PD-AN-162

AGA KHAN FOUNDATION U.S.A.

FINAL REPORT TO AGENCY FOR INTERNATIONAL DEVELOPMENT ON MATCHING GRANT FOR

AGA KHAN RURAL SUPPORT PROGRAMME

1985 - 1988

JUNE 1988

SUMMARY

The Aga Khan Rural Support Programme (AKRSP) is a private-sector catalyst designed to promote development in selected areas of rural poverty. The broad objective of the program is to increase the capacity of local people in the program area to make use of opportunities to improve their welfare and to overcome problems facing them. The main focus of the development effort is on income-generating activities.

AKRSP's specific objectives are to:

- develop income and employment generating activities among the rural poor;

- establish local self-help institutions for sustainable development; and

- make more effective use of available resources through appropriate innovations and technology.

Created and principally sponsored by Aga Khan Foundation U.S.A. (AKF USA) and its affiliates, the AKRSP concept was initiated in the Gilgit district in the Northern Areas of Pakistan in December 1982. Encouraged by the results and progress of this first district, AKRSP expanded to two other districts in this same mountainous region - Chitral (1983) and Baltistan (1985). It serves a population of over 800,000 encompassing 70,000 square kilometers. The early success of this rural development model encouraged AKF to replicate the program in India, where program activities began in 1985 in the three districts of Junagadh, Surendranagar, and Bharuch in the state of Gujarat.

AKF USA is now completing the third and final year of USAID's three-year Matching Grant of $1 million for the support of the AKRSP concept.

The enclosed report reviews the progress of AKRSP's activities in Pakistan and India during the three years of USAID's Matching Grant to AKF USA.

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1 USD = 18 Pakistani Rupees
1 USD = 13.5 Indian Rupees

I. BACKGROUND

In 1981, recognizing the continuing poverty of rural people in selected isolated areas of developing countries, the Aga Khan Foundation (AKF) network elected to expand its program interests to include rural development projects. Having reviewed the policies and programs of other agencies in that field and having noted the absence of a common definition of rural development, AKF decided that its major investments in rural development should follow a clearly articulated concept and a set of operational objectives and principles.

It was decided that AKF should concentrate its efforts on:

- improving the management of services for rural people; and

- testing approaches to creating truly effective participation by rural people in the processes of rural development.

The ultimate objective of these efforts is to increase incomes and employment opportunities for rural people, especially for small farmers and landless laborers. To accomplish this objective, AKF pays special attention to improving management of renewable natural resources, on which the welfare of rural people depends so heavily.

AKF's principal effort in this field is participation in the evolution and implementation of the concept of the Aga Khan Rural Support Programme (AKRSP). The AKRSP concept is based on several premises:

- Income and employment generation for small landowners and landless laborers should be the central focus since additional income is generally a prerequisite for addressing the other problems associated with poverty.

- Small landowners and landless laborers need their own local organizations to obtain economies of scale, and to be able to make more effective use of, and demands on, those resources and services that are available, thus allowing them greater capacity for determining their own destinies.

- To be effective and self-sustaining, local organizations need to be founded on certain simple principles; e.g. all members should participate in order to prevent domination by any one group, and all members must save regularly in order to build capital for the organization.

- A flexible and creative intermediary can promote the creation of self-sustaining local organizations by providing initial training, technical assistance, and supervision.

- The creation of additional incomes and employment generally requires the introduction of innovation - new activities and new means of performing existing activities more productively. Often government agencies in developing countries are not well equipped to serve as catalysts and innovators; private sector agencies can often be more effective.

- Many PVOs operate on too small a scale, achieving results in small pilot projects which may not be replicable on a large scale. Programs are more likely to be effective and replicable if organized on a significant scale from the start.

- Long-term success in raising incomes and employment depends on managing the natural resources base in ways consistent with sustainable high levels of productivity.

Based on these premises, the AKRSP concept involves establishing private, non-profit companies which act as catalysts for rural development in the areas in which they operate. The companies are designed to create and stimulate local participatory organizations; to undertake the entrepreneurial functions of identifying opportunities for income and employment generation; and to mobilize resources (skills, technologies, and finance) to make best use of those opportunities.

The first AKRSP went into operation in Pakistan in December 1982, in three districts of the far north - Gilgit, Chitral, and Baltistan - which have a combined population of over 800,000. The second was established in India in October, 1984 and began operations in 1985 in the dry coastal and tribal areas of three districts in Gujarat State - Junagadh, Surendranagar, and Bharuch.

In both Pakistan and India, these specific areas were chosen because:

- they are among the poorest areas in each country, with per capita incomes significantly below the national average;

- more than 90% of the population in these areas is dependent on agriculture as the primary source of income;

- the dominant population in both areas is made up of small farmers or landless laborers;

- the areas have been accorded priority for development by the respective governments because of the existing levels of poverty; and

- in both countries, the programs can benefit from an existing structure of complementary institutions within the Aga Khan network.

Because of the major changes that face the rural poor in these areas, AKRSPs in Pakistan and India continue to receive support from their respective governments, and from such major international donor agencies as CIDA, ODA, the Dutch government, the Ford Foundation, and OXFAM. Since 1985, AKRSP has also received generous support from AID through a Matching Grant to AKF USA.

II. APPROACH

The AKRSP concept is founded on the belief that rural development requires support in terms of excellent skills, management, and technology to enable local people to improve the quality of their lives. The intention is creation of a flexible organization which can help people identify their needs and realize them through an appropriate approach and through support systems.

The basic objective of AKRSP is the alleviation of rural poverty, with special concern for the weaker sections of rural society. AKRSP believes that this can be achieved by organizing rural people into viable and self-sustaining institutions. These grassroots organizations enable the villagers to determine their own priorities for development, take joint action to implement these priorities, and gain access to resources and services available from the government and other agencies.

The establishment of AKRSP as a private, non-profit company serving as a catalyst for rural development was based on five premises:

1. that government capacity for development was limited;

2. that local opportunities and initiative existed but were hindered by a lack of effective organizations, skills, capital, and appropriate infrastructure;

3. that special attention needed to be paid to the long-term environmental impact of development in the regions and surrounding areas;

4. that public and private funds were available to support development; and

5. that a small, private and flexible organization can make a significant contribution to the promotion of local initiatives and the mobilization of outside resources.

AKRSP was designed to promote development in an equitable and sustainable manner in the project areas. Conceived as a self-liquidating organization, AKRSP was meant to work itself out of a job in any location within approximately 10-15 years. Its aim is to leave in place local organizations and institutions capable of facilitating continued progress into the future. In all its activities, AKRSP was expected to complement and enrich the activities of government, not to duplicate or replace them. This meant that AKRSP should coordinate its programs closely with those of government agencies at all times.

In order to achieve its broad objective, AKRSP is expected to fulfill six basic functions:

- the organization of people at the village level to meet common needs and to provide or obtain services through collective action;

- the training of local people in a range of organizational and technical skills;

- the identification and preparation of development projects and the mobilization of resources for these projects from the public and private sectors;

- the introduction of new activities and technologies to enhance net incomes;

- the development of strategies for the productive and sustainable use of the natural resources in the project area; and

- the undertaking of technical and socio-economic research, where necessary, to support the previous functions and to measure progress towards them.

These premises, objectives, and functions were largely formulated before the organizations began work. Their specific approach, methodology, and program were deliberately formulated on broad terms to be determined in detail by the company's management, and to be refined in the light of actual experience in the field. The longer established AKRSP(Pakistan) evolved a set of principles which, with appropriate modifications for local circumstances are also being followed by AKRSP(India). These principles include:

1. small farmers in isolated communities require a Village Organization to overcome the disadvantages of small scale;

2. Village Organizations can be used successfully to promote formal savings and credit by individuals and the group, provided that control of savings and credit remains with the group as a whole;

3. Village Organizations can be employed to promote genuine participation in planning and implementing development by villagers;

4. villagers can be most effectively organized initially around economic, rather than social, sector activities;

5. an infrastructure project is an effective entry point and catalyst for the organization of villagers;

6. in order to implement an infrastructure project efficiently and without exploitation, village labor employed should be paid;

7. regular savings, however small, are an essential part of the discipline of collective management and finance of development;

8. members of a Village Organization can acquire the necessary organizational and technical skills to serve themselves and their community, and for which other villagers are prepared to pay; and

9. the Village Organization following these principles can take continuing responsibility for sustainable development of the resources at its disposal.

The major emphasis of AKRSP, therefore, is to work with grassroots institutions. In Pakistan's Northern Areas, where the end of the feudal era in the mid-1970s left an organizational vacuum, AKRSP identified the need for village level organizations as the first prerequisite for development. It has been successful in helping establish almost 800 Village Organizations out of an estimated 1,200 villages that exist in the 70,000 square kilometer project area. In the project areas in India where a variety of village level organizations exist (village councils, cooperative societies), AKRSP began working with the existing structures in ways that will strengthen their development capability. It has now moved to the next phase of helping villagers establish their own institutions that are likely to be umbrella organizations for many village-level development activities. Known as Gram Vikas Mandals (GVMs), these fledging institutions are similar in concept to the AKRSP(P)'s Village Organizations.

III. REVIEW AND ANALYSIS OF PROJECT RESULTS

PAKISTAN

A. Overview

AKRSP(P) was fully operational in each of the three program districts of Gilgit, Chitral, and Baltistan by the end of 1987. Benefitting 49% of the rural households of the three districts, the AKRSP development package has seen a steady increase in popularity since its inception.

In Gilgit where the program began in 1982 and where its management is based, the number of Village Organizations (VO) totaled 376 by the end of 1987. Villagers managing their own future is a concept that has gained momentum in this remote area of Pakistan. This idea is being translated increasingly into concrete projects that will sustain the VOs into the future. Over the past five years villagers have devised new rules for the management of expanded village resources (new cultivable land, tree planting, inputs, credit, etc.) and are taking the first steps towards cooperation on a supra-village level. It is hoped that such organization will take over many of the functions that AKRSP now performs.

AKRSP entered its third year of operation in Chitral and Baltistan districts at the beginning of 1988. With the addition of new staff, all phases of the program are now operational in both districts. Women's coordinators have helped involve women in agricultural activities.

Some people from unorganized villages continue to approach the AKRSP staff to help form VOs in their villages and extend the program packages there.

B. Village Organizations (VOs)

The Northern Areas are fortunate in that the tradition of cooperation is relatively active; isolation and feudal authority helped preserve this tradition until well after it ceased to be the dominant characteristic of economic life in most parts of Pakistan. Traditionally, labor-sharing and common management of natural resources (often under the control of feudal authority) have been the norm rather than the exception in this region. AKRSP's response to the social fragmentation spreading throughout Pakistan and to the declining resource base was to build on this tradition of cooperation through a process of community organization

sustained by community activists, cooperative values, incremental technological innovation, and capital accumulation. The vehicle for this has been the VOs.

As of December 31, 1987, 762 VOs had been established. These included 45,192 households as members, representing almost one-half of the project area's population. In Gilgit, VOs have advanced to a level of considerable sophistication, having evolved a development package comprised of organization and collective management, land development, increased productivity, credit and banking, marketing, reduction in the workload of women, and coordination with government and other agencies.

In Chitral, 224 VOs with a membership of 12,383 have been established. Of those, 17% are considered advanced, clearly demonstrating the capacity required to organize, manage, and expand the rural resource base in an efficient manner. These advanced village-based development institutions serve as models for other VOs in the area to emulate. Some 35% of the other VOs have the potential to reach the advanced stage in the near future.

By the end of 1987, 162 VOs with a membership of 6,309 had been established in Baltistan, three times the number (54) which were in place at the close of 1986. These advances in organization have been made in the face of such daunting problems as friction among villagers, water scouring, extreme climate, and the lack of infrastructure facilities. Several VOs have completed their Productive Physical Infrastructure (PPI) projects and have started their own self-financed projects.

C. Productive Physical Infrastructure (PPI)

The Productive Physical Infrastructure (PPI) component of AKRSP's development package has three essential objectives: to create new resources and expand the existing resource base in the project area, to provide much-needed initial capital reserves, and to foster collective participation and strengthening of the local capacity for further development.

The first PPI is essentially a grant by AKRSP and is viewed as an investment in the VO. The selection of the first project is usually based on the collective decision of the VO, which also plays the dominant role in its implementation. Upon completion of a project, the VO is responsible for its maintenance.

Considerable progress has been made in implementing PPIs. By the end of 1987, a total of 585 PPI projects had been initiated at a cost of Rs. 90.79 million ($5.04 million).

In Gilgit, 293 PPI schemes had been initiated at a cost of Rs. 45.38 million ($2.55 million). Of these, 222, or 76%, were reported complete. Irrigation channels account for 58% of the schemes initiated in the district, attesting to the fact that water is the main resource priority for raising agricultural productivity. Link roads comprise 17% of the projects, while protective works and storage reservoirs account for ten and eight percent respectively.

By the end of 1987, 177 PPI projects had been initiated in Chitral at a cost of Rs. 28.2 million ($1.57 million). One hundred were reported complete, and the cumulative physical progress of the PPI package in the district was 76%. About 59% of the total initiated schemes in the district are irrigation channels. Link roads account for 20%, and protective works for 16%.

In Baltistan, 115 PPI schemes were under way by the end of 1987 at a cost of Rs. 17.21 million ($0.96 million). Of those, 53 had been completed, and the cumulative physical progress of PPIs in the district was 66%. The majority of the projects in the district are irrigation channels (44%), followed by protective works (20%) and link roads (13%).

D. Agricultural Development

The AKRSP agriculture program consists of three sections: field crops and orchards, livestock, and forestry. These activities have been chosen in light of the villagers needs and the difficult terrain and topography with which they work.

i. Livestock Development

The livestock program comprises three areas of focus: disease prevention, feed improvement, and breed improvement, all of which are being pursued concurrently.

Village specialists are trained in vaccination and treatment, with Gilgit leading the way with the most advanced system in place. Chitral and Baltistan are showing improvement in the numbers of specialists trained and courses offered.

Feed shortage is the most important factor constraining livestock productivity in the region, particularly in the late winter to late spring. Programs' priorities designed to increase feed availability and seasonality are silage making, urea straw treatment, improving alfalfa production, and preparing feed for home-based poultry.

Breed improvement has concentrated on upgrading the gene pool of milk producers through introduction of artificial insemination with Jersey semen and through introduction of crossbreeds through the Heifer Project International. Because the cost per conception through artificial insemination has proved quite high at about Rs. 1,600 ($88.89), alternative methods for introducing new genes such as the procurement of a bull to serve several VOs, are being considered.

ii. Afforestation

Forestry has received greater emphasis in the past year of the project because of its importance in providing fuel-wood, timber, and fodder and its contribution to environmental stabilization. The program focuses on:

- arranging suitable plant species from government agencies for VOs;
- promoting village-level sapling nurseries and training village-based cadre of specialists;
- encouraging plantation developments on newly reclaimed and marginal lands;
- planting saplings along water channels; and
- improving management of natural forests.

In October, 1987, AKRSP and the International Union for Conservation of Nature and Natural Resources (IUCN) launched a pilot Sustainable Forestry Development Project (SFDP) in the Upper Hunza Valley in Gilgit district. The aim of SFDP is to assist the people of the Northern Areas in bringing about the sustainable development of forestry through sound resource management.

iii. Crop Development

Wheat is the major food crop in the project region and wheat straw is the major feed for livestock. Field level data had shown that disease and pest susceptibility of locally-planted wheat varieties held down yield potential. Working with national and international organizations to collect seed for testing in the area, AKRSP introduced new high-yielding disease and pest resistant varieties and set up seed multiplication and distribution facilities. Comparable problems with disease and pest infestation which have hampered maize production have been similarly dealt with.

Vegetable growing is the domain of women. To encourage vegetable gardening on a commercial level, AKRSP has initiated training of women village specialists in selected villages. Vegetables such as onion, carrot, radish, okra, beetroot, cauliflower, lettuce, and cucumber are gaining popularity among the villages.

To combat the general shortage of fodder in the Northern Areas, AKRSP has introduced vetch as an ideal fodder catch crop in double- and single-cropping areas.

In order to reduce yield losses, a Plant Production and Protection (PPP) package was devised.

To increase orchard yield for marketing, the program has introduced disease and pest control through spraying. Improved species which are high-yielding, disease- and pest-resistant, excellent for cooking, longer in shelf-life, and suited to long-distance haulage have been introduced. Where growing conditions are suitable, walnuts, apricots, grapes, pomegranates, almonds, mulberries, and cherries are also grown in nurseries. Training programs for nursery specialists have begun in selected areas.

E. Savings and Credit

Through the establishment of the village-based financial institutional network, AKRSP has demonstrated a mechanism for generating cooperative capital. A wide range of AKRSP-sponsored activities is now linked with the VO's financial resource base. AKRSP's comprehensive rural credit program is firmly structured on the financial base generated by the village-based network and has enabled AKRSP to extend both short- and long-term credit to VOs. Short-term credit extended over five years has gone towards financing fertilizer, marketing, plants, seed, and poultry while medium-term loans have been used to finance mainly land development and agricultural machinery. A breakdown of savings and loans extended over five years follows.

	Gilgit	Chitral	Balti-stan	Total
Total Savings ($million)	1.32	.44	.14	1.9
Short-term credit ($million)	1.11	6.6	.8	8.51
Medium-term credit ($million)	1.03	.15	04	1.22

AID's Matching Grant funds have been utilized largely for the revolving loan facility which has made possible the extension of credit to villagers in Northern Pakistan.

F. Marketing

By the end of 1987, the cumulative number of VOs participating in marketing programs reached 383, benefiting 12,788 households. Total sales equaled Rs. 7.59 million ($0.42 million).

Four categories of produce are marketed: fresh fruit (mainly apples), dried fruit, livestock, and grains. A marketing package launched in June 1985 clusters neighboring villages together to facilitate the collection, grading, packaging, and transport of their produce and to help integrate the marketing process.

VOs have undertaken cooperative marketing through their trained marketing specialists. A total of 105 marketing specialists had been trained by the end of 1987. Two courses were held during the year and included taking trainees to fruit, vegetable, and livestock markets in urban areas.

In Gilgit, 267 VOs participated in cooperative marketing with gross sales of Rs. 6.18 million ($0.34 million) benefiting 9,132 households. Fifty-five VOs in Chitral participated with gross sales of Rs. 0.84 million ($0.05 million) benefiting 2,199 households. In Baltistan, 1,457 households benefited from participation in collective marketing by 61 VOs with gross sales of Rs. 0.57 million ($0.03 million).

G. Women's Organizations

Advances are being made in the development of programs to benefit women. By the end of December 1987, 148 Women's Organizations were established in Gilgit and 26 in Chitral. The women of Gilgit alone acquired collective savings of Rs. 3.2 million ($0.18 million) by the end of 1987. This improved their access to credit, and by the end of the year they had taken medium- and short-term loans of Rs. 729,336 ($40,519) from AKRSP, using their collective savings as collateral.

In Chitral, total savings for women is Rs. 171,166 ($9,509). During 1987, Rs. 6,600 ($366.66) was extended in short-term loans for buying chicks for small-scale poultry farms, and Rs. 120,600 ($6,700) was given for spinning wheels.

Women are traditionally engaged in weeding, harvesting, vegetable cultivation, fruit processing, poultry management, wood gathering, and water carrying. Ongoing projects attempt to enhance the participation of women in such activities as nursery development, mixed farming, and small scale poultry farms.

The Women in Development (WID) section concentrates on a handful of activities in which women have traditionally engaged with the specific purpose of building models to suit the particular requirements of women. The sale of apricot kernels, for example, is one of the main income generating activities for women. The traditional method of breaking the nuts by hand is, however, very labor intensive and wasteful. With new, manually-operated nutcracking machines introduced on an experimental basis by the program, women can now break one kilogram of apricot stones in two minutes as compared to the hour and a half previously required to crack the same weight. Only five percent of the seeds were wasted when cracked by machine as compared to 20-30% lost by hand-cracking. These machines have helped raise the income of women.

H. Monitoring, Evaluation and Research (MER)

In the first five years of AKRSP(P), its MER section has been most active in coordinating a system of regular monitoring and quarterly donor reports, collaborating with AKRSP(P) and AKF staff in the preparation of donor proposals, conducting village-level case studies for ongoing evaluation; and initiating a small number of impact assessment exercises, agro-economics surveys, and experiments in rapid and inexpensive rural appraisal techniques for development.

In 1986, The World Bank's Operations Evaluation Department (OED) completed an extremely positive interim evaluation of the first four years of AKRSP, referring to "four years of concerted efforts and solid achievement." While evaluating the program, OED also offered recommendations of how the program could be improved. These - as well as other comments and suggestions offered by numerous representatives of government and donor agencies, consultants, and other visitors - were incorporated in a Phase II Strategy Paper for AKRSP(P) finalized in 1987.

In keeping with plans outlined in the Phase II Strategy Paper, MER's efforts will be directed toward:

- strategic planning for human resource development, savings and credit policies, commercial and industrial development, and the formalization of institution-building initiatives;

- program development in pasture management, sustainable forestry, land development, and water management;

- technological innovation in field crops, winterfeed for livestock, fruit processing, and appropriate technology for women;

- impact assessment studies of irrigation channels, link roads, credit for fertilizer and tractor purchases, livestock and disease control, diffusion of agricultural innovations, and performance of village livestock and agriculture specialists; and

- computerization of project records, especially aspects of software development for database management and related staff training.

AKRSP continues to maintain a comprehensive monitoring and evaluation process which includes the production of four Quarterly Progress Reports and an Annual Review each year. Copies of these reports are forwarded regularly to AID-Washington.

INDIA

A. Overview

AKRSP(India)'s philosophy is similar to that of AKRSP(Pakistan). It attempts to alleviate rural poverty by stressing initiatives by the villagers themselves with assistance from AKRSP(I). In India this means increasing the role of small landholders and landless farmers by increasing their role in managing projects and assuming responsibility for their own development. AKRSP(I) is helping villagers through programs that optimize the long-term productivity of natural resources, specifically land and water.

AKRSP(I) completed its second full year of operation in 1987, the year which witnessed the worst drought of the century in India. The third consecutive year of drought in the program areas reinforced AKRSP(I)'s objectives of setting up a productive infrastructure centered around land and water use at the village level.

In the three project districts of Gujarat State, 39 People's Institutions have now been formed - 14 in Bharuch, 15 in Surendranagar, and 10 in Junagadh.

B. Irrigation Schemes

Because the situations in the three program districts proved so disparate, AKRSP(I) developed different irrigation schemes tailored to each area's needs and resources. Bharuch has perennial water sources which make lift irrigation the most effective use of the available resource. Drought-prone Surendranagar has no potential for lifting water for irrigation purposes. Junagadh has hardly any water resource left untapped for use and suffers from the ingress of salinity in its coastal areas because of excessive use of ground water.

i. Lift Irrigation

Initially, AKRSP(I) decided to focus on lift irrigation for its various advantages such as availability of proven cost-effective technology, relative simplicity, speed of execution, and its immediate impact on the land and farmers in terms of profitability, income, and employment.

Of the ten projects planned, four in Bharuch and one in Junagadh had been completed by the end of 1987. Two more were under way in Bharuch.

ii. Irrigation Tanks

In areas where the potential for lift irrigation is severely limited, AKRSP(I) decided on the development of percolation tanks (ponds) which would raise the water table in irrigation wells, and on construction of community wells which would provide irrigation facilities to a group of small farmers. In Surendranagar, for example, AKRSP(I) has undertaken the renovation of some of the large number of percolation tanks which had been constructed over the years under government-run drought relief works, but which had never served their function because of defects and unsound structures. By the end of 1987, renovation of one of the tanks had been completed, and work had begun on three others. The completed tank was probably the only percolation tank in the area which still held water at the end of the year, in spite of the extreme drought.

iii. Check Dams

In an attempt to curb the excessive use of common ground water, a check dam was completed at Amrapur in Junagadh in 1987 with two more currently under construction. The dam easily withstood flash floods immediately after its completion. After seeing the AKRSP-promoted projects, senior engineers of the Indian Department of Irrigation decided that large government departments are not well-suited to undertaking minor irrigation works, and the department issued guidelines on the scope and procedure for involving voluntary agencies in such projects.

In percolation tank and check dam projects, AKRSP(I) gives priority to the poor and landless for wage employment which has become crucial as a result of the drought.

C. Wasteland Development

In Gujarat, estimates of the extent of wastelands vary from four million to eight million hectares. AKRSP(I) is working to convert these wastelands into major sources of fodder and fuel, as well as a source of income, employment, and savings.

From a modest beginning of developing 38 hectares of public wasteland and 27 hectares of private wastelands in 1985, AKRSP(I) undertook development of 438 hectares of public and 258 hectares of private wastelands in 1986. During 1987, 326 additional hectares were developed in spite of the severe drought.

In the Junagadh program area, the drought was so severe and the rainfall so sparse that seedlings raised in decentralized people's nurseries had to be abandoned: not even replacement of casualties in old plantations could be undertaken. In Surendranagar, delayed planting was possible only after late, scanty rains. In Bharuch, initial showers were good, but plantation work had to be stopped during the long dry spells that followed.

The wasteland development program in Bharuch is becoming quite popular, especially with the disadvantaged. It not only generates income, employment, and savings, but has already yielded large quantities of grass fodder required by the villagers for their own use. Some of the village institutions have even sold excess grass at a profit and have been able to build up a revolving fund for themselves.

In 1987, 62 nurseries were developed in seven villages to raise a total of one million saplings. Of the 62 nursery growers, 44 were landless, 17 small and marginal farmers, and only one farmer had a landholding of more than 25 acres. Nineteen of the nursery growers were women.

During 1987, AKRSP(I) fodder farms emerged as a particularly significant part of the wasteland development program. Availability of fodder has become an increasingly important issue. Not only is this true for the landless and marginal farmers who depend on animal husbandry to provide a significant part of their income but who have little land of their own to assure the availability of fodder, but also for other farmers whose wells dried up due to the lack of rain. In 1987, AKRSP(I) started work on two fodder farms in Surendranagar and three in Junagadh district.

AKRSP(I) organized a state-level workshop to review and discuss the role of fodder farms. Participants included officers of various government agencies. The workshop focussed on policies which would improve the productivity of the farms, as well as expand the scheme to other areas of Gujarat.

D. Research and Development

i. Agriculture

AKRSP(I)'s agriculture program has been, for the most part, linked to its irrigation program. It has focused on demonstrating and providing training in improved agricultural practices, including the adoption of high-yielding varieties of seed and accompanying methods of cultivation.

Increases in training programs geared towards exposing villagers to new technology and development techniques as well as specific training in agronomic practices and management has occurred in all project areas. Collaboration with resource institutions such as Gujarat Agriculture University was also strengthened.

With water available from the lift irrigation schemes in the Bharuch program area, summer crops of groundnut, bajra, mung, and vegetables were taken in four villages. The demonstrations brought higher yields than the district average yields.

In Surendranagar, eleven demonstrations of wheat crop were conducted in seven villages, again with significantly higher yields than the district average. Experiments are also underway with bajra, cotton, seasumum, mung, mustard, cumin, and vegetables, as well as such fodder crops as maize and sorghum.

Ten plots of wheat demonstrated in Junagadh also yielded higher than the district average. Plots of groundnut and tomato were adversely affected by the drought.

ii. Horticulture Program

New varieties of fruit species were introduced in the Bharuch program area. Eighteen farmers were encouraged to start fruit tree plantations. During 1987, 420 saplings were planted of which 75% survived.

iii. Biogas Program

The biogas program was conceived in the Junagadh program area, which has a large cattle population. As a fuel-wood saving scheme, it was linked to AKRSP(I)'s wasteland development program and to agricultural development as a fertilizer producing plant.

By December 1987, 25 Deenbandhu and 48 conventional biogas plants were initiated by AKRSP(I). During 1987, the State Government recognized AKRSP(I) as the exclusive agency for implementing the biogas program in the Junagadh program area.

E. Savings and Credit

AKRSP(I) initiated a savings scheme during 1986 by persuading people working on various development

projects to save the difference between the prevailing wage rate they would have received elsewhere and the minimum statutory wages which AKRSP(I) was arranging for them. As of the end of 1987, savings totaled Rs.505,518 ($37,445).

A savings, credit, and supply scheme was devised and operational in Bharuch and Surendranagar in 1987. The scheme covered 143 farmers in four villages in Bharuch and three in Surendranagar. Of Rs.117,171 ($78,114) advanced, recovery was 81%.

F. Marketing

Because of the setbacks in agricultural production caused by the drought, marketing programs got off to a slow start during 1987.

Villagers who were members of lift irrigation cooperatives in the Bharuch program area had access to water, and several villages harvested wheat for the first time in 1987. They decided to market the produce through cooperative societies and enjoyed sales of Rs.66,370 ($4,916). AKRSP(I) is studying the prospects for group marketing of other crops such as vegetables from the project villages.

G. People's Institutions

While formulating its strategy in 1984, AKRSP(I) decided that its route of development would be through People's Institutions, organizations similar to the VO concept in AKRSP(P).

AKRSP(I) has been implementing this approach through the promotion of village institutions which take on more and more responsibilities as AKRSP(I) increasingly demonstrates their capabilities. During 1987, development activities were supported only in villages where a local institution was formed, when people shared the responsibility of program implementation and management of the completed project.

AKRSP(I) is working in 16 villages in Surendranagar which are covered by 13 Gram Vikas Mandals (GVM). The GVM is a village development council which serves as an umbrella organization for the village. In eight of these villages, the major project is renovation of percolation tanks; in two others, wasteland development; in one, lift irrigation; and in two, fodder farms.

In Bharuch, 14 GVMs cover 17 villages. Six have projects in lift irrigation; one, in supply of agricultural inputs; and seven, in wasteland development.

In Junagadh, 12 villages have formed 10 GVMs. Five have begun irrigation projects; two, biogas projects; and the remaining villages, social forestry/fodder farms.

H. Monitoring

AKRSP(I)'s monitoring activities have centered around maintaining monthly physical and financial progress records for each project. In 1987, 37 GVMs were established in the three program districts, and a series of guidelines were prepared to define responsibilities and the role of training at different stages of project development. These guidelines are now being implemented and staff has been appointed to monitor the progress of projects with attention to technical aspects, the role of People's Institutions, and training.

Baseline surveys were conducted to provide a profile of beneficiaries covered under the AKRSP-supported projects.

I. Resource Mobilization

AKRSP(I) derives its funds from the AKF network, government agencies such as the National Wasteland Development Board, and international donor agencies. Expenditures for the review period totaled roughly $880,000, of which approximately 45% was spent on wasteland development and 45% on irrigation projects.

One of AKRSP(I)'s achievements has been its ability to help villagers obtai funds from the Indian government. Traditionally, this has been a difficult task for the villagers given the very rigid regulations imposed by the government regarding development funds. With AKRSP(I)'s help, villagers are now able to take advantage of government resources.

In addition, given the length of time necessary to receive government funds, AKRSP(I) uses its own resources first to help implement village projects with the understanding that when the government funds come through, AKRSP(I) will be reimbursed.

J. Organizational Development

Under the overall guidance and policy of its Board of Directors, the AKRSP(I) functions at two levels - the central office at Ahmedabad with a Chief Executive and the core team; and the Spearhead Teams (SHTs) in the project area headquarters in the three districts of Junagadh, Surendranagar, and Bharuch.

During 1987, six core team members were added with expertise in agriculture, forestry, management, agricultural engineering, and marketing. Seventeen members were added to the Spearhead Teams.

IV. MANAGEMENT

The AKRSPs in Pakistan and India are organized as private, non-profit companies. Each is governed by an independent Board of Directors. These Boards, comprised mainly of host-country nationals, determine the policy and direction of their respective companies. The Boards also oversee the program's implementation, which is the responsibility of the management group.

Shoaib Sultan Khan, an internationally-renowned and experienced rural development professional, heads AKRSP(P)'s management group as its General Manager. Similarly, Anil Shah, the Chief Executive Of AKRSP(I), is responsible for the program's implementation in that country. He was formerly the Secretary and Commissioner in the Gujarat Government's Department of Agriculture, Forest, and Cooperation, with primary responsibility for rural development in that state. Messrs. Khan and Shah are supported by a high calibre group of professionals, all of whom are nationals of their respective countries. In 1988, Mr. Khan and Mr. Shah visited the United States separately and made presentations to a number of AKF USA's constituents as well as centers of higher learning such as Harvard and Cornell Universities.

Each AKRSP has a Monitoring and Evaluation Research (MER) unit. They produce regular quarterly progress reports and annual reviews which are forwarded to AID on a regular basis. In the view of many who receive these reports, they are of a very high calibre.

The AKF affiliate in India and Pakistan also plays a pivotal role in monitoring the AKRSP's activities on behalf of the Foundation. The Foundation's Geneva-based program staff continue to play a major role in the ongoing analysis and monitoring of the program's activities. AKF USA's Chief Executive Officer has also visited AKRSP(P) four times and AKRSP(I) once in the past three years. The Chairmen of the AKF USA National Committee have also visited both programs.

AKRSP encourages interested parties to visit, observe, and informally evaluate its progress. Many such individuals and delegations have been received in Pakistan and India, including Heads of State, Cabinet Ministers, and other local and national leaders; donor agency representatives; and interested development experts. AID's Project Officers from their FVA/PVC office in Washington visited AKRSP(P) in May 1985, and April 1987, as have several other representatives from the USAID mission in Islamabad. Most recently in April 1988, the Deputy Director of the FVA/PVC office, visited the program.

In November 1987, His Highness the Aga Khan toured the Northern Areas of Pakistan. Visiting nine villages, he met

the Village Organizations and representatives of most of the VOs from the surrounding areas, inspected the projects they had implemented, and discussed their plans. The highlight of the visit was a conference of the Presidents and Managers of the Village Organizations of Gilgit and Baltistan Districts, held in Gilgit on November 20. It was attended by 500 rural managers and other guests.

The World Bank's Operations Evaluation Department (OED) conducted an independent evaluation of the program's progress in Pakistan. The terms of reference for this evaluation were approved by AID and other international donor agencies. These donors, including AID, agreed that this assessment would satisfy the need for any evaluation required under their respective grants. OED's draft report was reviewed with all major donors, including AID-Washington, before being finalized. Copies of this evaluation were sent to AID and a report was published for general distribution in June 1987. This report continues to be in high demand among parties interested in the AKRSP experience.

In December 1987 and January 1988, an independent team visited AKRSP(I) to evaluate the program's progress in its third year of operation. The terms of reference for this evaluation were also reviewed and approved by AID Washington. In May 1988, they filed an Interim Assessment Report which has been sent to AID Washington and other donor agencies.

V. FINANCIAL

It is expected that projected expenditures for FY 3 of the AID Matching Grant will be in accordance with the Budget submitted to AID in 1987. Finalized project expenditures will be made available to AID by the end of 1988.

International donor agencies, including the Agency for International Development (AID), continue to provide important financial support for the AKRSP concept. The Canadian International Development Agency (CIDA), Alberta AID, Overseas Development Authority (OAD, U.K.), OXFAM (U.K.), the Ford Foundation, and the Dutch government have been among the program's funders. In 1987, the Dutch government approved an additional $5.5 million for AKRSP(P), and in May 1988 a grant of $3.5 million was formally approved by ODA (U.K.).

AKF USA's matching funds have been derived mainly from the public in the United States.

REVISED BUDGET AND PROPOSED UTILIZATION OF AID MATCHING GRANT
(IN CONSTANT $'000)
YEAR 3 OF MATCHING GRANT
JULY 1, 1987 TO JUNE 30, 1988

Lotus Filename: MG1YR3A

	ACTUAL 9 MONTHS ENDED 3/31/88 Countries			PROJECTED 3 MONTHS ENDED 6/30/88 Countries			PROJECTED/ACTUAL 12 MONTHS ENDED 6/30/88 Countries			PROJECTED/ACTUAL AID Matching Grant 12 MONTHS ENDED 6/30/88 Countries		
	Pakistan	India	Total	Pakistan	India	Total	Pakistan	India	Total	Pakistan	India	Total
I. Program Costs												
A. Capital Expenditure (vehicles, office equipment)	47	121	168	14	34	48	61	155	216			0
B. Recurrent Expenditures												
1. Professional Staff	238	69	307	71	19	90	309	88	397			0
2. Support Staff	242	14	256	72	4	76	314	18	332			0
3. Consultants	59	20	79	16	8	23	65	36	101			0
4. Travel (including vehicle operation)	64	29	93	19	8	27	83	37	120			0
5. Office Expenditures, Rent and Miscellaneous	64	23	107	25	6	31	109	29	138			0
Subtotal	678	162	841	202	45	247	880	208	1088	0	0	0
C. Program Expenditures												
1. Productive Physical Infrastructure	648	344	992	193	97	290	841	441	1282			
2. Training and Extension	282	21	303	84	6	90	366	27	393			
3. Survey and Design Equipment	23	0	23	7	0	7	30	0	30			
4. Women's Program	161	0	161	48	0	48	209	0	209			
5. Adaptive Research	295	20	315	88	5	93	383	25	408			
6. New Resource Management Programs	0	315	315	0	61	61	0	276	276			
7. Monitoring, Evaluation and Socio-economic Research			0			0	0	0	0			
8. Revolving Fund	64	6	70	19	2	21	83	8	91	30	0	30
	1159	0	1159	345	0	345	1504	0	1504	300	0	300
Subtotal	2632	606	3238	784	171	955	3416	777	4193	330	0	330
Total	3357	890	4247	1000	250	1250	4357	1140	5497	330	0	330
II. Sources of Funds												
AID Matching Grant	248	0	248	82	0	82	330	0	330			
AIF Network Contributions	408	230	638	464	65	529	872	295	1167			
Host Government	0	463	463	0	130	130	0	593	593			
Other Donor Agencies	2701	197	2898	454	55	509	3155	252	3407			
Total	3357	890	4247	1000	250	1250	4357	1140	5497			

REVISED BUDGET AND PROPOSED UTILIZATION OF AID MATCHING GRANT
(IN CONSTANT $'000)
CONSOLIDATED JULY, 1985 - JUNE 1988 (REVISED)

Lotus Filename: MG1YR3B

	PROJECTED/ACTUAL 36 MONTHS ENDED 6/30/88 Countries			PROJECTED/ACTUAL AID Matching Grant 36 MONTHS ENDED 6/30/88 Countries		
	Pakistan	India	Total	Pakistan	India	Total
I. Program Costs						
A. Capital Expenditure (vehicles, office equipment)	287	397	684			0
B. Recurrent Expenditures						
1. Professional Staff	720	201	921			0
2. Support Staff	490	47	537			0
3. Consultants	153	62	215			0
4. Travel (including vehicle operation)	245	78	322			0
5. Office Expenditures, Rent and miscellaneous	397	156	553			0
Subtotal	2005	544	2549	0	0	0
C. Program Expenditures						
1. Productive Physical Infrastructure	3290	1241	4531			
2. Training and Extension	869	43	912			
3. Survey and Design Equipment	146	0	146			
4. Women's Program	329	0	329			
5. Adaptive Research	909	69	978			
6. New Resource Management Programs	69	867	936			
7. Monitoring, Evaluation and Socio-economic Research	235	16	251	115	0	115
8. Revolving Fund	3161	0	3161	885	0	885
Subtotal	9006	2236	11242	1000	0	1000
Total	11300	3177	14477	1000	0	1000
II. Sources of Funds						
AID Matching Grant	1000	0	1000			
AKF Network Contributions	2752	898	3650			
Host Government	351	1387	1738			
Other Donor Agencies	7197	892	8089			
Total	11300	3177	14477			

VI. LESSONS LEARNED AND LONG-TERM PROJECT IMPLICATIONS

AKRSP's strengths are flexibility and the ability to learn from its own experience, qualities essential to its goal of building viable, long-lived development institutions on the local level. Many of the lessons learned in the more established AKRSP(P) can be applied generically to the program in India.

So far, AKRSP(P)'s greatest successes have been in village-level institutional and physical infrastructure development. Replicable packages in agricultural development, resource management, and business development are evolving more slowly.

AKRSP(P)'s development finance activities at the village level are now firmly anchored in the collective savings of VOs, and recovery rates on short-term credit arranged by AKRSP have been excellent.

Skill development has met with mixed results, with VO para-veterinarians performing substantially better than para-professionals trained in plant protection and poultry management. Developing replicable women's development packages with an agricultural focus has proved difficult, although viable strategies for reducing women's workload and increasing productivity have evolved.

Since the inception of the program, several important lessons have emerged which have affected program direction. In particular, agricultural technology suitable to the area was originally thought to be readily available, but the small variations within the program area and the differences from the rest of the country were underestimated. Thus, more emphasis has been placed on adaptive research and on changing training courses. When new land is opened after completion of an irrigation project, land development requires a great deal of staff time and funding. Initially, marketing was felt to be a question of cooperative collection and sale of surplus products that otherwise were being wasted, but has proved far more complicated. Because there are few wasted surpluses of quality, selling by VOs to wholesalers has occasionally proved unprofitable. Marketing should begin with identification of potential demand, working back to providing quality products to meet the demand. In the women's program, initial ideas for PPIs have foundered on socio-economic realities. A different approach is now being tried.

The team which recently evaluated AKRSP(I) was impressed by the project's achievements to date, particularly given the very difficult ecological conditions of the past three years. Some of the original targets have not been met but other innovations have taken their place (often as a short-term response to drought); the flexibility this implies is regarded as one of the program's strongest

points. There is evidence, too, that the approach is beginning to show results, as the Village Institutions (VI) grow in confidence and experience.

Progress on the purely quantitative goals set under the original program for AKRSP (I) has been quite limited. The explanation for this apparent gap between goals and achievement is to be found partly in normal excessive optimism. The unprecedented drought, however, has also played a part in producing a change in emphasis, bringing in other projects such as percolation tanks, check dams, biogas, and cattle camps. Access to land and water, which was to have been the program's principal focus, has meanwhile proved more troublesome than anticipated.

There is evidence that AKRSP(I) has yet to develop a partnership with VIs, and program staff continue to take the major responsibility for the implementation of projects, rather than delegating this responsibility to the VIs themselves. Persistence, however, has proved a hallmark. There have been numerous examples of short-term failure in the initial contacts and activities of AKRSP with villages and with the difficult issues which must be discussed with government (e.g. procurement of land, permission to draw water at the given site). Yet AKRSP(I) has proved itself capable of overcoming such obstacles, thereby winning the respect of both government and villagers alike. The village program has been able to alter its focus to reflect village needs and has been able to take in technical variations to meet local conditions.

Functioning as a catalyst for development, AKRSP works with other government and non-government organizations to address the many challenges of development in its project areas. In Pakistan, AKRSP has established working relationships with the Government of the North West Frontier Province; the Northern Areas Development Board; UNICEF, through its Community Basic Services Program in the Northern Areas; the UNDP/FAO Integrated Rural Development Program; the Pakistan Agricultural Research Council (PARC); the Applied Economics Research Centre; the Pakistan Institute of Development Economics; the International Centre for Integrated Mountain Development; Center for Environmental Technology (U.K.); CIMMYT; and several others.

In India, AKRSP has collaborated with the Society for Promotion of Wasteland Development (SPWD); National Dairy Development Board (NDDB); National Wasteland Development Board (NWDB); Center for Behavioral Studies; Water Development Society; Institute for Rural Management-Anand(IRMA); Gujarat Agricultural University; and others.

The most lasting effect of AKRSP efforts so far has been the spread of an idea -- the conviction that villagers can manage their resources collectively and shape their own future. This idea needs to be translated increasingly into concrete projects that will sustain the VO in years to come.

VII. CONCLUSION (RECOMMENDATIONS)

AKRSP's management and Boards constantly monitor, assess, and evaluate the validity of its program activities, approaches, and methodology, enabling the AKRSP concept to continue to evolve and strengthen with the benefit of time and experience. AKRSP(P), for example, has developed and put into operation a Phase II Strategy, which incorporates many of the World Bank's recommendations contained in the OED evaluation, as well as comments from other donor agencies and visitors to the project. The primary concern is the need to address the issue of longer-term and system-wide sustainability of the village level organization that AKRSP has helped create.

The principal future objective of AKRSP is to ensure the consolidation and continuing development of the villagers' initial enthusiasm and willingness to take up responsibility for managing their resources - human, physical, and financial - in a productive, stable, and equitable manner. The essential emphasis on fostering institutional development and continuing improvement of human skills focuses on establishing a legal status for VOs to ensure growth and continuity, on evolving local managerial skills at many levels, and on creation of a purely local "apex" institution that can take over most of the support functions currently being performed by AKRSP.

A second emphasis involves the continuing evolution of imaginative and innovative programming. Experience in Productive Physical Infrastructure projects, savings and credit, small beginnings in agricultural intensification, livestock, processing and marketing, and women's activities demonstrate which approaches are effective. Future efforts will continue to work on these elements but will also add concerns for broader resource management (village and valley planning, watershed management); for a wider range of technical skill development; for the incorporation of social and commercial development activities through the VO. By the Third Phase, to be in place in the mid-1990s, a much smaller AKRSP is expected to remain to perform research, training, and evaluation functions, partly in support of the apex institution of the VOs and partly for other regional, national, and international programs and projects.

If the VOs are to prosper in the future, invest in agriculture and related development efforts, and sustain local development cadres, it is essential that AKRSP pay particular attention to the deepening and broadening of its agricultural resources programming. The project area contains threats to stability and sustainability, and there are major issues concerning optimal resource management (especially in the relationshops between crops, forestry, and livestock). These will be the subject of special attention in future programming.

In addition to benefiting from the experience of AKRSP(P), the younger and less fully-developed AKRSP(I) has its own particular needs and can benefit from recommendations included in the evaluation team's Interim Assessment Report. The current focus on land and water management should be maintained, although consideration should be given to livestock management, along the lines of emergency drought relief projects already underway. The program's activities could be extended usefully to villages adjoining those where projects have already begun, with the aim of spreading improvements to small watershed areas. Another course worth investigating at a later stage would be extending into upstream and downstream activities (input supply and agricultural marketing). The program could serve as a model for the sustainable development of the fragile eco-systems of drought prone areas.

With the high diversity of soil type, of surface and groundwater conditions, and of habitat/vegetation within the three program districts, the program requires accurate information about resources and uses at a micro-level. Such information can be provided by farmers, by ground surveys, and by use of remote sensing. Planning beyond the short-term, day-to-day concerns should be emphasized for future reconstruction and rehabilitation of soil and water resources. Despite limited success to date, experiments with sprinklers and drip irrigation should continue.

Monitoring levels of saving, their use, and credit performance where savings are used as security for borrowing is needed. Given the disturbing signs of increasing inflation in India, some form of purchasing power insurance should be considered to prevent depreciation of farmers' capital holdings.

AKRSP has shown considerable flexibility in making course corrections in its first five years, instituting remedial measures and strengthening weak mechanisms whenever it has been confronted with negative experiences. In the future, such resilience will become even more important in ensuring that the development mechanisms established continue to prosper into the next century.

ATTACHMENT A

PVO PROJECT REPORTING INFORMATION ON AID SUPPORTED PVO PROJECTS

OMB No. 0412-0530
Expiration Date: 03/31/89

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Aga Khan Foundation U.S.A.		Grant/Contract Number PDC-0265-G-SS-5041-00
Start Date *(MM/DD/YY)* 07/01/85	End Date *(MM/DD/YY)* 06/30/88	AID Project Officer's Name Marguerite Potee

AID OBLIGATION BY AID-FY ($000)

FY	AMOUNT	FY	AMOUNT
1985	335		
1986	335		
1987	330		
LOP	1,000		

Activity Description

The Matching Grant to AKF USA supports the work of the Aga Khan Rural Support Programme (AKRSP) in Pakistan. AKRSP, a rural development model created by the Aga Khan Foundation, is a private sector catalyst designed to generate development in selected areas of rural poverty. Its specific objectives are to develop income and employment generating activities among the rural poor; establish local self-help institutions for sustainable development; and make more effective use of available resources through appropriate innovations and technology. The program in Pakistan, which was established in December 1982, works with the rural poor in three of the most isolated mountain districts in the far north of the country - Gilgit, Chitral, and Baltistan.

Status

The AKRSP in Pakistan is now in its sixth year of operation and its last year of AID's Matching Grant. The progress in all three of the project districts has been substantial and has affected the lives of some 750,000 people, covering an area of 70,000 square kilometers. The model is being replicated in the State of Gujarat, India.

Both AKRSP(P) and AKRSP(I) have undergone independent evaluations. The former was reviewed in 1986 by the World Bank's Operation Evaluations Department while the latter was evaluated by Wye College, London. The results of these evaluations were quite positive and have been shared with AID.

COUNTRY INFORMATION (SECONDARY)

Country Pakistan	Location in Country *(Region, District, Village)* Gilgit, Northern Areas, Pakistan
PVO Representative's Name Iqbal Noor Ali	Local Counterpart/Host Country Agency Aga Khan Foundation, Pakistan

COUNTRY FUNDING INFORMATION ($000)

YEAR	7/1/85-6/30/86	7/1/86-6/30/87	7/1/87-6/30/88		TOTAL
AID $	335	335	330		1,000
PVO $	900	980	872		2,752
INKIND	1,340	2,702	3,155		7,197
LOCAL	299	52	0		351
TOTAL	2,874	4,069	4,357		11,300

AID 1550-11 (6-86)

(See Instructions & OMB Statement on reverse)

AGA KHAN FOUNDATION USA
AGA KHAN RURAL SUPPORT PROGRAM

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

NARRATIVE SUMMARY ASSUMPTIONS	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT
Goals:	Measure of Goal Achievements:		
To develop income generating activities in selected areas of rural poverty.	Increase in the number of Village Organizations.	Government reports.	Stable economic and political situation in areas of operation.
To enhance self-help among poor rural communities by helping them establish permanent local institutions for sustained development.	Improvement in per capita income, savings and standard of living.	Census reports.	
	Increase in agricultural output and arable land.	In-house and independent evaluation reports.	
	Diversification of productive activities.	Financial statements and reports.	
		Site visits and surveys.	

NARRATIVE SUMMARY ASSUMPTIONS	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT
Purpose:	End of Project Status:		
To expand and replicate Aga Khan Rural Support Programs in selected South Asian and African countries.	Successful establishment of major AKRSP programs in two countries, with detailed planning for expansion into a third.	Project reports.	No major civil conflicts or wars in program areas.
To evolve the concept of AKRSP to undertake major resource management activities in resource-poor areas.	Initiation of major programs of natural resource management (including reafforestation, water) in India and Pakistan.	On-site visits and surveys.	Continued cooperation of governments with private, non-profit initiatives for rural development.
To develop local support institutions for the eventual replacement of AKRSPs.	Detail planning for the establishment of local support institutions (e.g. local development finance corporation, technical support centers, etc.) to take over functions currently being performed by AKRSP.	Evaluation reports.	Continuing support of donor agencies for AKRSP activities.
		Planning documents.	Continuing willingness of communities in program areas to work actively together and with AKRSP.

NARRATIVE SUMMARY ASSUMPTIONS	OBJECTIVELY VERIFIABLE INDICATORS				MEANS OF VERIFICATION	IMPORTANT
Inputs:	Budget: (in US$'000,000)					
Salaries for: Management Group, Field Staff, Support Staff Funds for: Productive Projects, Extension and Training, Women's Programs, Marketing, Resource Management, Adaptive Research, Revolving Fund, Monitoring, Evaluation and Research		1985-86	1986-87	1987-88	Financial reports. Progress reports and Annual Reviews. Reports to donor agencies. Annual audit reports. Personnel reports.	Funds are available when needed. Budget projections are adequate for programmed activities. Availability of qualified personnel for programs. No major changes in inflation and/ or exchange rates.
	AKRSP: Program and Operating Expenditures					
	Pakistan	2.9	4.1	4.4		
	India	1.0	1.0	1.1		
	TOTAL	3.9	5.1	5.5		
Funds for: Project Support, Local and International Travel, Consultants, Vehicles and Equipment	Source of Funds					
	AID Matching Grant	.34	.34	.32		
	Host Governments	.58	.60	.60		
	Other Donor Agencies	1.76	2.92	3.40		
	AKF USA & Affiliates	1.24	1.24	1.18		
	TOTAL	3.9	5.1	5.5		

NARRATIVE SUMMARY ASSUMPTIONS	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT
Outputs:	Magnitude of Outputs:		
Determination of current situation and major needs of rural populations in program areas.	Completion of Diagnostic Surveys and establishment of Village Organizations in approximately 1,000 villages.	Computerized information system on major program activities.	As above plus:
Establishment of Village Organizations.	Construction of productive projects in 1,000 villages.	Quarterly Progress Reports.	Continuing ability of AKRSP to recruit first-rate staff to work in rural areas.
Productive infrastructure projects.	At least 75,000 households benefitted from increased income and employment by the end of year 3.	Annual Reviews.	AKRSP methodology continues to prove relevant, effective and culturally appropriate in expanded circumstances.
Training of local people in management and technical skills.	Approximately 10,000 local people receiving training in management skills for running Village Organizations and in practical skills to be passed on to other members of Village Organizations.	Field trips/on-site visits.	
Extension of new technologies and new products for increased incomes.		Evaluation reports.	
Development of savings and credit programs, with appropriate local institutions to ensure continuity.	Establishment of savings and credit programs in all Village Organizations; revolving loan fund for medium-term credit needs.		
Evolution of effective women's programs in each area.			

NARRATIVE SUMMARY ASSUMPTIONS	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT
Outputs continued:	Magnitude of Outputs continued:		
Development of local capacity in marketing of inputs and outputs and in processing.	Implementation of programs in all areas for income generation for women, with necessary technical and organizational support.		
Initiation of reafforestation and watershed management programs.	Establishment of effective marketing systems linking Village Organizations to national framework.		
	Initiation of natural resource management programs in India and Pakistan after resolutions of technical and organizational issues.		
	Technology information and technical support provided for all programs.		
	Analysis of cost-effectiveness of AKRSP approach.		

ATTACHMENT C

AKRSP (PAKISTAN)

CUMULATIVE STATISTICAL ABSTRACT

December 1982 - December 1987

I. Project Area

1.	Area (square kilometers)	69,200
2.	Population	802,000
3.	Number of households (approximate)	98,200
4.	Number of villages (approximate)	1,280

II. Social Organizations

1.	Number of Village Organizations	762
2.	Membership	45,192
3.	Savings ($ millions)	1.91
4.	% of households of project area covered by VOs	46

III. Productive Physical Infrastructure

1.	Total number of projects identified	1,249
2.	Estimated cost of projects identified ($ millions)	10.09
3.	Number of projects initiated	585
4.	Number of beneficiary households	41,677
5.	Cost of initiated projects ($ millions)	5.05
6.	Physical progress (%)	74
7.	Number of projects completed	375

IV. Savings and Credit (Short-term Credit)

1.	Amount of Loans ($ millions)	1.6
2.	*Number of group loans for VOs	2,103
3.	*Number of beneficiary households	103,929
4.	Amount overdue ($'000)	12.27
5.	% of amount in default (overdue by 12 months)	.77

V. Savings and Credit (Medium-term Credit)

1.	Amount of loans ($ millions)	1.22
2.	*Number of group loans for VOs	175
3.	*Number of beneficiary households	10,595

(* Includes multiple loans to same VO)

VI. Extension Training

1. Number of regular courses	66
- Agriculture	26
- Livestock	20
- Poultry	11
- Marketing	8
- Accounts	1
2. Number of first-time trainees	1,293
- Agriculture	422
- Livestock	472
- Poultry	257
- Marketing	136
- Accounts	16
3. Number of refresher courses	43
- Agriculture	17
- Livestock	18
- Poultry	4
- Marketing	4
- Accounting	0

VII. Marketing

1. Number of participating VOs	383
2. Gross Sales ($'000)	422
3. Marketing expenses ($'000)	28.83
4. Farmgate income ($'000)	362.44
5. Beneficiary households	12,788
6. Marketing loans ($'000)	390
7. Number of group loans for VOs	341
8. Number of beneficiary households for loans	17,844

VIII. Women's Program

1. Number of Women's Organizations	148
2. Membership	7,300
3. Bank deposits ($'000)	176.66

ATTACHMENT D

AKRSP (INDIA)

STATISTICAL ABSTRACT OF PROGRESS
As of December 31, 1987

I. Program Area Profile

	Program District			
	Bharuch	Junagadh	Sundra-nagar	Total
(A) DISTRICT PROFILE				
Total population	1,296,451	1,034,185	2,100,709	4,431,345
Total No. of villages	1,123	648	1,071	2,842
Total rural population	1,054,942	121,571	222,955	531,678
(B) PROGRAM BLOCKS (9) PROFILE				
Total No. of villages	368	245	204	817
Total population	194,710	189,214	287,137	671,061
No. of households	42,442	29,673	43,272	115,387
(C) AKRSP'S PROJECT VILLAGES				
Total No. of villages	14	15	10	39
Total population	18,491	8,795	14,458	41,744
Total No. of village institutions (VI)	14	13	10	37
Total no. of households covered in VIs	1,700	630	454	2,784

AKRSP (INDIA)

STATISTICAL ABSTRACT OF PROGRESS
As of December 31, 1987

II. Program Profile

	Program District				
	Bharuch	Junagadh	Sundra-nagar	Total	Cumulative Total Up To Dec. '87
(A) Water Resource Development					
-Projects completed (No.)	-	1	1	2	8
-Projects in progress (No.)	2	2	4	8	8
-Total	2	3	5	10	16
-Employment generated (mandays)	1,351	6,156	78,792	86,299	189,942
(B) Land Development					
-Nurseries (No.)	62	11	9	82	120
-Saplings raised (in Lakhs)	10	4.5	4.9	19.4	43.3
-Area covered (ha)					
-Public	215	-	100	315	791
-Private	-	11	-	11	296
-Total	215	11	100	326	1,087
-Employment generated (mandays)	109,450	-	45,181	154,631	226,071
(C) Agriculture					
-No. of demonstrations					
-Summer	30	-	-	30	-
-Kharif	30	6	7	43	-
-Rabi	10	3	22	35	-
-Total	70	9	29	108	**1,052
-Input supplies ($'000)	6.4	-	1.4	7.8	50
(D) Biogas					
-No. of plants installed	-	22	-	22	73
(E) Training					
-No. of programs	6	3	6	15	33
-No. of participants	95	37	125	257	690
(F) Total Savings as on Dec.'87 ($)	26,945	3,816	6,688	37,449	37,449

** Including verification trials during 1985 & 1986.