

NOTE FOR RECORD
September 6-7, 2019

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Subject: Sarhad Rural Support Programme (SRSP)'s Approach to Poverty Reduction

For two days in districts of Charsadda and Nowshera, I saw the demonstration of SRSP's strategy and methodology for poverty reduction using Community Investment Fund (CIF) as the entry point to uplift the poorest of the poor above the subsistence level even leading to graduation from poverty in many cases through value chain; and also fostering sustainable institutions financially viable called Village Banks with CIF as the seed capital and converting this hub fully managed by women employed by the VO and their remuneration coming out of VO Bank operations; using the centre for clubbing other SRSP interventions be it for Technical Vocational Training or Nutrition Centre or Adult Literacy Centre etc.

This innovative programme was implemented by SRSP through Australian aid (AUSAID) which came in two tranches called LSP and WEEMD projects with the objectives of Livelihood Support and Women Economic Empowerment Considering the cultural and conservative traditions of KP economic empowerment of women was not an easy task. As Wolsey used to say every man has a price, SRSP used CIF as the price for menfolk to allow their women to get organised with permission to go out of the four walls, in which they are usually confined, to attend meetings of the community organisations and participate in its various activities and of course in return they were required to bring money to the family which they did initially thanks to CIF.

When I saw hundreds of them assembled at UC Agra in Charsadda under LSO Nangyal Welfare Organisation and at Bara Banda Stop, representing LSO Sabawoon of UC Bara Banda in Nowshera and allowing all professionals of SRSP to come with me and sit and interact with them, I saw the change. Previously, whenever I was ever invited to have a dialogue with women CO, the SRSP male staff used to wait outside. The presentations were given by women themselves and not by the SRSP Women Social Organiser and the way they were willing to

talk and participate whenever I asked a question, promptly came the responses. When I asked a simple question what did they achieve from the SRSP programme, not one but so many crowded to answer me that SRSO staff had to intervene although I would have liked to spend the whole day hearing them. Their stories were so poignant, heart wrenching and encouraging that one would have nothing but sheer admiration for their resilience, courage and determination.

Shabana came forward and told me her husband was a drug addict even killed her two children. SRSP was God send to her, she took Rs. 10,000 twice from CIF and did cloth business and is leading a comfortable life as she got rid of her husband. Rubina's husband is also a drug addict and she has six children. She took Rs. 10,000 and 15,000 from CIF and runs a Tuck Shop which gives her enough to take care of her household.

Hidayat took Rs. 10,000 and 15,000 from CIF and does iron charpoy business. Her son and two daughters got tailoring training from SRSP and are doing tailoring business.

Zahida's husband died in a terrorist blast leaving seven children and two adult dependent to take care. She took Rs. 10,000 and 15,000 from CIF and does business in washing material.

Gulnaz has disabled husband but has not taken CIF as she could not return it. The Income Generating Grant (IGG) in such cases is the answer but unfortunately there was no IGG provision in AUSAID project.

Kifayat has an invalid husband and took Rs. 10,000 for cloth business from CIF but has no confidence to take another tranche after repaying the first one.

Mehtab Zari got Rs. 18,000 of which 9,000 was grant and she is satisfied with her shoe business.

Rahila Sajjad's husband is dead and she took Rs.10,000, 12,000 and 18,000 for Tuck Shop with which she runs her household.

Amirzadgi's husband is disabled and she is looking for support from her VO.

Farmania took training and also got a toolkit, a sewing machine. She has passed on the machine to her daughter who is now earning by sewing clothes.

The number of women waiting to tell their stories were put a stop by the staff and we were herded to see the products made by women being sold in the market.

We met women who had become part of the Value Chain. Zaira took Rs. 15,000 from CIF and later revolved it four times more 10,000, 12,000, 15,000 and 20,000 earning over 6,000 a month from garland business.

We visited Naseem's house who through garland business has not only involved her entire family including sons in the business but her spinoff effect has benefited the whole village and over 40 CO members who took CIF have taken up the business. Her son told me that at many events be it marriage or burial, people buy their garlands and for returning Hajis too. One night he sold garlands worth Rs. 150,000. Initially they were given material by the wholesaler to make garlands for him and used to pay them labour. With the training SRSP gave and the simple Rs. 6,000 machine provided to them, enabled them to buy the material from the wholesale and market the finished products themselves.

In Nowshera, 85 CIF recipients followed value chain trail and so also in Charsadda 81 took up this route be it fresh milk, meat or other businesses. But it involved intensive enterprise training including exposure to markets which SRSP arranged through their trained staff who were part of AUSAID project.

I suggested to CEO SRSP Masood to get a compendium of case studies written of these remarkable women what they achieved with the support of SRSP. RSPN had commissioned similar case studies for SRSO. The amazing thing to note was that at none of the places I went to the women demanded anything they were proudly telling me what they have achieved with SRSP support.

The visit to Bara Banda Stop VO Bank was most enlightening to me. It had all the answers how CIF should be managed and sustained and how entrepreneurs doing value chain should be financially supported. How the Bank becomes the hub of so many activities where even the traders come exchanging ideas about market demand which the vocational centre can respond to. All value chain ideas are

discussed and training provided here besides also acting as Adult Literacy Centre which was a demand by the CO members.

The CIF VO Banking model ensures 75% to over 90% eligible poor having access to CIF and also 100% repayments with the surety of the original CIF capital remaining intact for revolving to many recipients. I noticed some took it even five times and it is also available to Value Chain graduates be it fresh milk or meat or other businesses such as Garland, although their number in case of Value Chain was 80 out of 690 in Charsadda and 95 out of 1400 in Nowshera of CIF recipients. In Charsadda Rs. 2.8 million CIF was revolved currently totaling Rs. 14 million and in case of Nowshera Rs. 3.8 million was revolved totaling Rs. 27 million. In Charsadda and Nowshera CIF recipients increased their income from Rs. 4,000 to 10,000 per month according to a rough survey. Thus the CIF Village Bank model has fully demonstrated the impact of CIF on poverty reduction and the way to graduation of BISP beneficiaries and the opportunity for Value Chain entrepreneurs to embark on their business.

The Nangyal LSO office of Agra UC managed by its Chairman Faizul Haque in the local market is the collection centre for fresh milk and commercial hub for value chain initiatives such as fresh milk etc. It has forged linkages with many government departments and NGOs including international.

The visit to Business Centre which housed vocational training as well as beauty centre. The Training Institute was now responding to group orders from boutiques, specializing in bed sheets, curtains etc. Their product was so classy and attractive that I couldn't resist ordering a whole set of bed cover with pillow cases which was on display and had been prepared on order from Pak-Danish. I was assured my order will be ready in one week.

The AUSAID Project interventions and demonstration especially of CIF achieving poverty reduction of all recipients and leading to adoption of value chain by many resulting in graduation out of poverty is something which RSPs disbursing CIF can learn with immense advantage from SRSP demonstration.

The concept of Village Bank to me seems to be a most effective and sustainable operation of CIF.

The training needed for developing Value Chain as done by SRSP under AUSAID can show light to other RSPs grappling with the challenge.

I would suggest RSPN/IRM in collaboration with SRSP HRD, should develop a course for RSP professionals involved in disbursing and managing CIF for poverty reduction and how Village Bank becomes a centre for clubbing all the interventions.

I also took advantage of meeting with women asking BISP beneficiaries amongst them how would they respond to BISP offer for a lumpsum grant to enable them in two years to generate an income much above what they are getting as quarterly grant. The response was current quarterly grant comes in one hand and disappears from the other. The consensus at both the meetings seemed to be a lumpsum grant of Rs. 40,000 to 50,000 may enable them not to ask for BISP grant after two years.

From Nasim's Garland village, we proceeded to Wallaye in Ziarat Kaka Sahib Union Council of Nowshera district. It took us an hour's drive through arid and spectacular terrain with not a human being in sight and the road to Wallaye was through a ravine. I had been Deputy Commissioner Peshawar 49 years ago but I had never been to this part of Nowshera which at that time was a subdivision of Peshawar district. For the first time I was visiting a Village Council which comprised three villages with 700 households. I was told that over 90% of the CO office bearers and members have been elected to Village Councils.

Wallaye where SRSP began its activities in 2002 and dug three tubewells providing water for irrigation to landowners. By 2007 due to electric power cuts, the tubewells had to be revived by SRSP installing Solar Panel which now numbers many with AUSAID and government support except that SRSP solar panels cost Rs. 1.7 million and government through contractors cost Rs. 8 million. SRSP has taken renewable energy generation to new heights through micro hydro projects at a cost which compares to contractors' cost the same way as the solar panels.

Wallaye excelled in adopting value chain by producing marigold flowers. The income from marigold is Rs. 40,000 per kanal to which RSP introduced them. 669 kanals is now devoted to this crop. SRSP provided the seeds now they grow their own seed.

Jahangir Shah the chairman of the VO made a presentation as this was a men only gathering of over 50 persons. Since only landowners can benefit directly, only 60 households out of 700 are doing it but indirectly 250 women are engaged in plucking and making the garlands of marigold which sell around Rs. 100 each.

This visit was also extremely interesting for me in terms of understanding the value and linkage between CIF and Value Chain. What I saw at UCs Agra and Bara Banda was CIF being accessed by almost all the eligible poor and Value Chain identifying and helping the entrepreneurs from amongst them. CIF empowering women beyond belief. Value Chain on its own is amazingly lucrative but is confined to entrepreneurs only.

The Chairman Village Council Niaz Ali Shah was also present in the meeting and in his welcome address requested SRSP to do more. I had to give him the example of SRSP as a cow which when the calf grows up what does she do? There was a loud response from the crowd “kicks it”. I submitted to Niaz Ali Shah now go to government which has promised to support VC in all possible ways and also commend us to them because besides infrastructure, which is VCs sole interest, SRSP also does livelihood interventions especially for women.

I am most grateful to Chairperson Munawar Humayun and CEO SRSP Masoodul Mulk for arranging this most educative and inspiring programme for me which greatly reinforced my conviction in the potential of the poorest of the poor. I know this would not have been possible without imaginative and dynamic leadership of Masood who built up such an excellent and dedicated team comprising Aftab, Nadia, Waiq, Naheed and Tauseef at the headquarters and PSU team for AUSAID headed by Zafar supported by Rashid and Salma, the Charsadda Team lead by Rashid and his wonderful team of male and female Social Organisers, Market Development Officers, CIF Officers and M&E and Finance and Admin professional and Nowshera District Team Leader Murad who gave me a unique gift which he was keeping for five years for which I have no words to thank him except that it has left an indelible mark on my heart, his dedicated colleagues in Social Organisation, M&E, HRD, Nutrition, CIF and of course Finance and Admin.