



Aga Khan Rural Support Programme  
(A Project of the Aga Khan Foundation)



# PROGRESS REVIEW 2020

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# **PROGRESS REVIEW**

## **2020**



## **AGA KHAN RURAL SUPPORT PROGRAMME (AKRSP)**

Babar Road, P.O. Box 506, Gilgit,  
Gilgit-Baltistan, Pakistan

Phone: (+92-5811) 452480 / 452910 / 452679

Email: [info@akrsp.org.pk](mailto:info@akrsp.org.pk)

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**Editor:** Aziz Ali Dad

**Design:** IdeoMetriX Pvt. Ltd  
([info@ideometrix.com](mailto:info@ideometrix.com))

## **DISCLAIMER**

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# ACRONYMS

AGECS	Advancing Gender Engagement in Civil Society
AKAH	Aga Khan Agency for Habitat
AKDN	Aga Khan Development Network
AKF	Aga Khan Foundation
AKFP	Aga Khan Foundation Pakistan
AKFUK	Aga Khan Foundation, United Kingdom
AKHSP	Aga Khan Health Services Pakistan
AKPBSP	Aga Khan Planning and Building Services Pakistan
AKRSP	Aga Khan Rural Support Programme
AKU	Aga Khan University
AML	Anti-Money Laundering
AP	Accelerate Prosperity
AQCESS	Access to Quality Care through Extending and Strengthening Health Systems
BISP	Benazir Income Support Programme
CAP	Central Asia Poverty Project
CAT	Capacity, Asset & Trust
CBSG	Community Based Saving Groups
CFT,	Combating the Financing of Terrorism
CPEC	China-Pakistan Economic Corridor
CRP	Community Resource Person
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
EC	European Community
ECHO	European Civil Protection and Humanitarian Aid Operation
EGA	Enterprise Growth Accelerator
ETI	Economic Transformation Initiative
F4HE	Foundation for Health
FM	frequency modulation
FMFB	First MicroFinance Bank Ltd.
FP	Family Planning
GB	Gilgit-Baltistan
GBC	Gilgit-Baltistan and Chitral
GBLA	Gilgit-Baltistan Legislative Assembly
GBV	Gender-Based Violence
GGDC	Government Girls Degree College
GLOF	glacial lake outburst flooding
INGO	International Non-Governmental Organisation
IT	Information Technology
IYCF	Infant and Young Child Feeding

KKH	Karakoram Highway
KPK,	Khyber Pakhtunkhwa
LHW	Lady Health Worker
LSO	Local Support Organisations
MER	Monitoring, Evaluation and Research
MHP	Micro Hydro-power Plant
MSCA	Microsoft Certified Systems Administrator
NBP	National Bank of Pakistan
NGO	Non-Governmental Organisation
NOC	No Objection Certificate
NRM	Natural Resource Development and Management
ODF	Open Defecation Free
PATRIIP	The Pakistan Afghanistan Tajikistan Regional Integration Program Foundation
PEDO	Pakhtunkhwa Energy Development Organization
PIA	Pakistan International Airlines
PKR	Pakistani Rupee Rate
PLS	Profit and Loss Sharing
PPAF	Pakistan Poverty Alleviation Fund
PPE	Personal Protective Equipment
PTI	Pakistan Tehreek Insaaf
RSP	Rural Support Programme
RSPN	Rural Support Programmes Network
SCO	Special Communication Organisation
SDG	Sustainable Development Goals
SECP	Securities & Exchange Commission of Pakistan
SESNAAC	Socio-Economic Survey of the Northern Areas and Chitral
SME	Small and Mid-size Enterprise
SMK	Sihatmand Khandaan
SMP	Social Mobilization Project
SMS	Short Message Service
SRHR,	Sexual and Reproductive Health and Rights
TBTT	Ten Billion Tree Tsunami Project
TTF	Tabeer-o-Tameer Fund
TVET,	Technical and Vocational Education and Training
UC	Union Council
UNICEF	United Nation's Children Fund
VACS	Village Agriculture Cooperatives
VOs	Village Organisations
WeT	Waseela-e-Taleem
WASH	Water Sanitation and Hygiene
WHO	World Health Organisation
WOs	Women's Organisations
YOs	Youth Organisation

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## ACKNOWLEDGEMENT

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### **Aziz Ali Dad**

Lead

Knowledge Management and Communications

Aga Khan Rural Support Programme (AKRSP)

## DIRECTORS REPORT

We are pleased to present the Directors report for the year 2020. The Aga Khan Rural Support Programme (AKRSP) was incorporated in Pakistan as a public company limited by guarantee not having share capital under section 42 of the Companies Ordinance, 1984 (now, the Companies Act, 2017) on August 9, 1982. The Company has its registered office in Karachi and its principal place of activities is in Gilgit-Baltistan and Chitral. The primary objective of the Company is rural upliftment, development of land resources and other welfare activities and it applies its income towards those objectives; and prohibits payments of any dividend or income to its members.

The Company's current programmes are under four themes specifically: Civil Society Development, Gender Development, Resource Development and Market Development. Following is the summary of Statement of Income and Expenditure and Other Comprehensive Income for the year 2020.

	Rs.'000'	
	2020	2019
<b>Statement of Income and Expenditure</b>		
Total Income	727,600.6	841,582.0
Expenditure	827,193.5	820,925.9
Expected Credit Loss	(1,776.1)	6,033.9
Total Expenditures	825,417.4	826,959.8
<b>(Deficit)/Surplus fo the year</b>	<b>(97,816.8)</b>	<b>14,622.2</b>
<b>Other Comprehensive Income</b>		
Surplus fo the year	218,851.9	14,622.20
<b>Total Comprehensive Income for the year</b>	<b>121,035.1</b>	<b>14,622.20</b>

Total income of Rs. 727.6 Million (2019: 841.6 Million) includes grant income recognized from Aga Khan Foundation Pakistan amounting to Rs. 361.0 Million (2019: Rs. 516 Million) and from other donors is Rs. 109.7 Million (2019: 185 Million) and Income recorded on Mini/Micro Hydro Projects amounting to Rs. 166 million (2019: Nil). Grant received from other donors include Pakistan Poverty Alleviation Fund, UNICEF, Government of Gilgit-Baltistan etc.

In addition to above, AKRSP's income also include interest earned on Terms Deposits and profit on PLS accounts maintained with Micro Finance Banks and commercial banks amounting to Rs. 58 Million. During the year, AKRSP also received Rs. 5 million from NBP (against CSR), vehicles rental income from FMFB 9.6 million and Certified Emission Reduction or Carbon Credits income of Rs. 6.3 million.



During the year 2020, AKRSP incurred the following expenses under each theme;

Themes ==>	----- Rupees '000' -----					Total
	Civil Society Development	Gender and Development	Resource Development	Market Development	COVID-19	
Total operation	56,799.0	21,960.0	416,462.4	59,116.0	83,231.0	637,568.4
Total support	10,203.4	3,361.0	9,525.2	15,255.5	4,985.2	43,330.3
Consultancies	220.0	-	546.0	-	-	766.0
<b>Total</b>	<b>67,222.4</b>	<b>25,321.0</b>	<b>426,533.6</b>	<b>74,371.5</b>	<b>88,216.2</b>	<b>681,664.6</b>

	Salaries, Benefit etc	Staff Travel and Vehicle operations	Rent, Maintenance and Utilities etc	Legal and Audit Fee	Total
<b>Management and Administration</b>	<b>95,146.2</b>	<b>12,420.6</b>	<b>35,387.6</b>	<b>2,574.9</b>	<b>145,529.3</b>

Under Resource Development, a total amount of Rs. 275.1 Million (2019: 242.6 Million) were spent on the following infrastructure projects during the year 2020 – details are as below;

### Programme Grants - Infrastructure

	-----Rupees '000'-----	
	2020	2019
Bridges	8,521.0	29,602.8
Hydropower projects	255,411.0	124,336.7
Irrigation channels	9,412.6	36,400.1
Link roads	1,827.8	41,634.3
Protective bunds	-	2,298.0
Water supply schemes	-	3,038.1
Other projects	-	5,293.4
<b>Total:</b>	<b>275,172.4</b>	<b>242,603.4</b>

There are no statutory audit qualifications during the year 2020.

The Directors are pleased to share the following key achievements during the year 2020. During the reporting period, AKRSP's performance in terms of implementing planned activities of different ongoing projects got impacted due to Covid-19 pandemic; however, the overall performance remained satisfactory whereby most of the planned targets were achieved and budget utilization was also at a satisfactory level.

## PERFORMANCE REVIEW:

### 1.1 CENTRAL ASIA POVERTY PROGRAMME (CAP)

The first phase of the 5-year CAP programme concluded on 31st December 2020 which has now been extended to 12 valleys. Key achievements of the first phase of programme are in the domains of community and youth engagement, renewable energy, agriculture and food security, transport infrastructure, tourism, financial services, enterprise promotion and youth employment.

Under the component of community and youth engagement in CAP project, AKRSP worked with six Local Support Organisations (LSOs) and 507 village-based community organisations with 18,739 members, which include 252 Village Organisations with membership of approximately 9,196 men and 255 Women's Organisations with a membership of 9,543, in the seven valleys of GBC. Over the last five years period, 277 previously inactive V/WOs have been re-activated in these valleys and other areas in order to re-engage communities, particularly focusing on youth. During the reporting period, a total of 3,524 young people under the age of 35 were mobilized to join V/WOs. These include 1,524 young women and 2,000 young men with 30% of the young men and women in leadership positions. AKRSP trained an overall 885 people (431 women) in leadership and management in these valleys. V/WOs fully participated in development activities including agriculture, energy and transport. This is endorsed by the Mid-term Review that reported a positive response with increased and active participation in community organisations and decision-making.

In the review period, AKRSP increased electricity supply by 9.2MW to cover over 17,600 households in the remote valleys through the establishment of 45 new mini- and micro-hydel. The evaluation reports revealed that around 5,000 households use electricity for heating and cooking, thereby reducing the cost of fuel wood by 60%. As result of availability of electricity for productive end use, more than 40 new micro enterprises have been established in the valleys.

Under the component of agriculture and food security, and transport infrastructure in CAP project, AKRSP supported over 5,000 farmers, including 1,900 women to increase their income by 30% through better farming techniques, diversification, and training. An increase of over 30% in agriculture production is due to an additional 46,900 kanals of land brought under cultivation. Over 7,800 households benefitted from 44 roads and bridges including the first ever road connecting Brughal, Upper Chitral to the rest of the world.

Since tourism is the mainstay of economy of Gilgit-Baltistan and Chitral, AKRSP realises its importance in the overall economy of the region. In 2020, AKRSP supported around 100 small guesthouses to improve service and facilities serving 102 rooms. It has trained over 330 young people in hospitality management. AKRSP has also supported 12 tourism events and assisted the government with a Gilgit-Baltistan tourism promotion documentary. With the support of Serena Hotels AKRSP trained 47 young people, 60 apprentices (50 from PVs) and 10 micro-entrepreneurs in Upper Chitral. In terms of financial services, AKRSP conducted activities for over 1,432 people, of which 900 were

women, covering digital savings, emergency savings and other topics. All the participants were from remote valleys of Gilgit and Chitral. AKRSP also supported 966 Village and Women Organisations to promote short-term savings and financial management. During 2020, AKRSP provided enterprise development support to over 1,311 people, almost 50% women, to encourage entrepreneurial thinking and the start-up of small businesses. As a result, 280 beneficiaries, over half women, started up their own businesses in local markets. The tracer study conducted in August 2019 has revealed that 41% of the trainees in enterprise development trainings were either self-employed or had found jobs within the first six months after training. The monitoring data and field observations further suggest that employment rate increases further to over 60% after at least one year of receiving training.

Considering the youth bulge in GBC, it is important to address the issue of youth employment. That is why AKRSP provided internships to 265 young people with various institutions, of which 60% were young women. Of these, over 60% were employed. It also trained over 1700 youth, including 60% women, in various trades; of which over 60% have attained jobs in local markets over a period of more than one year after receiving training and internship.

## **1.2 SOCIAL MOBILIZATION PARTNERSHIP FOR ET-GB:**

Under the Social Mobilization Project (SMP) for the Economic Transformative Initiative (ETI), formation and registration of 38 Village Agriculture Cooperatives (VACs) was planned, out of which 31 VACs have been formed in Ghizer and Ganche districts. After the formation of the 31 VACs, more than 526 general body members of the VACs have been trained against a target of 435 members. Poverty Assessment reveals that the communities are benefitting from 8 irrigation projects planned and completed in the year 2020. ARKSP completed 'Community-led Land Distribution' at tribe and clan level with beneficiary communities of 25 irrigation schemes against a target of 18, whereas land developed under 19 schemes was distributed at the household level in 2020. AKRSP was given the task by ETI to develop payback mechanisms. In this regard, AKRSP carried out agreements with 29 VACs for paying back the 50% of the cost of the irrigation schemes. So far 5 payback plans with 5 VACs have been made operational and another 13 VACs have been supported in preparation of village development plans.

## **1.3 PEDO FUNDED 55 MHPS IN CHITRAL:**

PEDO awarded the design, construction, operation and maintenance of 55 number of micro-hydro projects in Chitral to AKRSP. Total allocated budget was PKR 1059.58 million; out of which PKR 116.28 million was for operation and PKR 943.3 million was allocated for programme. The total programme area encompasses 22 UCs of upper and lower Chitral. All 55 projects are expected to benefit 11,600 households. Out of 55 projects, one project was dropped, and 42 projects have been completed whereas 12 projects are in the final stages of completion. Moreover, 40 MHPs are currently operational having an installed capacity of 3,620 kW which are electrifying 6,575 households in Chitral.

## 1.4 ECHO PROJECT

AKRSP has joined hands with Aga Khan Foundation, United Kingdom (AKFUK), Aga Khan Foundation Pakistan (AKFP), Aga Khan Health Services, Pakistan (AKHSP), Aga Khan Planning and Building Services, Pakistan (AKPBSP), and Aga Khan University (AKU), with the financial assistance of European Community (EC) ‘to strengthen the critical preparedness, readiness and response actions for COVID-19, in Gilgit-Baltistan and Chitral in order to slow and stop transmission, prevent outbreaks, and delay spread, provide optimized care for all patients, especially the seriously ill and minimize the impact of the pandemic on the health system in GBC’.

Under this project, AKRSP held series of dialogues with 75 LSOs all over GBC to mobilize their members and communities and formed 75 task forces to execute community level awareness raising campaigns, capacity building and facilitation role. So far, a total of 84 training workshops have been arranged for 1,930 members of the 75 taskforces. The task force members further cascaded awareness raising sessions to communities through their respective V/WO. The members of Task Forces further facilitated 2,672 sessions against the target of 2,500 at their respective communities. A total of 49,847 (M: 18,787 & F: 31,060) individuals were reached through these sessions.

In the reporting period, 75 LSOs were provided with financial support who further facilitated 904 poor and deserving patients (including 539 male and 365 females) for accessing health care facilities by paying costs of transportation, lab, and consulting fees at medical facilities.

## 1.5 FOUNDATION FOR HEALTH (F4HE) COVID-19 RESPONSE 2020

During the year 2020, AKRSP carried out COVID-19 response related activities under this grant. In the review period, upon the recommendation of Government’s Health department, District Administration and LSOs, AKRSP provided PPEs and sanitary items to 9,115 home isolated patients and others (3,963 women and 5,152 men). During corona pandemic, AKRSP received 511 (291 women and 220 men) cases of Covid-19 through LSOs for financial support. Through their respective LSOs and V/WOs, all these patients were provided support for arranging transportation for these poor and deserved patients to reach out to nearby medical facilities and pay for expenses of consultations, test, and medicines.

During the third quarter of 2020, AKRSP carried out a comprehensive and rapid qualitative gender assessment to inform the programming of the F4HE Project on impact of COVID-19 and SRHR, FP and GBV related issues faced by women in reproductive and the adolescents. AKRSP’s M&E core section conducted this comprehensive survey with 56 stakeholder organisations which included LSOs, Women’s Organisations, community-based religious leaders on demand side, and on the supply side, the assessments were conducted with public and private sector organisations involved in providing health care services. A total of 56 summary assessment reports, as many numbers of detailed transcription reports were produced and submitted to AKF in a record time of 4 weeks during the difficult times of mobility restrictions due to COVID-19 outbreak.



AGECS was another major component of this project under which AKRSP facilitated women for getting COVID-19 test and access to medical facilities. Through this component, AKRSP supported 75 LSOs to include poor women and men with Government Ehsaas Programme and Social Welfare Department/Pakistan Bait-ul-Mal. These LSOs linked 6,457 (4,876 women & 1,581 men) with the Government Ehsaas cash program, Ehsaas scholarships and other social welfare programmes offered by the government. All the 75 LSOs were also supported to establish mechanism and create fund for social protection (health, education etc.). Under this component 1,637 women benefited. As a part of COVID-19 response initiatives, AKRSP supported 200 religious institutions to initiate activities for awareness raising related to family hygiene. These institutions reached 25,271 persons (12,072 women and 13,199 men).

### **1.6 SIHATMAND KHANDAAN (SMK) COVID-19 RESPONSE 2020:**

With the financial support of Global Affairs Canada and Aga Khan Foundation, this grant supported different activities related to COVID-19 in 2020. Under the aegis of Sihatmand Khandaan project, AKRSP conducted a total of 61 sessions for LSOs in coordination with local government health department Gilgit-Baltistan and Chitral. A total of 138 community volunteers and 527 WOs members were identified, selected and provided with orientation on COVID-19. Similarly, through the support of SMK, 138 community trained volunteers conducted sessions on home-based management of mild cases and self-protection (correct use of masks, social distancing, and disinfection). A total of 706 sessions were conducted. In addition, a total of 188 religious leaders were mobilized and sensitized on COVID-19 related themes.

During the review period, a total of 85 pregnant women were identified and effectively linked with the nearest health facility. Also, another 91 COVID-19 affected poor women and men were provided with financial support to pay for transport and medical expenses. For social and behavioural change, AKRSP distributed and disseminated large number of messages on banners/posters and leaflets to LSOs and other community platforms. Awareness raising videos developed in 5 local languages and provided to area offices for further dissemination through local cable network and radio. Agreements were signed with 3 radio stations in Gilgit, Skardu and Chitral. Through different activities, a total of 138 youth volunteers provided with orientations in 61 LSOs.

### **1.7 ACCESS TO QUALITY CARE THROUGH EXTENDING AND STRENGTHENING HEALTH SYSTEMS (AQCESS):**

The year 2020 was the closing year of the project where Organizational Capacity assessment of more than 900 WOs was carried out and the report was finalized and submitted to AKFP. During the COVID-19, AQCESS project provided initial financial support of Rs.7.0 million for initiation of COVID-19 interventions by AKRSP where the awareness sessions through loudspeaker announcements and banners display were carried out. Also, AKRSP produced animated messages and communicated through electronic media engaging cable networks and FM radio stations in



Gilgit-Baltistan and Chitral. An emergency set up of COVID-19 (health facility) set up was established at Chilmis Das in Gilgit to supplement AKHSP work and for collaboration with Government health department.

### **1.8 WATER, SANITATION AND HYGIENE (WASH) PROJECT-UNICEF**

As a response to COVID-19 pandemic, AKRSP implemented Water Sanitation and Hygiene (WASH) project in five districts of Gilgit-Baltistan in 2020. The project cost was PKR 50,873,486. The project was funded by United Nation's Children Fund (UNICEF). The objectives of the project were supplementary support to the Government of Gilgit-Baltistan especially government health department in response to COVID-19 pandemic crisis in five districts: Gilgit, Nagar, Skardu, Shigar and Ghanceh. Through this project, AKRSP disinfected 23 isolation/quarantine centers and ambulances in five districts to minimize the transmission of COVID-19. Similarly, 978 hygiene kits were provided to women and men and soaps were distributed among 46,000 beneficiaries through government health department. Under the aegis of WASH component, AKRSP conducted sessions and sensitized communities using different means of communication channels such as community level awareness sessions. These sessions were held using mobile loudspeaker for mass level awareness regarding social distancing and COVID-19 symptoms. For dissemination of messages, diverse medium like cable networks, Radio, FM, and SMS through SCO were employed. As a result, the messages were delivered to 1,031,184 population. AKRSP developed capacity of government personnel and community resource persons on gender-based violence and better care of COVID-19 inmates in isolation/quarantine centres. Through different training sessions, 325 persons were trained in gender-based violence, mental health and patient handling/caring in the quarantine and isolation centers in five districts namely: Gilgit, Nagar, Skardu, Shigar and Ghanche. Also, AKRSP distributed PPEs among the field-based health extension workers. Oxygen cylinders were also provided to health departments of five districts of Gilgit-Baltistan for better services delivery for inmates, patients, and communities.

### **1.9 THE WASH SANITATION UP-SCALING PROJECT IN CHITRAL**

This project was signed between AKRSP and UNICEF for the 12 months period May 01, 2019 to April 30, 2020 in order to declare Chitral as Open Defecation Free (ODF) District in Pakistan. By the end of the project period in April 2020, the project largely achieved its set targets, whereby 910 latrines were constructed, hygiene related sensitization campaigns were carried out in 23 UCs of Chitral, and 23 sanitation committees were formed in all the 23 UCs. 50 Government officials and 60 LSO representatives trained on PATS+ and ODF declaration verification and certification process. Two district wash coordination committees formed in upper and lower districts, headed by the Deputy Commissioners. 4 disabled-friendly latrines have also been constructed. Moreover, 3 global events on WASH celebrated and around 12,000 people participated in 4 cleanliness campaigns with focus on



clean and green Pakistan interventions involving school students, village locals and govt personals.

### **1.10 TEN BILLION TREE TSUNAMI PROJECT (TBTT):**

TBTT is a government-funded project for plantations on war-footing of indigenous and fast-growing 100 million tree species over the course of five years. Out of a total of PKR 5711.7 million, Gilgit-Baltistan has a share of PKR 451 million: PKR 273 million for revival of forestry resources; and PKR 178 million for revival of wildlife resources. The project was initiated in March 2018 for a period of five years. Thus far, over 1.5 million plants have been planted by the communities and over 400 kanals of forest nurseries have been developed.

### **1.11 WASEELA-E-TALEEM (WET):**

Waseela-e-Taleem is routed through RSPN for Benazir Income Support Programme (BISP) for community level national outreach and regular interaction with BISP beneficiaries through RSPs fostered community organizations (V/WOs, LSOs). So far, 191 schools have been supported for MSCAs, 9 CRPs have been hired and trained, 2,128 poor households have been linked to BISP to benefit from the support for education packages which resulted in enrolment of 1,924 out-of-school children from these supported households.

### **1.12 TABEER-O-TAMEER FUND (TTF):**

Pakistan Poverty Alleviation Fund (PPAF) has been providing funding for this project, titled “mentoring and support for community institutions in high priority districts of Gilgit-Baltistan” under its Tabeer-o-Tameer Fund (TTF) since 2018. The objective of this initiative is to empower Local Support Organisations (LSOs) for socio-economic development of rural communities with consistent technical and financial support in order to facilitate the achievement of Sustainable Development Goals (SDGs) in Gilgit-Baltistan. The project has two expected outcomes, i.e., (i) strengthening community institutions, and (ii) raising awareness of communities around SDGs. During the reporting period, 102 sessions were conducted focusing SDGs 3, 5,13,16. Currently, the TTF project supports 8 LSOs in district Ghizer, 8 LSOs in Skardu, 3 LSOs in Ganche and 3 LSOs in Astore district.

### **1.13 KFW AND PPAF SUPPORTED PROJECTS IN CHITRAL**

Through the support of KFW and PPAF, two mini micro-hydel projects have been constructed in Yarkhun and Koh union councils of Chitral. The project was formally initiated in September 2014 and all the infrastructural related activities such as civil works, installation of E&M equipment and laying out distribution and transmission lines were completed. These MHPs are generating around 441 kW Electricity to benefit around 414 households. The MHPs are addressing diversified needs of communities around heating, cooking, lighting, and other productive purposes. After operation, PPAF has further extended these projects upto March 2021 to develop safety systems, lighter arrester, and dummy load management and to undertake plantation around MHPs sites to incidence of natural disasters.

### 1.14 ALL-WEATHER ACCESS ROAD PROJECT, BROGHOL

PATRIP has provided funds for this project to improve regional connectivity and access to the Broghil valley by linking Kishmanja to Lashkargaz through an all-weather access road, providing safer and less costly travel conditions and improved livelihood opportunities, benefiting directly about 6,400 people (800 Households) living in Broghol and Yarkhun (with land ownership rights in Broghol) valley. Originally this project was designed for two years i.e., January 2019 to December 2020 which has now been extended for another one year (up to December 2021) to conclude the remaining project activities which could not be completed due to delays in getting NOCs from relevant department, outbreak of COVID 19 and incidence of GLOF events in the valley.

### 1.15 DURRAIN CASSIM PROJECTS IN BALTISTAN

Durain Cassim is a donor specifically working in Baltistan region since 2015. Over the years, she has generously funded projects in different villages of Baltistan region with focus on poor and isolated communities in remote villages. During the year 2020, Durian Cassim granted food packs to more than 250 households in remote and resource poor villages and helped AKRSP to organize free medical camps in two remote villages with no medical facilities. Moreover, during the COVID-19 lockdown period, cash aid of 2500 PKR per households was provided to more than 200 households. The cash aid was provided after detailed mapping exercise and rigorous process to identify the deserving.

## DISCLOSURES

### SECTION 227 (1) DISCLOSURE OF RESERVE FUND

The Company utilized Rs. 97,816,765 from General Reserve Fund at the year ended December 31, 2020.

### SECTION 227 (2)(A) – DISCLOSURE OF DIRECTORS' NAMES:

Six Directors resigned from the Directorship of AKRSP and three new Directors appointed during the year. Name of Directors resigned and appointed during 2020 are as under:

#### RESIGNED

1. Mr. Shoaib Sultan Khan
2. Mr. Abdul Jahan
3. Mr. Mohammad Zaheer
4. Ms. Bibi Sultana
5. Mr. Nawab Ali Khan
6. Ms. Nusrat Nasab

### **NEW APPOINTMENTS:**

1. Mr. Sohail Lalani
2. Mr. Muhammad Ismail Khan
3. Ms. Zubaida Khanum

### **NAME OF DIRECTORS OF THE COMPANY AS ON DECEMBER 31, 2020 ARE AS UNDER:**

1. Mr. Aziz Uddin Boolani
2. Mr. Javed Iqbal
3. Mr. Sohail Lalani
4. Mr. Muhammad Ismail Khan
5. Mr. Akhtar Iqbal
6. Mr. Asad Lakhani
7. Ms. Ajeeba Aslam
8. Ms. Zubaida Khanum
9. Mr. Tom Joseph Gerald Austin
10. Mr. Zarif Badruddin

### **SECTION 227 (2) (K) ADEQUACY OF INTERNAL CONTROLS:**

AKRSP has an internal audit department directly reporting to the Finance and Audit committee of the Board of Directors. Besides the Finance and Audit committee, AKRSP has a Human Resources committee to oversee HR related matters. AKRSP has various policies approved by the Board such as Finance Policy, HR Policy, Investment Policy and Procurement Policy etc.

### **SECTION 227 (2) (C) – DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY:**

The Company foresee no risk and uncertainties other than those inherent in its program areas of Gilgit-Baltistan and Chitral due to natural disaster.

Further, in line with SECP guidelines, a qualified Risk & Compliance Manager is appointed to oversee the company AML/CFT, risk and compliance issues as per latest guidance issued by the SECP. Necessary capacity building program is designed to orient staff on AML/CFT, risks and compliance issues may arise time to time.

### **REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE:**

Directors of the Company do not draw any remuneration, and all are working in voluntary capacity. However, the Chief Executive Officer has been paid remuneration and benefits during the year ended 31st December 2020 as under:

Remuneration	Rs. 9,373,800
Retirement Benefits	Rs. 277,936
Other Benefits	Rs. 4,283,600
<b>Total</b>	<b>Rs. 13,935,336</b>

Existing Auditors M/S PWC A.F. Ferguson & Co appointed as external auditors for AKRSP have offered their services for the year ending December 31, 2021 which Board of Directors concurs and recommends to the Members for appointment.

The Legal Advisor of the Company – M/s. Azam Choudhry Law Associates is also being recommended for reappointed for the year ending 31st December 2021.

The Chief Financial Officer – Mr. Sher Zaman is being recommended as the Chief Financial Officer of the Company.

The Directors are extremely grateful to the Aga Khan Foundation (AKF), Pakistan, AKF Geneva, Government of Pakistan, Government of KPK, Government of Gilgit-Baltistan, Civil Society Organizations, individual and other stakeholders for their continued and encouraging support during the year. The Directors wish to express deep gratitude for the invaluable guidance and encouragement provided by His Highness the Aga Khan. The Board places on record its appreciation of the work done by the Management and Staff of the Company during the year.

### **AZIZ BOOLANI**

Chairman Board of Directors

Aga Khan Rural Support Programme

## MESSAGE FROM GENERAL MANAGER

In 2020, AKRSP completed its 38 years journey of development in Gilgit-Baltistan and Chitral. This year was radically different from all previous years because it witnessed the emergence of an unprecedented phenomenon in the shape of COVID-19 in Gilgit-Baltistan and Chitral. This resulted in disruption in normal ways of working with communities. Since the activities of AKRSP entail community involvement, the measures taken to tackle the challenges stemming from corona virus brought all existing mechanisms to halt. In such a situation, it was imperative to devise novel strategies to continue work in the mountainous communities of GBC despite widespread corona pandemic.

For that purpose, AKRSP developed a three-pronged strategy to address immediate, medium- and long-term challenges during and post COVID-19 pandemic phase. This enabled AKRSP to

successfully tackle the corona menace in GBC through activities like provision of PPEs, helpline for COVID-19 patients, socio-psychological counseling, support to government in establishment of quarantine centres, capacity building, awareness campaigns, financial support to differently able persons, provision of health and hygiene kits, disinfection of hospitals and quarantine centres. Since the threat of COVID-19 still looms large in GBC, the efforts of all programme are geared towards tackling the challenges and issues emerging from a precarious situation wherein normal social and human interaction get disrupted.

The reporting period reflects the work of AKRSP in its traditional domain and emerging vistas. In its endeavors to alleviate poverty, AKRSP made interventions through its programme in Resource-Poor Priority Valleys in agricultural and food security, employability and enterprise promotions, skill development, crop production and renewable energy. During the reporting period, other important development initiatives were undertaken in energy, sanitation, poverty reduction, access to quality care through extending and strengthening health systems, agriculture and livelihood component, plantation, capacity building, health and hygiene, water and sanitation, mental heal, and infrastructure.



The annual report is a very important tool of AKRSP for assessing the progress of its various programmes, gathering all the relevant information in one place and then presenting it to a variety of audiences. The annual report 2020 encompass activities ranging from institutional development to institutional sustainability, capacity building, social protection and poverty targeting, COVID-19 and partnership, community infrastructure development as well as capacity building and youth development.

In 2020, I took the responsibility of steering AKRSP in the capacity of General Manager. It helped the organization to smoothly complete the transition at leadership level. Our special gratitude is for the Board of Directors of AKRSP who helped the organization by steering its direction strategically, ensuring financial discipline, providing timely feedback on crucial issues and empathetic understanding about local communities inhabiting the mountainous regions of Gilgit-Baltistan and Chitral. In the end, I would like to extend my warm thanks to our donors, partners, community leaders, volunteers and others who are involved in helping AKRSP to raise the living standards of the communities of this remote region. We could not have achieved so much without them.

**Jamil Uddin**

General Manager

Aga Khan Rural Support Programme (AKRSP)



## EXECUTIVE SUMMARY

The Aga Khan Rural Support Programme (AKRSP) is a private, non-denominational development support agency established by the Aga Khan Foundation (AKF) in 1982. Since its inception, AKRSP has been supporting micro-level development in mountainous rural areas, using participatory approaches and several basic principles such as: collective management through social mobilisation, capacity building through regular savings, and upgrading productive and institutional management skills through training and learning from interaction with rural communities.

In its current phase, AKRSP focuses on:

- a) Fostering inclusive grassroots governance institutions, both representative and participatory in nature, to promote peace, pluralism and sustainable local development
- b) Increasing the average per capita incomes of the extreme poor to a level comparable to that of the rest of the country

The basic principles that guide AKRSP's current strategy remain the same. However, the current strategic focus is on:

- Strengthening mid-level institutions both in the social and economic domain
- Engage youth in civic institutions and the labour market
- Creating opportunities for women, the poor and marginalised of rural people
- Micro-savings and the provision of micro credit
- The application of cost-effective methods for building rural infrastructure
- Institution building and capacity enhancement
- Youth development
- Renewable energy
- Market development
- Successful partnership models of working with government and promoting public-private sector initiatives

Like other parts of the country, the regions of Gilgit-Baltistan and Chitral witnessed outbreak of COVID-19. It had deep repercussions in social and economic terms. Since the work of AKRSP entails activities with local communities, corona pandemic posed enormous hurdles in implementation developmental work in GBC. Given the gravity of situation, AKRSP geared its resources and energy in tackling COVID-19 and control its fallouts. The Directors report and corona related activities in this report reflects that shift.

This progress Review 2020 is one of several review reports AKRSP produces on periodic basis to assess, document and disseminate the results and progress of its major programmes and sub-programmes in GBC region.







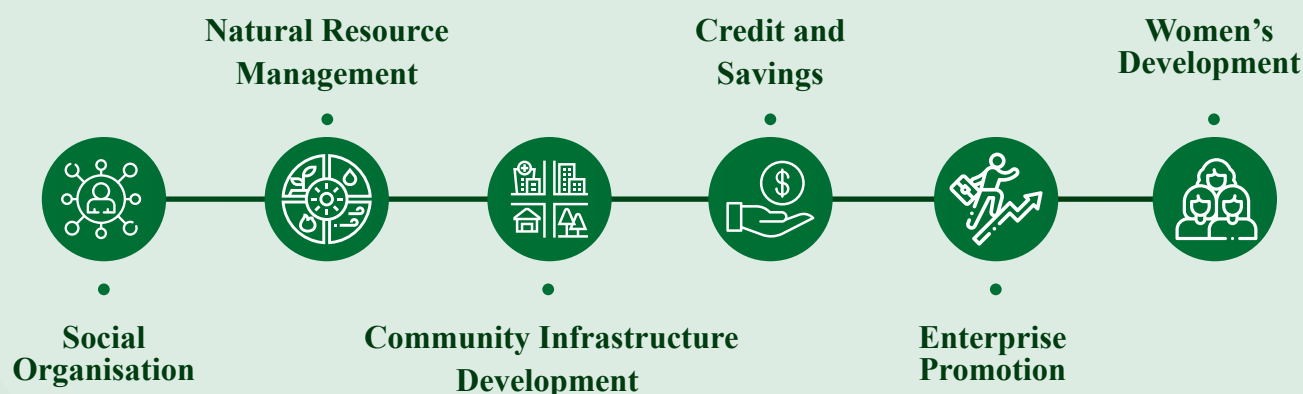
# 01 CHAPTER INTRODUCTION

## 01 INTRODUCTION

The Aga Khan Rural Support Programme (AKRSP) was established in 1982 by the Aga Khan Foundation. It is a private, nondenominational rural support programme working in Gilgit-Baltistan and Chitral (GBC) with funding from the Government of Pakistan and many bilateral and multilateral donor agencies. The mission of AKRSP is to enhance the capacity of local communities in GBC to sustain and improve the quality of their lives. This is done through the provision of economic resources and opportunities and by building up the competence and confidence of local institutions and individuals.

AKRSP supports the institutional and economic development of local communities as well as strengthening the collaboration and linkages between local communities and government departments, elected bodies and other development and environmental agencies. The initial overall objectives of AKRSP were to double the per capita income of local communities in GBC and develop a participatory rural development model for replication in Pakistan or any other regions with similar contexts.

The major components of AKRSP were:



Despite the impressive development gains of the last three decades, the development mission in GBC is far from accomplished. The region is increasingly facing new challenges such as rising unemployment rates among young, inequitable access to social services and increasing social and environmental fragility.

However, new and emerging local opportunities on the economic, social and political front are

bringing along bright prospects. AKRSP envisions a valuable contribution towards the overall vision of GBC by strengthening its two core pillars of programming:

a) Social Pillar encompassing its existing work with grassroots civil society institutions (including LSOs and their members) and new efforts to support young institutions and local tiers of government;

b) Economic pillar covering existing and new economic sector development activities, with an added focus on supporting SMEs and work force development initiatives.

AKRSP constantly reviews its focus in order to address the rapidly changing external context and internal socio-economic developments.

Currently AKRSP supports:



Since its inception, a consortium of international donors and the government of Pakistan have been providing funding to AKRSP for the implementation of development programmes in the region. This has enabled AKRSP to become a catalyst in uplifting socio-economic conditions of communities inhabiting Gilgit-Baltistan and Chitral. This progress review presents a thorough review of all AKRSP's development programmes, sectors and themes.









## 02 CHAPTER AKRSP OVERVIEW

## 02

## AKRSP OVERVIEW

For more than 38 years, AKRSP has been supporting micro-level developments in mountainous rural areas, using participatory approaches and several basic principles of community engagement such as: collective management through social mobilisation, capacity building through regular savings, and upgrading productive and institutional management skills through training and learning.

AKRSP currently focuses on:

a) Fostering inclusive and competent local institutions that contribute effectively and sustainably to local development.

b) Increasing income and employment opportunities for local communities, particularly poor and vulnerable (including youth and women)

AKRSP is adhering to some basic principles. However, due to change in context the strategic focus is on strengthening mid-level institutions in both the social and economic domains, engaging youth in civic institutions and the labour market and creating opportunities for women, the poor and marginalised groups, through:

1. Mobilisation of Rural People
2. Micro savings and the provision of micro credit
3. The application of cost-effective methods for building rural infrastructure
4. Institutions and their capacity building
5. Youth development
6. Renewable energy
7. Market development
8. Successful partnership models to work with the government and to promote public-private sector initiatives.



# 03

## CHAPTER

# PROGRAMME CONTEXT

## 03

## PROGRAM CONTEXT

The programme is situated in the north of Pakistan in a strategically important region with China in the North-East, Afghanistan in the North and North-West and the Indian administered Kashmir to the South-East. The area covers the districts of Gilgit, Hunza, Nagar, Diamer, Astore, Ghizer, Ghanche and Skardu in the federally administered region of Gilgit-Baltistan, and lower and upper Chitral districts in the province of Khyber-Pakhtunkhwa.

The region's fragile geology, unpredictable ecology and diverse geography affect the livelihood systems of the inhabitants, Geological factors cause frequent and severe natural disasters. Snow covers high-altitude villages and valleys for more than six months every year, while high mountain peaks and mountain ranges remain under snow all year around. Moreover, the inhabitants have a precarious economic situation: poverty and severe food insecurity are very common in the region. Several ethnic and linguistic groups coexist in the area, ever vulnerable to sectarian tensions and strife.

With the opening of the Karakoram Highway (KKH), the region acquired additional strategic, economic and political importance. The Karakoram Highway links Gilgit-Baltistan (GB) with other parts of Pakistan, while the Dir road over the Lowari Pass and Lowari tunnel link Chitral with the Khyber-Pakhtunkhwa province; however, these land routes are highly unpredictable, easily blocked by heavy rains, flash floods or avalanches. Apart from this land connection, small passenger airplanes belonging to the Pakistan International Airlines (PIA) operate between Gilgit-Islamabad, Skardu-Islamabad and Chitral-Islamabad. Again, air transport is easily disrupted by unfavourable weather conditions at any of these destinations. In conclusion, links with the rest of the country by land or air -remain unreliable which can affect travel to programme areas.

In addition to travel and access challenges, the long distances to the main markets, hospitals and educational facilities located in the urban centres pose difficulties for the inhabitants of rural areas during emergencies. New communication networks such as mobile phones and internet facilities have recently been introduced in the area, but the service remains unreliable due to limited coverage and poor operation. The political and administrative structures governing the region of Gilgit-Baltistan are different from those in Chitral (which falls within the administrative ambit of KP.) and other parts of Pakistan. Constitutionally, The Federal Government administers GB from Islamabad under a separate system of governance that has gone through several forms since Pakistan gained its independence; the current governance system provides a quasi-provincial status to Gilgit-Baltistan. Gilgit-Baltistan has directly elected Legislative Assembly with jurisdiction over most social services, including health and education. Besides, the government has formed a Gilgit-Baltistan Council, which has jurisdiction over revenue-generating areas, including aviation, tourism, forestry, banking, insurance, interprovincial highways and mining.







# 04

## CHAPTER

# MAJOR REGIONAL DEVELOPMENTS IN 2019

## 04

## MAJOR REGIONAL DEVELOPMENTS IN 2019

In 2020, the Chief Minister Gilgit-Baltistan, Hafiz Hafeez-ur-Rehman, formally issued a notification of four new districts in Gilgit-Baltistan. These new districts are Gupis-Yasin in Gilgit division, Rondu in Baltistan while Darel and Tangir in Diamer division have been upgraded as new districts. One of the major developments in Gilgit-Baltistan is the withdrawing of notification by the government of Gilgit-Baltsitan regarding ban on passenger and private vehicles from traveling on the Karakoram Highway round-the-clock. The “cut-off-timing” system was put in place after attacks on passenger buses when terrorists shot down dozens of people in separate incidents in 2012 and 2013. Instead of singly plying on the route, passengers were compelled to travel in the form of a convoy under police protection after the cut-off-time expired every day.

The Federal Government resumed construction work on the strategically important Diamer-Bhasha and Dassu Dam Projects which have provided employment opportunities for the masses in Gilgit-Baltistan and Kohistan Division of Khyber Pakhtunkhwa province. The construction of the Gilgit-Skardu road project continued throughout the year 2020 without any interruptions that were expected from outbreak of COVID-19 pandemic.

This important project will result in reducing travel time and costs between Skardu and Gilgit and will give easy access for the people in GB to the newly operationalized “International Airport” of Skardu. The Skardu Airport has been given the status of “International Airport” in the wake of the CPEC trade corridor with China.

The surge in Shishper glacier in Hunza posed threats of Glacial Lake Outbreak Flood in Hasssanabad in Hunza. In 2020. the discharge of water from the Shishper glacier increased, flooding the Hassanabad

Nullah, and fully cutting off a portion of the strategic Karakoram Highway at Hassanabad village. Hunza district administration closed KKH for all types of traffic in order to avoid any untoward situation. The water discharge had reportedly tripled, increasing from 780 Cusecs to 2,350 cusecs.

Gilgit-Baltistan was also severely affected by the COVID-19 outbreak. Poor daily wagers lost their jobs, education at all level came to a stand-still, hospitals and health system was overwhelmed with patients suffering from different ailments further devastated by Covid-19 outbreak. The Gilgit-Baltistan Legislative Assembly (GBLA) election was held on 15 November 2020. The election was originally scheduled to be held on 18 August 2020, but it was postponed due to the Covid-19 pandemic, which severely affected Gilgit-Baltistan. The Pakistan Tehreek Insaaf (PTI), having won



The biggest challenge to AKRSP in 2020 was the outbreak of COVID-19 pandemic in Gilgit-Baltistan and Chitral. Since the work of AKRSP entails interaction and working with local communities.





majority of the seats in the GBLA, formed the new provincial government in GB.

The biggest challenge to AKRSP in 2020 was the outbreak of COVID-19 pandemic in Gilgit-Baltistan and Chitral. Since the work of AKRSP entails interaction and working with local communities. With lockdowns and ban on intra and inter district travel in Gilgit-Baltistan and Chitral and inter provincial travel in Pakistan, the movements of staff got severely restricted. As a corollary, it became difficult to carry out development activities in the region. Also, it affected the work of AKRSP in the field as well. Like other parts of the country, the rise of COVID-19 marred the year of 2020 for Chitral as well. Although entry points into Chitral was closed as early as 21st March 2020, there were news about increasing numbers of COVID-19 patients time and again; and, sometimes there were news of deaths as well. While most of the public activities were at halt, some critical events took place in Chitral. During the reporting period, the government of Khyber Pakhtunkhwa decided to invest PKR 32 billion to setup 14 Km long cable car to connect Chitral's Mдахlast area with scenic Kumrat valley in Upper Dir with the purpose to bolster tourism sector. Huge rain falls in Chitral caused havoc and loss of critical infrastructure. In upper Chitral, Golen, Booni and Reshun lost their bridges to the floods. This completely cut them off from rest of the country. There are no satisfactory measures yet taken to reconstruct the lost infrastructure.







“

AKRSP constantly reviews its focus in order to address the rapidly changing external context and internal socio-economic developments.



# 05

## CHAPTER

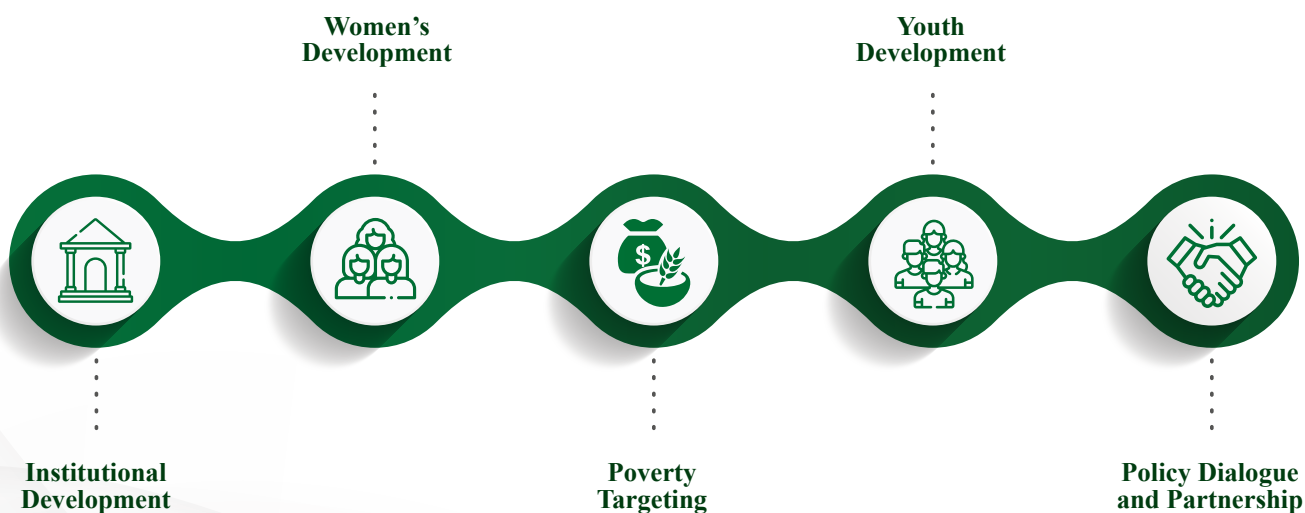
# SOCIAL PILLAR

## 05 SOCIAL PILLAR

Social development occupies a central role in reducing poverty in the particular socio-cultural settings of Gilgit-Baltistan and Chitral. It is also one of the three major strategies used by AKRSP to support sustainable development. Social development puts people at the centre of the development process. Inclusiveness is the hallmark of AKRSP's social development pillar based on the belief that people – and the norms they follow when interacting in groups and in society - directly influence and shape social and economic development.

Since its inception, AKRSP has been building social capital through the formation of Village and Women's Organisations (V/WOs) and Local Support Organisations (LSOs) in order to enhance the social and institutional capacity of men and women in GBC. The LSOs take on a multi-sector agenda in partnership with a wide array of partners including local government departments. LSOs are increasingly adopting a development agenda that goes beyond the traditional AKRSP activities (i.e. infrastructure, agriculture and microfinance) to include service delivery in social sectors (i.e. health and education). Some LSOs are going even further by engaging in peace and policy dialogues.

The current AKRSP social agenda focuses on promoting participatory governance through five sub-themes:



These programme components are geared towards building the capacity of local civil society institutions including LSOs, Village and Women Organisations, Youth Organisations, business and farmers associations and public and private sector institutions.



## 5.1 INSTITUTIONAL DEVELOPMENT

Institutional development is one of the key components of AKRSP's social development agenda. Through this component, AKRSP provides support to LSOs, V/WOs and other civil society groups in order to create social capital, an essential factor in developing other forms of capital as well as forming linkages and partnerships with the government and other service providers. Civil society institutions are responsible for the planning, implementation, management and ownership of sustainable development initiatives and programmes.

Since community needs evolve over time, it is essential to ensure that institutional arrangements are in tune with the specific realities of local communities. For that purpose, AKRSP follows a Capacity, Asset and Trust (CAT) strategy focusing on capacity development, financial asset creation and trust building. Since 2005, AKRSP has been supporting the formation of second-tier institutions – Local Support Organisations (LSOs) - in GBC. Over 83 registered LSOs are currently functional in the programme area. They have proved to be effective institutions, covering larger geographical areas, supporting development and building linkages and partnerships with higher level public sector institutions, private sector agencies and other development partners. At the same time, VOs and WOs still effectively plan, implement, manage, and own programmes and projects primarily at the hamlet and village levels.

Given the nature of the project, AKRSP should expand its institutional base by establishing partnerships with service providers and training institutions. In time, the region of GBC and its society and economy has also undergone drastic changes - new lifestyles, needs, economic activities, demands and challenges. Therefore, a diversification of the service base was imperative to cater to the various and heterogeneous demands evolving in the region. By diversifying institutional arrangements, AKRSP is able to address the diverse needs of communities living in the mountainous areas of GBC. LSOs are manifestation of that diversification at institutional level in the society of GBC.

### 5.1.1 LOCAL SUPPORT ORGANIZATIONS (LSOS)

In last 38 years of social development through community-based structures like V/WOs, AKRSP has learnt that these institutions can ensure the participation of households in the development process at the village and hamlet levels. However, the scope of these informal institutions is limited: they can access development services provided by the state and private sectors, but they cannot influence the higher policy levels of government. In order to overcome these limitations, provide missing links and address higher-level development challenges, AKRSP facilitated V/WOs to form their own Local Support Organisations (LSOs).

This initiative essentially strengthens the participatory approach to development by establishing LSOs as a mid-level tier of community representation and support as well as a link (so far missing)

between communities and higher levels of governance. According to this model, grassroots institutions form LSOs with a clear and sound governance structure and a management system to properly govern and manage development affairs. The LSO governance structure has two tiers: a general body of V/WO members, and a Board of Directors. V/WOs select or elect at least two activists from their members to represent them in the general body of the LSO – a group of 20-50 members, depending on the number of V/WOs that form the LSO. The general body then elects members for the Board and the Board members elect a Chairperson for the LSO.

LSOs are formal and legal entities that work as intermediary organisations to ensure sustainable development by promoting collaboration and partnerships among all the key development partners in the region. They also fulfil the challenging task of creating connections and mediating between V/WOs and development agencies. To this end, they must first develop their human, financial and management capacities and then work with all development partners and service providers in order to mobilise resources and access services. In the past, it was AKRSP who performed this role, acting as an intermediary between local organisations and other development agencies; LSOs have already taken over some of these functions; currently they:



LSOs are formal and legal entities that work as intermediary organisations to ensure sustainable development by promoting collaboration and partnerships among all the key development partners in the region.

- Serve as catalyst organisations, assisting V/WOs in the identification of opportunities to promote equitable and sustainable development;
- Mobilise human, financial, and material resources, enabling local people to make full use of the opportunities available in the area;
- Develop local capacity - managerial and technical skills - through participatory training programmes;
- Help link community organisations with government agencies, NGOs, donor agencies, financial institutions and private businesses to access services such as extension, training, finance and marketing, all in support of local development initiatives;
- Work with community organisations, relevant government agencies and NGOs/INGOs to develop plans and programmes for the sustainable use and management of natural resources in their areas of operation; and
- Pay attention to community needs and opportunities for involving women and the poorest community members in their own development within the social and cultural context.





In 2019, 1 LSOs was formed in the programme area. Regionally, only Gilgit reported formation of 1 LSO. Thus, raising the total number of LSOs to 83. The total number organisations covered by the newly formed LSO is 27 (8 Vos and 19 WOs). The total number of LSOs' member VOs and WOs are 2,265 and 1,958 respectively.

### 5.1.2 COMMUNITY-BASED SAVING GROUPS

Savings groups are important actors in the social and economic development of communities in GBC. AKRSP continued its support to the formation of savings groups – 10 new Community-Based Saving Groups (CBSGs) were formed in the reporting period with 351 women members. Overall, there are 573 CBSGs in GBC with total membership of 15, 346 (6,236 men and 9,110 women). Region wise Gilgit has the maximum number of CBSGs (337) followed by Chitral (127) and Baltistan (109).

## 5.2 INSTITUTIONAL SUSTAINABILITY

The ultimate objective of AKRSP's Social Development Programme is institutional sustainability through long-term sustainable development in GBC. To achieve this purpose, AKRSP uses a combination of short and long-term strategies that cover a range of areas. For instance, it works with the public sector to create an enabling policy environment; it invests considerable resources to enhance human and institutional capacity, creating a new cadre of youth leadership, skill and enterprise; it promotes youth participation in the economy, streamlines development support systems and links institutions to service providers and resources.

AKRSP works with the public sector to create an enabling policy environment. Also, AKRSP extends both financial and technical support to community institutions, with a particular focus on LSOs, to build their capacity, systems and assets. The financial support to LSOs includes management support, registration and documentation fees, office establishment costs and funding to LSOs for social sector services. During the reporting period AKRSP provided management support to 11 LSOs.

## 5.3 CAPACITY BUILDING

Capacity building is an important component of the AKRSP Social Development Programme. It is comprised of training courses, workshops, conferences, exposure visits and other special events organised by AKRSP to build the capacity of LSOs, VOs, WOs, YOs and other partner organisations. Through this programme, AKRSP tries to ensure the efficiency, effectiveness and sustainability of its programmes, projects and systems undertaken by all its development partners. In 2020, AKRSP continued to focus its efforts and resources on a multi-faceted capacity building programme, confirming its value in promoting rural development.

During the review period, AKRSP worked with partner organisations, communities and other stakeholders to identify key areas of support. In the review period, AKRSP trained 7,626 (men 3,394

and 4,226 women) local community members in social development, health and hygiene and nutrition, partnership building, poverty targeting, capacity building of activists, issues base training and linkage development, resource mobilisation leadership, and youth internship programme. At the same time AKRSP remained committed to capacity building in other areas that are crucial to the development of local communities and partner organisations. Other trainings include 4 workshops on social development. Through these, 120 people (80 men and 40 women) were trained in 2020.

## 5.4 SOCIAL PROTECTION AND POVERTY TARGETING

AKRSP's major socio-economic surveys, such as the Socio-Economic Survey of the Northern Areas and Chitral (SESNAAC), has repeatedly highlighted core issues surrounding poverty. Despite significant reduction in the incidence of absolute poverty, some people and sections of the population still live in extreme poverty. AKRSP designed special initiatives with a focus on poor and extremely poor families in the programme area, addressing the factors that lead to extreme poverty. These pro-poor interventions include endowment funds, financial grants, skill and enterprise development, physical and social projects and training programmes. During the reporting period, AKRSP held 4 progress review workshops for 4 V/WOs benefiting 80 men and 40 women. Also, under its poverty endowment funds initiative it supported 4 LSOs.

An enabling environment provides development partners a platform and opportunities to develop common understanding of development issues and challenges in the area. This understanding further paves the way to formulate policies and share services, resources, knowledge, facilities and funds to address the development needs and challenges of the population and especially youth. In terms of policy dialogue and partnerships component, AKRSP arranged 10 multi-stakeholders for a in the review period. These collaborative interventions helped partners share and benefit from the knowledge, best practices and experiences that individual development partners gain from their work with communities.



# 06

## CHAPTER

# ECONOMIC PILLAR

## 06 ECONOMIC PILLAR

Given the multiplicity of factors influencing economic development, it is imperative to intervene in multiple areas and address economic and social issues simultaneously. Progress in economic developments manifests itself through improvement in the quality of life. In the particular social setting of GBC, a sustained improvement in the inhabitants' quality of life hinges upon inclusive economic growth and shared employment opportunities. AKRSP's past efforts in developing economic infrastructure (e.g. roads, irrigation and land development projects), promoting agriculture productivity and improving farming skills have been instrumental in this regard, for it increases farm surplus and incomes from the subsistence farming sector.

To further the agreed goals of employment and income generation AKRSP has more recently added enterprise development activities and tried a wide variety of approaches such as: promoting marketing of agriculture produce, providing intensive support to select micro-enterprises in the farming and non-farming sectors, setting up AKRSP-owned lead enterprises. These initiatives have had varying degrees of success and impact. To build the capacities of local people, training regarding market development trainings were arranged by AKRSP. The trainings were related to market development, business management and technical trainings and vocational skills. Through different trainings 150 persons (men 105, women 45) were trained. Similarly, AKRSP established 4 vocational centres in Chitral region. The review period reported, the AKRSP fostered organisations saved PKR 2 million and disbursed loans to 45 community members.



Since its inception in 1982, AKRSP has invested significant financial resources in its Resource Development Programme to create a local level resource base that improved the livelihood options and structures for the population of GBC, with a special focus on the poorest segments.

Since its inception in 1982, AKRSP has invested significant financial resources in its Resource Development Programme to create a local level resource base that improved the livelihood options and structures for the population of GBC, with a special focus on the poorest segments. This programme has several sub-components such as institutional development, human development, productive physical asset development and natural resource development and management (NRM). In the review period AKRSP's economic pillar covered areas related to irrigation projects, communications, energy, land development, vegetable seeds, commercial orchards, forestry, agriculture, market development, business management, vocational skills and credit and savings. The



Community Physical Infrastructure Programme is one of the key components of AKRSP's resource development strategy in GBC. Through different initiatives, AKRSP started 104 community physical infrastructure projects benefiting 4,476 households. From these 32 were implemented in Gilgit region, whereas Chitral implemented maximum number of projects with total 72. The projects include irrigation, communication, energy, land development, NRM, social sector, water supply/sanitation, and other projects. In agriculture sector, AKRSP established 45 orchards in Chitral (30) and Baltistan (15) regions.

Initially, these projects were implemented under the institutional development programme; however, it soon became clear that infrastructure also creates sustainable sources for generating incomes and produce social benefits for communities by opening up new land, increasing the productivity of existing agriculture resources (including exiting land) and increasing farmers' access to markets for the supply of inputs and the sale of surplus produce.





AKRSP has invested significant financial resources in its Resource Development Programme to create a local level resource base





# 07

## CHAPTER

# COVID-19 RESPONSE

## 7.1 SITUATION

At the start outbreak of corona virus (COVID-19) in Pakistan, Chitral and districts of Astore, Hunza, Diamer, Ghizer and Kharmang in Gilgit-Baltistan appeared to be relatively safe. But the second wave of corona engulfed all the districts in Gilgit-Baltistan and Chitral leaving no district corona free. According to Health Department Gilgit-Baltistan, during 2020, there were total 4831 positive cases and 99 deaths. During this period the government has collected 61684 samples for covid-19 tests. At initial phase the government imposed a strict lock down in GBC. In Chitral, the government of Khyber Pakhtunkhwa issued a notification on March 18, 2020 banning entry of general public to all Secretariat, Directorates and District offices (except district administration and vacated all tourist resorts. Initially, Chitral region remained safe from covid-19. However, during the last few weeks Chitral region witnessed surfaces of corona cases. Later corona pandemic spread to all parts of Chitral.

## 7.2 CHALLENGES

There were several issues and challenges emerging with the passage of time in Gilgit Baltistan, and Chitral due to Covid-19. Major challenges post include shortage of PPEs (Personal Protective Equipment) for paramedical staff, people working in quarantine and isolation centres, administration staff, police on duty, and volunteers; health and hygiene issues in the centres; food shortage among daily wage families; collapse of small entrepreneurs; shortage of hygiene supplies (soap etc.) within household and shortage of agricultural supplies (seed, fertilizer etc.). Also lock downs and restriction on intra-district travel limited the mobility and access to health and caused closure of education institutions. It contributed to rise in physiological issues because of closure of religious centres and restricted mobility within home which also tend to increase in domestic violence. Shortage of fodder for animals in rural areas and fuel within the households emerged as major area of concern. The most important issue was the lack of awareness among people about this deadly pandemic.

One of the challenges faced by Gilgit-Baltistan and Chitral is returning of large number of diasporas living in other parts of Pakistan. It has two ramifications. First, the sudden surge in number of corona cases after April 2020 was attributed of large number of people coming back to their home from different cities of Pakistan and outside countries. Second, the arrival of people back to their villages and homes in Gilgit-Baltistan has put local resources under strain as the earning hands returned home unemployed. The growing COVID-19 crisis treatens disproportionately hit rural areas of Gilgit-Baltistan and Chitral not only as a health crisis in the short term but as a devastating social and economic crisis over the months and years to come. People associated with Tourism sector were worst hit.

The medium and long term issues that AKRSP foresaw were; reduction of agriculture products because





farmers are not able to cultivate on time (in high altitude because of lock down agriculture machinery such as tractors are not available); no or limited access to agri-inputs (seed, plants, fertilizers etc.); lack of cleaning and maintenance of community infrastructure (such as water supply, village link roads) including agriculture infrastructures (irrigation channels, water storage tanks etc.); and closure of income sources workshops, small factories etc.



## 7.3 RESPONSE

During COVID-19 situation in the area, the LSOs and its member organisations, government health and other line department enacted a pivotal role in combatting the menace of invisible enemy of corona. To ward off threats posed by corona virus in GBC, AKRSP with the support of civil society organisations and the government carried out activities related to capacity building and awareness campaign and supported communities, civil society and government.

### 7.3.1 CAPACITY BUILDING:

Since the COVID-19 pandemic was a new phenomenon, it required a new set of skills and approaches. Realising the dire need of new approaches to tackle the corona menace, AKRSP carried out different activities to build the capacities of volunteers and health staff through trainings workshops. The themes covered in the trainings were child protection, stigma prevention, gender-based violence, mental health issues and infant, young and child feeding practices and covid-19. The purpose of trainings was to create a cadre of train master trainers and volunteers from local communities and LHWs of government to work in the areas most effected by people. Through different capacity building training AKRSP in 2020 trained --- people. While providing training special attention is paid to enable the trainers to develop contextualized messages related to child protection and stigma prevention. The topics covered in the meeting are: child protection and care, common mental disorder in the context of COVID-19, Basics of stigma, consequences of stigma, culturally myths in the context of COVID-19, Prevention approaches. The master trainers trained communities in their respective Union councils on child protection and stigma prevention.

### 7.3.2 AWARENESS CAMPAIGN:

One of the challenges during the COVID-19 pandemic was lack of awareness about the nature of the pandemic. To disseminate messages to the communities across GBC, AKRSP developed an elaborate communication plan by employing diversity of medium. Through different awareness programmes and activities, ARKSP succeeded to reach 1,680,757 people with messages on gender violence, child protection, mental health, stigma prevention and IYCF. Also, AKRSP has extensively used audio visual media for the dissemination of COVID-19 related messages to general public. In this regard, 9 different messages about covid 19 and animated messages in 5 different languages are being relayed through local cable operators. Same messages were disseminated through Radio Pakistan. In addition, for the awareness among communities, AKRSP regularly holds talk shows of specialist





doctors about COVID-19 on Radio Pakistan Stations at Skardu and Gilgit.

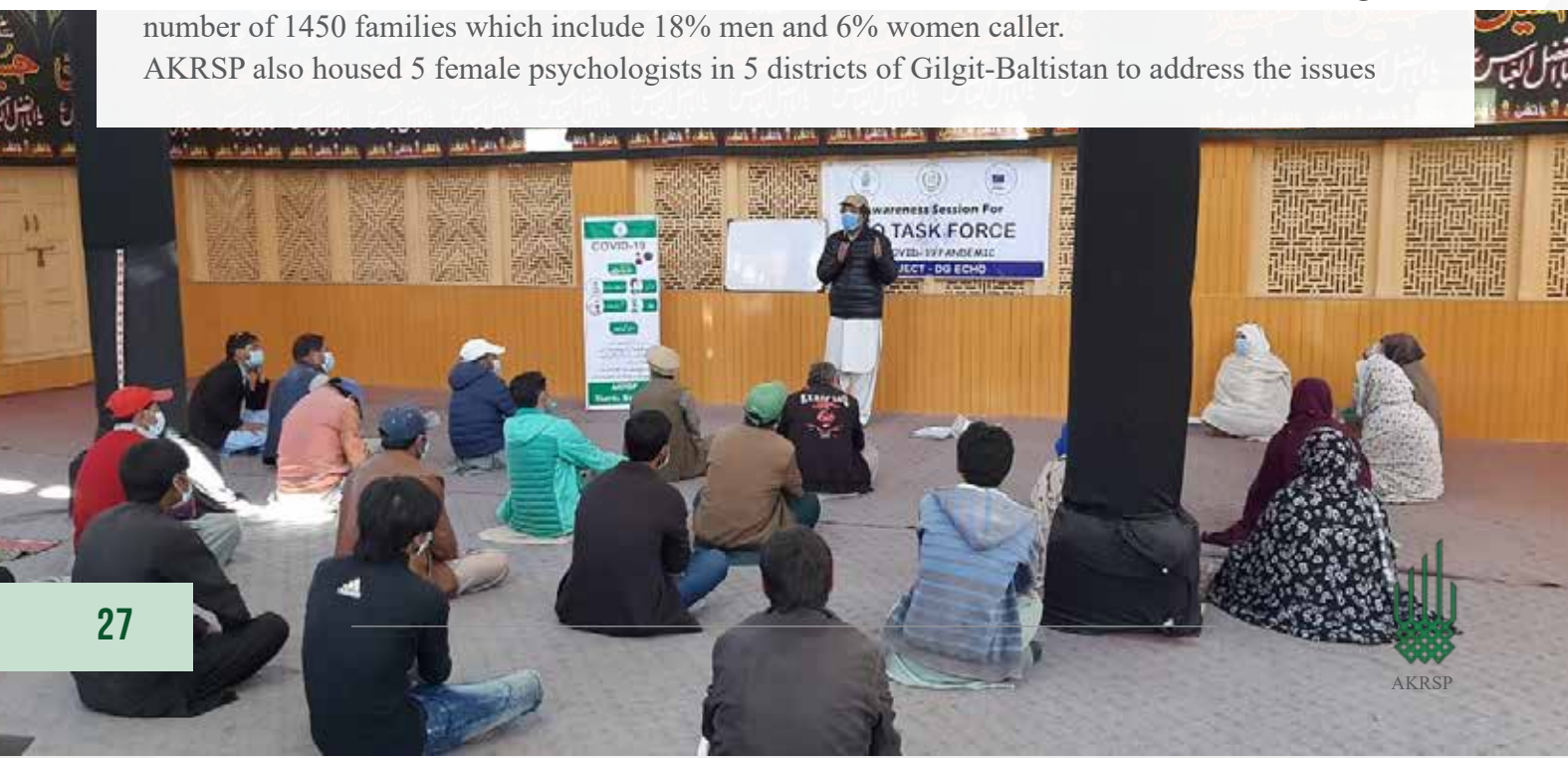
With the emergence of first cases of Corona in Gilgit-Baltistan and Chitral, AKRSP developed protocols for preventive measures for AKRSP staff who would be working in offices or field during the time of crisis in awareness campaigns and other related activities. Since the Local Support Organisations are major conduit connecting communities organized in the forms of Village and Women Organisations (V/WOs), AKRSP developed guidelines for LSOs to disseminate key messages among the local communities across GBC except Diamer district in GB.

AKRSP has carried out awareness raising campaigns for entire population of Gilgit-Baltistan and Chitral through announcements in villages by using mobile loudspeaker and religious spaces. In the campaign, key messages are displayed in the shape of banners and posters at district, tehsil and Union Council levels. The messages for awareness were developed in the light of WHO COVID-19 guidelines and in consultation with Aga Khan Health Services and local administration in Gilgit-Baltistan and Chitral in Khyber Pakhtunkhwa. In addition to visual and acoustic mediums at public spaces, the key communication messages were relayed at cable networks, local radio and FM radio in local languages. The mass awareness campaign will continue for the next three months so that more and more communities could receive the awareness messages about COVID-19 pandemic. Also, the local communities are equally supporting and following the precautionary measures announced by the government.

### 7.3.3 COORDINATION AND SUPPORT TO THE GOVERNMENT:

To supplement the activities of the Government of Gilgit-Baltistan, AKRSP initiated Sehat Call service for the psycho-social support of local communities. For that purpose, it engaged a service provider who provides online counselling through a panel of doctors, clinical psychologists and medical interns. As a result, total 345 people have benefitted from of this platform. The summary table is given below. A total of 345 calls received, out of which 262 callers (76% of total Callers were men, while 83 callers 35% were women. The 345 callers make out for 24% of the total targeted number of 1450 families which include 18% men and 6% women caller.

AKRSP also housed 5 female psychologists in 5 districts of Gilgit-Baltistan to address the issues



## CASE STUDY

My name is Irshad Kazmi. I am from Mohammad Abad, Danyour in Gilgit district. I am the Chairman of Gilgit-Baltistan Disability Forum. I am visually impaired. Our mobility, which is already limited even in the normal routine days, the current situation of COVID-19 has made the circumstance's even hardly. Recently, I needed some medicine and wanted to get my prescription updated as I was suffering from some side effects of the previous medications that I took from a nasal surgery condition. I got worried as I needed in urgent consultation, but I could not reach out to any expert due to the mentioned situation. I came to know about sehat call from the social media and I got their helpline number and made a phone call. I got an excellent service as I was connected to a doctor, who prescribed me some medications and updated my previous medicines. Moreover, he prescribed some other therapies and related preventive measures. I got all my queries were satisfactorily answered and thankfully I am doing better now. I must say that sehat call is especially beneficial for people with disabilities like me who cannot go to hospital due to mobility issues.

stemming from deterioration in mental health after the lock down. The provided counselling to individuals, households and communities most affected by COVID-19 pandemic. AKRSP provided financial support to 1665 differently abled persons in different districts with the financial support of National Bank of Pakistan.

With the financial support of UNICEF AKRSP embarked upon an activity of disinfecting 23 isolation/quarantine centres in 5 districts of Gilgit-Baltistan. The selected ICs include, 7 in Gilgit, 2 in Shigar, 4 in Skardu, 5 in Ghanche and 5 in Nager districts of GB. These centers were selected keeping in view the selection criteria, e.g. these should be government facilities and not privately-owned properties, the selection should come from the Deputy commissioners to promote a sense of ownership by public sector, etc.

AKRSP supported a mix of 26 Quarantine and Isolation Centers as part of its soft interventions per request of the GB Department of Health and District Administrations. These comprise of 4 public health facilities (also co-supported by AKPBSP) and 22 private facilities seconded by the GB Government as COVID-19 centers. These comprise of 18 Isolation Centers and 8 Quarantine Centers hosting patients with mild to severe COVID-19 symptoms. AKRSP also provided 20,000 masks to Government of Gilgit-Baltistan for distribution in the public. Moreover, 600 sanitizers were also provided to the government of Gilgit-Baltistan.

AKRSP in partnership with AKHSP and GGDC Booni provided support to District Administration in



strengthening of isolation center in Booni having 12 rooms with attached baths. AKRSP support includes provision of beds with foam, pillows, quilts, pillow & quilts covers, sanitary kits (hand wash, sanitizers, toilet & tissue papers) water & food set, warm & cool water system etc. On April 7, 2020, the center was formally handed over to Deputy Commissioner and team in the presence of DPO Upper Chitral and the President Regional Council Upper Chitral. The worthy Deputy Commissioner highly appreciated AKDN role in general and AKRSP particularly for quick response to the request of Administration.

In the time of Corona crisis, AKRSP has facilitated district administration in transportation of passengers, community coming from other parts of Pakistan and districts to quarantine centers, and from these centres to their homes after completing incubation period. Moreover, AKRSP regularly participated in the district level coordination meeting. The administration was critically facing mobility issues due to lack of resources as well as remote and widespread geographic area. Furthermore, the Lower Chitral was facing high influx of people from down country due to lockdown country. On request of district administration, one vehicle was provided to facilitate the government staff to travel around the district for overseeing activities.

The quarantine centers have been established in the Lower Chitral for the purpose of screening passengers returning from the down districts. AKRSP is providing food packages to these centers for three times a day. This assistance will continue for 10 days initiating from March 31, 2020 to April 09, 2020 which is being given through the private service provider nominated by the District Administration for catering food to other Quarantine Centers. Upon the request of Deputy Commissioner Upper Chitral, food support was extended to Quarantine centers established by district administration in Government Degree College Upper Chitral. The food package consisted of wheat, rice, cooking oil and other items which were handed over to administration. This food support will be sufficient for 100 persons for 14 days.

Upon the request of the government of Gilgit-Baltistan, AKRSP with the help of AKAH established an isolation centre for Corona affectees at Chilmis Das, Gilgit. AKRSP also provided supplies to district administration of Ghizer for the establishment of COVID-19 quarantine centre in Ghakuch. The supplies consisted of hand sanitizers, surgical masks, surgical gloves, blankets, bed foams, bed sheets, and other sanitation equipment.





“

AKRSP has invested significant financial resources in its Resource Development Programme to create a local level resource base





# 08

## CHAPTER

# CLEAN AND GREEN HUNZA

## 08 CLEAN AND GREEN HUNZA

During the review period, Aga Khan Rural Support programme (AKRSP) with the support of the Government of Canada is implementing one of the Canada Fund for Local Initiatives (CFLI) project titled “Enhancing Capacity and Awareness for Behavioral Change Regarding Solid Waste Management” in Upper Hunza, Gilgit-Baltistan. The objective of the project is to improve solid waste management systems and practices at different tourist spots in Hunza through the introduction of sustainable waste management practices including collection of waste management equipment.

The project was implemented by AKRSP in collaboration with Mountain Area Support Organisation (MASO). It adopts a proactive advocacy campaign to work towards bringing about behavioral change by building capacity and awareness among communities and training local activists as green ambassadors. The green ambassadors have created a network of trained and sensitised activists who are further spreading awareness regarding Solid Waste Management and leading the cleanliness campaigns involving other youth in the area. They also address emerging green issues and monitor project activities in their areas.

The first and prior agenda of the project was to provide awareness on solid waste and its management process. The objective was to inculcate the concept of waste management in the minds and helping the masses convert the issue into opportunities in the form of business that would directly contribute to the socio-economic development of the area. After covering the programme area through awareness sessions, AKRSP and MASO conducted skill training on solid waste management. The objective of the training sessions was to enhance knowledge about solid waste and equip the stakeholder institutions and their members with the procedures of waste management and disposal. For this, MASO collaborated with the waste management department of Hunza district and training people in areas of solid waste management as generation, transportation, and disposal.

AKRSP procured a garbage carrier vehicle equipped it with hydraulic loading/unloading systems and 3-color waste bins (i.e. set of yellow, green and blue) and handed it over to MASO to run the project operation in an efficient fashion. Initially, it was proposed to install waste bins at nine crowded spots, however considering the interest of the communities and associations the number of waste bin sites were almost doubled up to eighteen with AKRSP’s additional contribution so that majority areas could be better served by the project. Now the project is directly managed by Mountain Area Support Organisation. This project has established a successful precedent for the future initiatives related to environmental protection





09

CHAPTER

# AKRSP'S FUTURE DIRECTION



‘Putting People First’ remains the core of AKRSP’s working philosophy, computing their developmental aspirations through continuous engagement and addressing these through employing multiple sets of strategic initiatives. AKRSP consciously revitalize its energies and realigns its strengths in the context of changing needs of its primary constituencies; the poor, women, youth and vulnerable groups and is reflected in its revised strategy 2020. This strategy embodies reaffirming commitment from AKRSP staff and priorities the concerns of diverse stakeholders, towards its mission of building capacities of local human resource and institutions. The revised strategy is based on the 3Rs of Re-engagement, Revitalization and Re-Organization, placing AKRSP as a facilitator and guides its functions on resource mobilization, policy dialogue, capacity development of local support organizations and their linkages with public sector institutions, initiating youth employability and leadership, value chain development and community physical infrastructure projects under its social and economic pillars, its core programming pillars.

The burgeoning complications of unemployment and inequitable access to social services coupled with climate change originated challenges of relocation have put immense pressures on vulnerable households hurting both social and economic status of these remote populations. The shrinking of distances due to technological advancements is changing the demography of GBC disappearing the remoteness once it felt from the rest of the world. This is leading to a new set of challenges and opportunities that need to be managed to reap maximum benefits. Meanwhile, the decentralization of political and administrative authority to provinces offers new avenues for local communities to engage with local governments to shape policies and programs to their advantage. Moreover, the China-Pakistan Economic Corridor (CPEC) promises to unleash income and employment opportunities, particularly in the energy, minerals, trade, transportation, logistics, commercial agriculture and tourism sectors.

The re-engagement treats ‘Social Mobilization’ as its bedrock, wherewith identifying and reaching out to extreme and transitory poor, women, youth and other vulnerable communities in remote geographies in prioritized valleys/areas in GBC to address aspects of spatial and multidimensional poverty. AKRSP will also increase its engagement and support to the elected tiers of local governance to deepen the tradition of participatory local governance in GBC, envisaging support role for these permanent public-sector institutions for effective and sustained delivery of services to the poor, women, youth and most vulnerable groups.

The Re-vitalization seeks plans for enhanced self-reliance of poor farmers in high altitude remote valleys, through sustainable natural resource management practices and contribute to better household nutrition and food security. Additionally, it aims to increase its policy and value chain development work in promising economic sectors of GBC including cross-border trade,



gemstones/responsible mining, high value agriculture, green and fair tourism, and local crafts sectors. To cap the capital needs, the Access to Finance section will engage with V/WOs, LSOs and community cooperatives to provide advice and services, besides linking them with formal financial service providers like banks, insurance, investment and related services. Filling the gaps of human resources, it intends to operate a separate Workforce Development division to manage mobilization of resources and implementing TVET, internships, placements and apprenticeship related programs with government, private sector/industry, and civil society partners.

The Re-organization will retool the AKRSP's human, institutional and technical resources at district and local levels, closer to communities and local governments to accomplish its stated objectives.

This strategy will be supported by two key drivers: the new regional finance/investment and Enterprise Growth Accelerator (EGA), called Accelerate Prosperity (AP), as venture capital and private equity entity and the micro hydropower projects as a key driver of socio-economic development in rural areas.



With the help of new strategy AKRSP will focus on the domains of poverty, youth employability, climate change, nutrition, energy and LSOs.

With the help of new strategy AKRSP will focus on the domains of poverty, youth employability, climate change, nutrition, energy and LSOs. When AKRSP started its work in early 1980s, it faced the challenge of spatial poverty in GBC. With the rapid transformation of society, it is faced with spatial poverty characterized by poor human, physical, and natural endowments. Now it is poverty in pockets. To tackle this issue, AKRSP's model has introduced poverty targeting/graduation programme. It enables

AKRSP to address poverty in pockets. The new generation of Gilgit-Baltistan and Chitral are comparatively more literate. In addition, the region is witnessing the phenomenon of youth bulge. To reap the benefits from such a young population, AKRSP in future will invest more on youth employment. This component will focus on promoting entrepreneurship and preparing pipeline for Accelerate Prosperity (AP) and future of work with focus on employer coalition, employer led skills and IT infrastructure.

Food insecurity is the major areas of concern in Gilgit-Baltistan and Chitral because the land for agriculture is meagre to provide support the increasing population in the region. AKRSP in this regard, works for food security by scaling up passive green houses and introducing high mountain agriculture. Another challenge that is rearing its head with visible signs in GBC is climate change. To ward off untoward consequences of climate change, AKRSP is introducing social forestry and plantation drives in collaboration with government departments. Also, it is introducing community-based awareness programmes about nutrition. The region is in dire need for energy for several activity. In future, AKRSP will focus on smaller/village level MHPs in off-grid/remoter villages. At institutional level AKRSP continues its efforts to strengthen all LSOs' and relevant CSO by involving them in all the activities envisaged for future of Gilgit-Baltistan and Chitral.



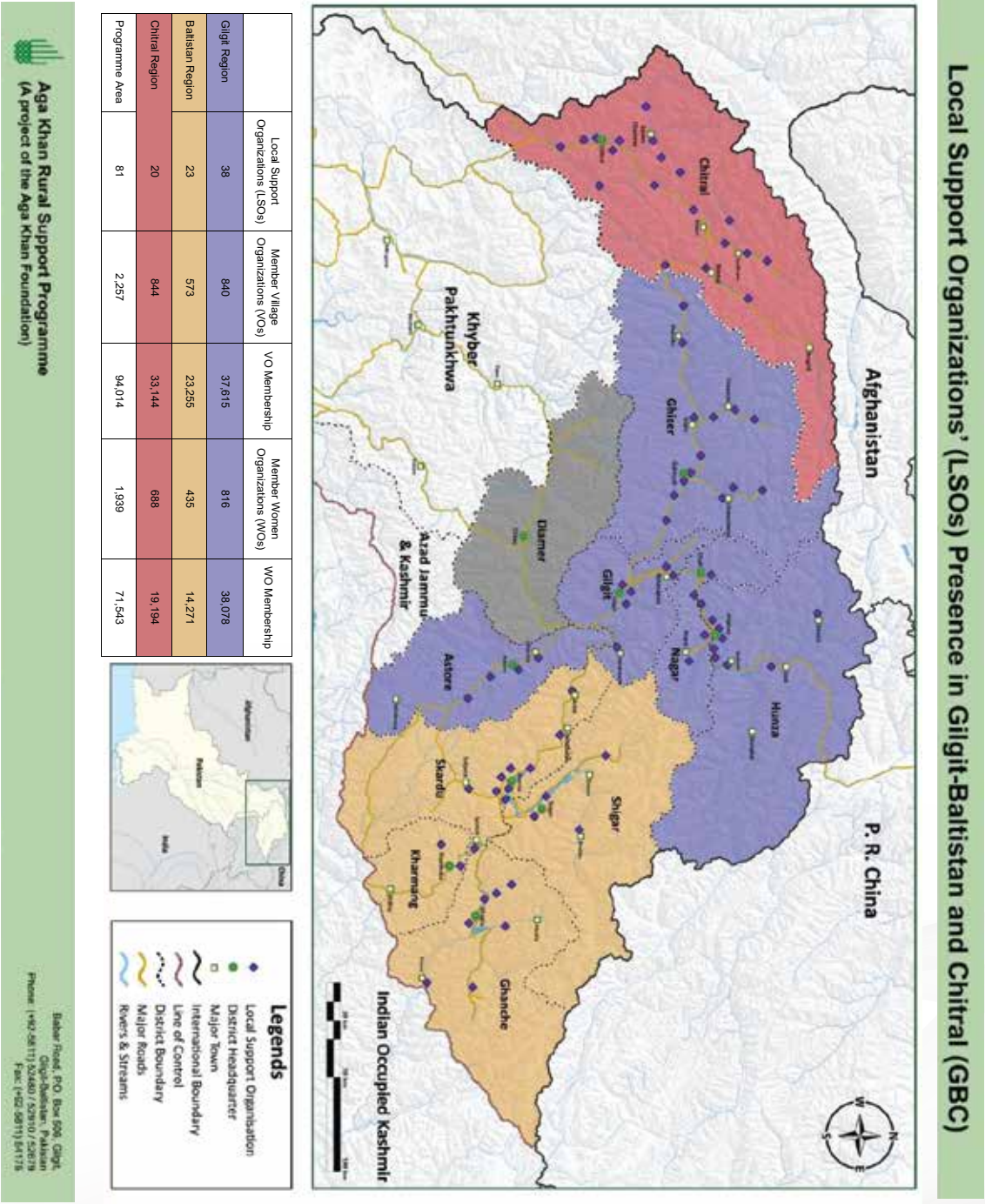
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The re-engagement treats ‘Social Mobilization’ as its bedrock, wherewith identifying and reaching out to extreme and transitory poor, women, youth and other vulnerable communities in remote geographies in prioritized valleys/areas in GBC to address aspects of spatial and multidimensional poverty.



ANNEXURES

ANNEX 1: AREA MAP



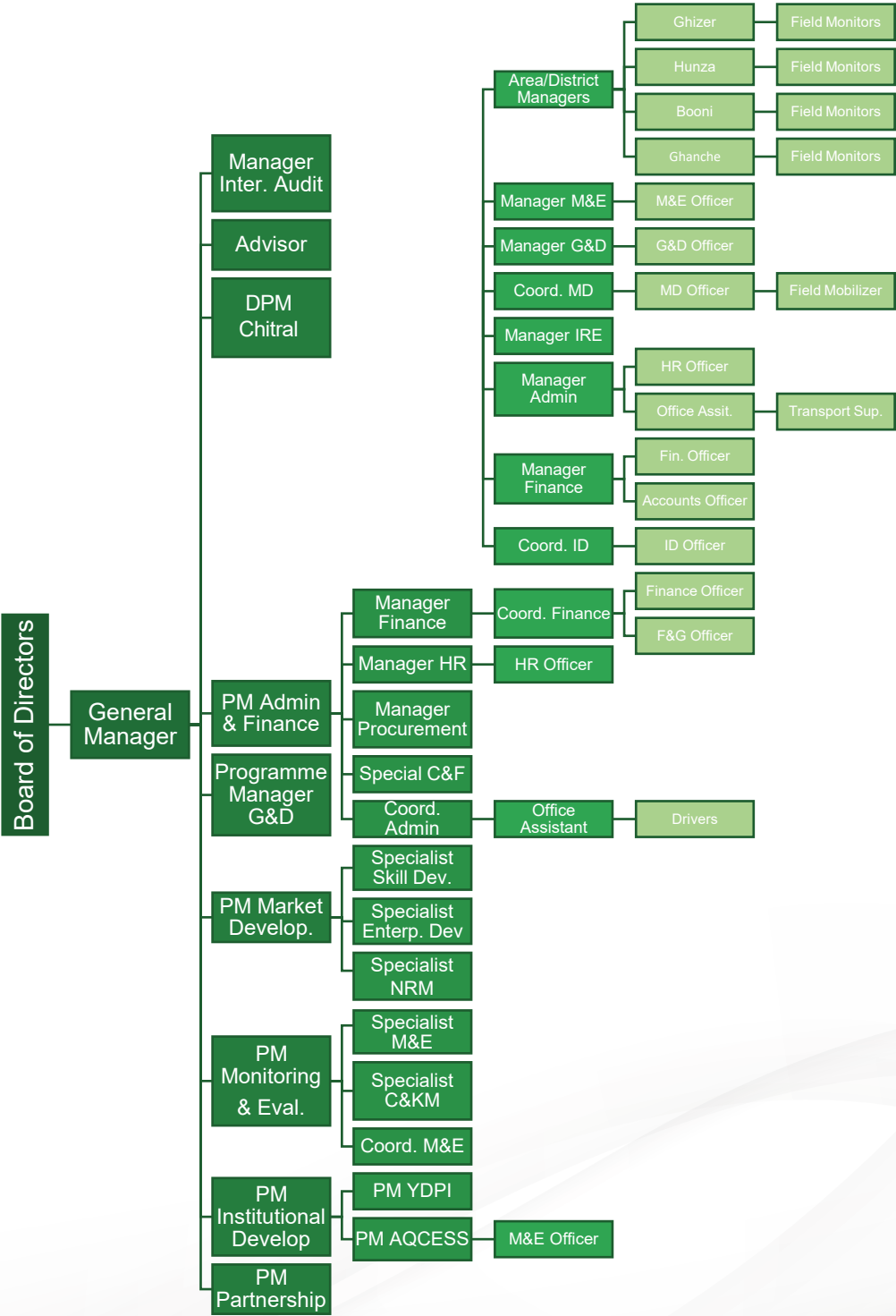
## ANNEX 2: MEMBERS OF AKRSP BOARD OF DIRECTORS

1.	Mr. Aziz Uddin Boolani	Chairman
2.	Mr. Javed Iqbal	Member
3.	Mr. Sohail Lalani	Member
4.	Mr. Muhammad Ismail Khan	Member
5.	Mr. Akhtar Iqbal	Member
6.	Mr. Asad Lakhani	Member
7.	Ms. Ajeeba Aslam	Member
8.	Ms. Zubaida Khanum	Member
9.	Mr. Tom Joseph Gerald Austin	Member
10.	Mr. Zarif Badruddin	Member
11.	Mr. Jamil Uddin	Ex-Officio Member/ GM





ANNEX 3: AKRSP ORGANISATIONAL CHART



## ANNEX 4: LIST OF AKRSP DONORS AND PROGRAMMES IN 2020

S.No.	Project	Donor	Project Activities	Area of Operation	Start Date	End date	Amount in PKR
1	Priority Valleys (GBC)	Aga Khan Foundation Pakistan	Agriculture and food security, infrastructure development, Livelihood support and construction of clean energy projects in Gilgit-Baltistan and Chitral	Gilgit-Baltistan and Chitral	1/Jan/2021	31/Dec/2021	595,032,416
2	Tameer-o-Tabeer Fund	Pakistan Poverty Alleviation Fund	Mentoring & Support for Community Institutions in High Priority Districts	Gilgit-Baltistan	2/Jul/2018	30/Jun/2021	30,004,000
3	PEDO	Government of Khyber Pakhtunkhwa	Construction of 55 units of Micro/Mini Hydropower Projects	Chitral	4/Aug/2014	30/Jun/2021	1,059,580,000
4	ETI	Economic Transformation Initiative Gilgit-Baltistan	Community Mobilization and Development Related Services	Gilgit-Baltistan	2/Mar/2017	1/Mar/2022	295,450,000
5	Ten Billion Tree Tsunami Plantation	Forest, Wildlife & Environmental Department	Community Plantation under Green Pakistan Programme	Gilgit-Baltistan	1/Apr/2019	31/Mar/2022	305,219,200
6	Ten Billion Tree Tsunami Plantation	Aga Khan Foundation Pakistan	Community Plantation under Green Pakistan Programme	Gilgit-Baltistan	1/Apr/2019	31/Mar/2022	53,636,800
7	All Weather Road to Broghul	Aga Khan Foundation Pakistan	All Weather Road to Broghul Valley	Chitral	1/Jan/2019	31/Dec/2021	130,084,500
8	Provision of food and free medical camp	Durain Cassim	Water supply scheme and food distribution in Sarfrang Village	Baltistan	1/Sep/2019	30/Jun/2021	4,988,500
9	Critical preparedness and readiness and response actions for coronavirus diseases (COVID-19) Pandemic in Gilgit-Baltistan and Chitral	Aga Khan Foundation Pakistan	Critical preparedness and readiness and response actions for coronavirus diseases (COVID-19) Pandemic in Gilgit-Baltistan and Chitral	Gilgit-Baltistan & Chitral	20/Apr/2020	30/Sep/2021	16,000,000
10	Foundation for Health and Empowerment	Aga Khan Foundation Pakistan (COVID-19)	Improve local system and institutions for health care, early childhood development, women's empowerment, and gender equality in Gilgit-Baltistan and Chitral	Gilgit-Baltistan & Chitral	1/Jun/2020	31/Mar/2021	44,885,342
11	Child Protection	Aga Khan Foundation' Pakistan	Mental Health and Psychosocial Support and Stigma Prevention as part of COVID-19 response	Gilgit-Baltistan	29/Apr/2020	31/Mar/2021	11,355,738
12	Reducing Impact of COVID-19 in Gilgit-Baltistan	Aga Khan Foundation' Pakistan	Reducing Impact of COVID-19 in Gilgit-Baltistan	Gilgit-Baltistan	1/May/2020	31/Dec/2020	13,244,200
13	Sihatmand Khandaan	Aga Khan Foundation Pakistan	Improve health system response with capacity building of health care providers. Improve women and children access to services through teleconsultations, helpline and emergency referral support etc	Gilgit-Baltistan & Chitral	1/Jun/2020	31/Dec/2020	16,184,458
14	Accelerate Prosperity	Aga Khan Foundation Pakistan	Accelerate Prosperity	Gilgit-Baltistan & Chitral	1/Jan/2020	31/Dec/2023	1,029,979,000
15	Plantation in Yarzich	Aga Khan Foundation Pakistan	Irrigation Channel and plantation	Gilgit	1/Jan/2020	31/Dec/2020	2,369,000
16	UNICEF-WASH	UNICEF	Restoration of Livelihoods of Affected Community Infrastructures	Chitral	1/May/2019	4/Apr/2020	35,209,169
17	NBP-Cash Support	National Bank of Pakistan	Cash Support to COVID-19 affected families	Gilgit-Baltistan	1/May/2020	31/Dec/2020	5,000,000
18	Clean and Green Hunza	Government of Canada	Waste Management System in Upper Hunza	Gilgit	1/Dec/2019	1/Dec/2019	7,081,318.12



## ANNEX 5: PROGRAMME AREA BRIEF

Indicators	Programme Area	Gilgit	Chitral	Baltistan
<b>THE CANVAS</b>				
Program Initiation		January-83	January-86	January-86
Area (sq. kms)	87,346	43,480	14,850	29,016
Population (million)**	1.93	0.95	0.44	0.54
Number of villages	1,006	254	524	228
Rural households**	218,575	104,478	54,556	59,541
Literacy Rate Above 10 Years (%)**	55	51	65	50
-Male literacy rate (%)**	68	65	77	63
-Female literacy rate (%)**	43	39	52	38
** Source: MICS GB 2017, P&D Statistical and Research Cell 2020, Pakistan Bureau of Statistics				

## ANNEX 6: AUDIT SUMMARY

### THE AGA KHAN RURAL SUPPORT PROGRAMME

(A company incorporated under section 42 of the Companies Act, 2017)

### STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Note	2020 Rupees	(Restated) 2019 Rupees	(Restated) 2018 Rupees
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property and equipment	5	18,336,696	11,524,903	18,894,498
Long-term investments	6	1,209,946,517	991,094,640	991,094,640
Long-term loan to subsidiaries	7	-	-	-
Loans to businesses	8	9,844,635	12,950,028	12,141,667
		<u>1,238,127,848</u>	<u>1,015,569,571</u>	<u>1,022,130,805</u>
<b>CURRENT ASSETS</b>				
Loans and advances	9	6,573,766	11,643,583	7,948,758
Deposits, prepayment and other receivables	10	13,708,472	3,826,866	2,316,049
Receivable from related parties	11	7,593,930	1,096,931	193,790
Contract assets	12	119,693,616	74,981,168	-
Receivable from donors	15	45,735,534	60,589,887	126,581,085
Short-term investments	13	362,394,776	363,959,589	380,718,822
Bank balances	14	178,769,397	90,872,383	122,486,414
		<u>734,469,491</u>	<u>606,970,407</u>	<u>642,244,918</u>
		<u>1,972,597,339</u>	<u>1,622,539,978</u>	<u>1,664,375,723</u>
<b>FUND BALANCE AND RESERVE</b>				
Fund balance		787,881,299	885,698,064	860,983,680
Surplus on re-measurement of investments classified as fair value through other comprehensive income		773,851,877	555,000,000	555,000,000
		<u>1,561,733,176</u>	<u>1,440,698,064</u>	<u>1,415,983,680</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred capital grant	16	16,253,075	9,044,205	16,542,562
Revolving fund for Accelerate Prosperity	17	27,035,104	27,243,167	14,758,985
		<u>43,288,179</u>	<u>36,287,372</u>	<u>31,301,547</u>
<b>CURRENT LIABILITIES</b>				
Restricted grants	15	175,823,907	43,065,386	107,996,721
Other payables	18	191,762,077	102,489,156	109,091,775
		<u>367,575,984</u>	<u>145,554,542</u>	<u>217,090,496</u>
		<u>1,972,597,339</u>	<u>1,622,539,978</u>	<u>1,664,375,723</u>
<b>CONTINGENCIES AND COMMITMENTS</b>				
	19			

The annexed notes 1 to 38 form an integral part of these financial statements.

  
Chairman

  
Director

  
Chief Executive Officer





**THE AGA KHAN RURAL SUPPORT PROGRAMME**  
**(A company incorporated under section 42 of the Companies Act, 2017)**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 Rupees	2019 Rupees
<b>INCOME</b>			
Grant income recognised	15	470,624,135	700,757,898
Amortization of deferred capital grant	16	4,201,485	6,925,813
Income from Microhydel Projects	20	166,071,627	8,747,687
Other income	21	86,703,364	60,676,802
Unrestricted grant	22	-	64,473,750
		<u>727,600,611</u>	<u>841,581,950</u>
<b>EXPENDITURE</b>			
Civil society development	23	67,222,388	107,229,627
Gender and development	24	25,320,701	45,136,684
Resource development	25	426,533,558	393,861,483
Market development	26	74,371,467	124,311,564
COVID-19 projects	27	88,216,126	-
		<u>681,664,240</u>	<u>670,539,358</u>
Management and administration	28	145,529,250	150,386,536
		<u>827,193,490</u>	<u>820,925,894</u>
(Reversal of loss allowance) / loss allowance for expected credit losses	29	(1,776,114)	6,033,885
<b>(DEFICIT) / SURPLUS FOR THE YEAR</b>		<u><u>(97,816,765)</u></u>	<u><u>14,622,171</u></u>

The annexed notes 1 to 38 form an integral part of these financial statements.

AKRSP

Chairman

Director

Chief Executive Officer

**THE AGA KHAN RURAL SUPPORT PROGRAMME**  
 (A company incorporated under section 42 of the Companies Act, 2017)  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 Rupees	2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Deficit) / surplus for the year		(97,816,765)	14,622,171
<b>Adjustment for non-cash items:</b>			
Depreciation		4,884,396	6,714,817
Interest income on financial assets		(47,578,910)	(46,448,826)
Income from Microhydel Projects		(166,071,627)	(8,747,667)
Grant income recognized		(470,624,135)	(700,757,898)
Amortization of deferred capital grant		(4,201,485)	(6,925,813)
Exchange gain		(98,673)	(186,735)
Loss on transfer of fixed assets		-	1,795,900
Gain on sale of property and equipment		(105,996)	(9,598)
Impact of change in accounting policy on opening balance of Fund Balance		-	10,092,213
(Reversal) / loss allowance for expected credit losses		(1,776,114)	6,033,885
		<u>(685,572,544)</u>	<u>(738,437,742)</u>
		<u>(783,389,309)</u>	<u>(723,815,571)</u>
<b>Working capital changes</b>			
(Increase) / decrease in current assets			
Loans and advances		5,069,817	(5,341,516)
Deposits, prepayments and other receivables		(9,881,606)	(1,510,817)
Receivable from related parties		(6,496,999)	(903,141)
Contract assets		121,359,179	(74,981,168)
Receivable from donors		16,630,467	64,403,003
Increase / (decrease) in current liabilities			
Restricted grants		603,382,656	644,572,251
Other payables		89,262,921	(6,602,619)
		<u>819,326,435</u>	<u>619,635,993</u>
<b>Cash generated from / (used in) operations</b>		<u>35,937,126</u>	<u>(104,179,578)</u>
Change in deferred capital grant		11,410,355	(572,544)
Change in revolving fund		(208,063)	12,484,182
<b>Net cash from / (used in) operating activities</b>		<u>47,139,418</u>	<u>(92,267,940)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(12,066,205)	(1,189,120)
Interest received on investments		60,143,723	33,206,059
Proceeds from sale of property and equipment		476,012	63,952
Investments made during the year - net		(11,000,000)	30,000,000
Loans extended to businesses - net		3,105,393	(1,613,717)
<b>Net cash from investing activities</b>		<u>40,658,923</u>	<u>60,467,174</u>
Effect of foreign currency exchange gain on cash and cash equivalents		98,673	166,735
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>87,897,014</u>	<u>(31,614,031)</u>
<b>Cash and cash equivalents at beginning of the year</b>		<u>90,872,383</u>	<u>122,486,414</u>
<b>Cash and cash equivalents at end of the year</b>		<u>178,769,397</u>	<u>90,872,383</u>

The annexed notes 1 to 39 form an integral part of these financial statements.

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Chairman

Director

Chief Executive Officer



AKRSP



**Aga Khan Rural Support Programme**  
(A Project of the Aga Khan Foundation)

Aga Khan Rural Support Programme is a private, non-profit company, established by the Aga Khan Foundation to help improve the quality of life of the villagers of Gilgit-Baltistan and Chitral (GBC). It was established in 1982 with the mandate to focus on economic and institutional development in collaboration with government departments, elected bodies, national and international development agencies and commercial institutions. Although AKRSP's own emphasis is on the productive sectors, it is also expected to assist other agencies in promoting social sector programmes. AKRSP acts as a catalyst for rural development in an equitable and sustainable manner.

AKRSP is a non-communal organization, working with all the people of its project area, and recruiting its staff from all over Pakistan.

**Head Office – Gilgit**

Babar Road, P.O. Box 506, Gilgit, Gilgit-Baltistan, Pakistan  
Phone: +92 (5811) 450349 / 452480 / 452679 / 452869 Email: [info@akrsp.org.pk](mailto:info@akrsp.org.pk)

**Regional Programme Office – Gilgit**

Noor Colony, Jutial, Gilgit, Gilgit-Baltistan, Pakistan  
Phone: +92 (5811) 452167 / 452177 / 452910 / 455077 Email: [info@akrsp.org.pk](mailto:info@akrsp.org.pk)

**Regional Programme Office – Chitral**

Shahi Qilla, Chitral, Khyber Pakhtunkhwa, Pakistan  
Phone: +92 (943) 412720 / 412727 / 412736 / 412979 Email: [info@akrsp.org.pk](mailto:info@akrsp.org.pk)

**Regional Programme Office – Baltistan**

Satpara Road, Skardu, Gilgit-Baltistan, Pakistan  
Phone: +92 (5815) 450320 – 323 Email: [info@akrsp.org.pk](mailto:info@akrsp.org.pk)