan, (2000)], but even those organisations relied heavily on the technical support of the local RSP.

<sup>11</sup> Azizi (2006).

<sup>12</sup> Close to 100 centres were established by 2007 (Rao et. al. (2007).

<sup>13</sup> Via digital equipment

<sup>14</sup> The MSDSP was funded by the Aga Khan Foundation following the success of the Aga Khan Rural Support Programme in Gilgit Pakistan and its successful replication in the rest of Pakistan.

<sup>15</sup> The authors point out that the federations waxed and waned but survived and, as is generally true, individuals played a key role in the process.

<sup>16</sup> Bebbington (1997) mentioned the critical role of market demand in enabling such organisations to market their produce and the role of the state in this context.

<sup>17</sup> This process is likely to have marginalised the poorest doing day labor.

<sup>18</sup> This section is a synthesis of Azizi, M.A., Guidelines for the LSO Programme, RSPN, December 2006

<sup>19</sup> Registration is either under the Cooperative Societies Act (1925) or the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961.

<sup>20</sup> Primarily this was due to donor funding constraints.

<sup>21</sup> The documented disaster mitigation reports were sent to us later.

<sup>22</sup> Maternity centres are a critical need as expecting village women often expire en route to hospitals.

<sup>23</sup> This site is featured in Bhapsi Sidhwa's best-selling book, "The Bride."

<sup>24</sup> Here we address prior social capital, which pre-dates the COs, VOs/VDOs and LSOs

<sup>25</sup> The officially appointed *numberdar* has acquired hereditary status and become a titular figure, shorn of administrative authority but remains a figure of respect, consulted on diverse village affairs and a permanently inducted member of village institutions. He also continues to collect *abiana* (water tax).

<sup>26</sup> The data is for the target group. Comparisons with the control group are specifically indicated.

<sup>27</sup> We took 50 percent as the cut-off point representing a slow pace of mobilisation.

<sup>28</sup> In some of the Gilgit-Baltistan LSOs, scions of the hereditary rulers were present in the Board of Directors and Management Committee.

<sup>29</sup> Possibly the level of mobilisation reflects village demographics; the larger villages and *moazzas* in the Punjab, Haripur and AJ&K are sub-divided into clusters (*bastis*) and hence are CO oriented. However, they are also more recent and are in the process of organising at the village level.

<sup>30</sup> In this regard, a structural change that the AKRSP is contemplating is to dispense with the paid accountant and combine his responsibilities with those of the manager.

<sup>31</sup> The Goth Mehrab LSO appears to be an exception, in that the Executive Body members are equally vocal.

<sup>32</sup> The quantitative information in this section is based exclusively on CO women member responses.

<sup>33</sup> Several studies have globally confirmed the economic and empowerment benefits of credit for women. IN Pakistan's case, see the RSPN-funded study for Pakistan by Khan, S.R., et al, *Women's Access to and Control over Micro credit in Rural Support Programme (RSP) Areas*, RSPN Islamabad, 2008

<sup>34</sup> This may be due to funding constraints but it is also policy driven, the premise being that early disengagement with the LSOs will force them to become sustainable.

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<sup>35</sup> This was in the case of defaults when the banks had impounded the collective savings.

<sup>36</sup> The fees vary depending on whether the LSO is registered under the Company's Act or as a welfare society.

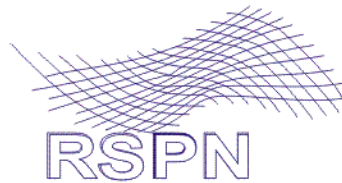
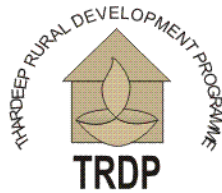
<sup>37</sup> The PHKN has acquired a regional complexion, motivating, mobilising and training communities in adjoining UCs. Similarly, the NRSP relies on assistance from the RCSO, Bagh, to establish new LSOs.

<sup>38</sup> RSPN and RSPN can be used interchangeably as community members sometimes are unable to discern where the funding originates from.

<sup>39</sup> In fact, micro credit has created ripple effects in the form of an increased propensity towards diverting community savings for internal lending.

# RSPs Mission Statement

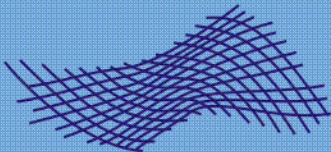
The RSPs aim to reduce poverty and improve the quality of life of the rural poor by harnessing the potential of people to manage their own development, through their own institutions.





## RSPN Mission Statement

A prosperous Pakistan where people - especially the poor and women - are provided with equal livelihood opportunities and are not socially and economically excluded.



# RSPN

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