

## NOTE FOR THE RECORD

Subject: MEETING WITH HIS HIGHNESS

Date, time March 24, 1983 - 8.30 a.m.

and venue: State Guest House, Rawalpindi.

Participants:

- His Highness The Aga Khan
- Mr. Ramzan Merchant, Chairman BOD AKRSP
- Mr. Shoaib Sultan Khan, General Manager AKRSP

The meeting with His Highness was arranged through the courtesy and good offices of Mr. Ramzan Merchant who informed GM on arrival (at 3.00 a.m. after 16 hours road journey) in Islamabad on 23.3.1983 morning that His Highness was desirous of meeting the GM. The meeting was planned for 10'O clock at night after the state banquet given by the President of Pakistan in honour of His Highness. However at 9.30 p.m., GM was informed that His Highness has desired to meet the GM at breakfast at 8.30 a.m. on the following day. Thanks to UNICEF (Ms Marta Mauras and Nasimur Rehman), GM was able to get an overhead projector by 9.30 p.m. for giving a briefing on AKRSP activities to His Highness.

His Highness came to the breakfast room in the State Guest House punctually at 8.30 a.m., and enquired from the GM if it was necessary for the Chairman to be present at the briefing. The GM responded that the Chairman was most welcome to stay on. The GM had been wondering if he was going to eat breakfast with His Highness, how could he be able to simultaneously give a presentation, hence His Highness's query from the GM if he had eaten the breakfast, gave GM the opportunity to excuse himself from eating breakfast and straight away seek permission from His Highness to make the presentation, to which His Highness readily consented.

GM made the presentation with the prologue about the importance of the theory and principles on which AKRSP's strategy is based and expressed the view that over the years -- to be exact nearly 150 years -- a body of knowledge has evolved in the world on the basis of which the theory of agricultural and rural development could be articulated in as precise terms as, for example, the theory of gravity.

(His Highness had not caught the word precise and asked the GM to repeat it). With this introduction, the transparencies depicting the essentials of agricultural and rural development were projected and GM briefly explained the importance of productive physical infrastructure realised through the experience gained in implementation of the community development programme in India and Village-AID programme in Pakistan in the 1950s. A programme in which billions of dollars were invested by the Americans and extended to 44 countries but it failed to produce results due to the lack of understanding by the planners and implementors about the importance of productive physical infrastructure in agricultural and rural development. Both the importance of physical and administrative infrastructure is now understood and in most of the countries, development plans give due emphasis to these essentials of agriculture infrastructure is still not appreciated, especially in Pakistan. There are three available world models of agricultural and rural development namely; private capitalist agriculturist approach; communist approach of collectivisation and cooperative approach of the Japanese, Taiwanese etc., which was originally fostered by Raiffeisen in Germany 150 years ago to help small farmers. The small farmers, like those of Northern Areas whose average holding per household is only 20 kanals, suffer from many handicaps and unless they are helped to overcome these handicaps by giving them economics of scale, through group action, they would be unable to rise above the level of subsistence. Unfortunately in many developing countries including Pakistan, the approach being advocated is the private capitalist agriculturist approach of USA which only succeeds if land holdings are large.

With this background the AKRSP has devised its programming cycle based on diagnostic survey. GM referred to His Highness's recent speech at the Seminar in Karachi where His Highness had underlined the importance of urban-rural dialogue in the context of housing and considered it as important as the North South Dialogue. GM submitted that in his view urban-rural dialogue was necessary in all aspects of development and His Highness indicated his complete agreement. GM briefly explained the different components of the village dialogues and gave examples of the reactions of the villagers in these dialogues. In regard to acceptability of the AKRSP, GM pointed out the attitude he sensed in his initial visits to non-Ismaili villages in whose eyes the bonafides of AKRSP seemed a suspect. In one village after clear explanation of AKRSP objectives and methods namely identification of village level projects with focus on income-generation, village elders demanded of "Sir Aga Khan a Multi-million Rupee Bridge over the River Hunza" and how an Ismaili sitting next to the GM, whispered "why don't they ask Khomeni to give them the Bridge", His Highness had a hearty laugh at this -- but was very pleased to learn that a couple of months later, the same village specially asked the GM to help in doing a village level project namely an irrigation

channel to irrigate 1,000 kanals. His Highness also enjoyed the dialogue between GM and one of the Sunni leaders who demanded of the GM as to why only Ismailis had been appointed in the Management Group and when informed that out of seven members of the group, five are non-Ismailis, the leader could not believe his ears. The GM informed His Highness that in regard to Ismaili villages, he did not face any problem because he exploited His Highness's name to the fullest and whenever he found that the community people were not responsive, he brow-beat them by telling them that His Highness had specially selected him to implement this programme. His Highness smiled at this.

His Highness took keen interest in the monitoring and evaluation chart and specially noted the requirement of submission of reports on a regular basis. His Highness also enquired the arrangements for follow-up action. GM again projected programming cycle transparency and pointed out the activities under implementation and completion including long term evaluation of persistence of results. His Highness enquired about the time-lag between execution and evaluation of benefits. GM stated that on the basis of experience, the MG has gained so far, the time-lag between first dialogue and the third dialogue of the project is roughly 8 to 12 weeks. The evaluation of benefits could be after 6 to 9 months depending on the type of project implemented. The GM informed His Highness about the MG's commitment to rigorous internal evaluation and the role of the Programme Economist as a watch dog. His Highness agreed with the approach regarding rigorous monitoring.

GM showed the helicopter grid as the last transparency and submitted that how skeptical he was about the utility of the helicopter before coming to Northern Areas but having been in the area for three months, GM was of the belief that the helicopter could be of great help in accelerating the pace of development and thereby in terms of cost benefit paying for itself, in due course of time.

His Highness observed that he always believed that this was the situation with the Northern Areas. However when GM informed that the helicopter was not as yet available for the development work in the Northern Areas, His Highness turned to the Chairman and told him in very clear terms that he would take away the helicopter if it was not used. He observed that if due to technical reasons or operating troubles, one machine was not enough, he was prepared to give another one. He quoted the saying "one is an aeroplane and two are an airline".

By now 40 minutes had elapsed and GM thought that he had already taken ten minutes more than his allotted time and apologised to His Highness for having been so lengthy. His Highness observed that

this was not the case and the briefing had been very well timed and invited GM to sit down with him at the breakfast table. While the presentation was being made, His Highness confined his breakfast only to coffee. He asked GM to have something and ordered an egg for himself. His Highness observed that how distressed he was for not having been able to visit the Northern Areas and said it was for this reason that he was coming again on 11th of May and expressed his personal thanks and happiness on GM's acceptance of the job and very much hoped to see him at Gilgit during his visit in May. He further observed that he was greatly impressed at the intellectual change which has occurred in the people of Northern Areas as evident in his discussions with them the previous evening. He was also impressed at the speed AKRSP was moving and observed that he had not expected nor did probably GM expected that so much progress would be made in such a short time. His Highness said that he agreed with and supported everything that GM was doing with regard to AKRSP. His Highness observed that he was excited about the programme and considered it unique in many ways and was of the belief that it would provide answers to poverty in the deprived and undeveloped areas. GM responded that with His Highness blessings, this may come true.

His Highness further observed that he was thinking of setting up a Coordination Body, if GM agreed, for the Northern Areas to ensure an integrated and synergistic approach to development by bringing the different agencies of development set up by His Highness in the Northern Areas under one umbrella. He explained that this was necessary in view of the concerns expressed by community members and although he thought there was no problem with AKRSP because there was a clearly articulated strategy, it was not so with all the agencies. His Highness further observed that he had made it clear to the community that development has to be for everyone and could not be restricted or confined. His Highness also referred to his concern regarding economic imbalances and in this context mentioned the case of Chitral where he was greatly distressed by people killing each other and expressed the hope that with initiation of programmes of economic benefit, situation might improve.

His Highness also referred to his meeting with the Finance Minister and the Deputy Chairman, Planning Commission, Government of Pakistan and said that he was struck by GM's comment about the power of capital and the need for the rural people to acquire capital through savings and building up of equity. His Highness observed that substantial savings would not be forthcoming without increased incomes. In this regard he mentioned the availability of capital to the rural populace through cooperatives in the Northern Areas. He was sorry to note that there was no such institution nor there were apex banks which could make capital available and he advocated a programme to

ascertain the need for loans required by the rural people and to provide them access to management and cooperative organisation. He was discouraged to note that both the Finance Minister and the Deputy Chairman seemed to have a mental block in relation to the development of cooperatives in the Northern Areas. His Highness quoted example of India where cooperatives have been very successful in some areas. However in the Northern Areas, government seems to be unwilling to take concrete steps in this direction as there were not even facilities available for registration of cooperatives. However, His Highness indicated that the Finance Minister has agreed to allocate more capital for cooperatives for Northern Areas, if necessary. He quoted the Finance Minister as saying that "government is an ass" and one can get round anything if one has the will.

His Highness also observed that only economic upsurge is not enough. The construction of KKH does not necessarily mean prosperity to everyone. The situation could be exploited by unscrupulous businessmen.

He spoke on conceptualisation of bigger projects in the Northern Areas through agricultural cooperatives in the field of food processing etc. He referred to the Venture Capital Company set up for assisting local entrepreneurs. He referred to the institutionalization of enterprises. He asked GM to give thought to these issues and he would like to discuss these in greater detail during his visit in May with GM and the MG of AKRSP.

GM mentioned that the term social and economic infrastructure instead of cooperatives, was used by him because of the observations made by His Highness about the mental block in the minds of the policy makers of Pakistan regarding cooperatives. The GM also brought to the notice of His Highness the interest taken by one of the Intelligence Agencies in the activities of AKRSP and GM's dismay at the paranoia exhibited by the agency representative and GM's action in contacting the head of the agency to counter the move to present AKRSP in an adverse light. GM also informed His Highness about the excellent rapport AKRSP has with the local administration. He also informed His Highness about his action in writing to the President of Pakistan with a copy of His Highness's letter written to Mr. Grant regarding AKRSP, with the request to seek an interview from the President to inform him about the AKRSP activities. GM explained that he had to take these steps to keep the policy makers and people who matter well informed about the AKRSP activities.

At this stage it was already 9.30 a.m., and the Chief of Protocol came to enquire of His Highness as to what time His Highness would be free to receive the President who was going to see His Highness off

at the airport. His Highness asked for another five minutes and before leaving, expressed his great pleasure and satisfaction at whatever was being done by AKRSP and asked GM to bring any matter or problem which the GM faced, to His Highness's notice. His Highness bid goodbye to GM and went away to see the President who was due to arrive any moment. The GM was, therefore, surprised when a few minutes later while GM was collecting the transparencies, His Highness reappeared with the Chief of Protocol and introduced GM to the Chief of Protocol and requested Brig. Zamir to give help and assistance to GM if he was ever in need of such assistance. The GM could not resist telling Brig. Zamir that the people of Gilgit really cursed him when they came to know that it was the Protocol that stopped His Highness from coming to Gilgit. Before Brig. Zamir said nothing, His Highness interjected that it was not Brig. Zamir's fault. He could not help it.

GM presented a copy of the AKRSP briefing papers at which His Highness observed that he very much wanted something like that.

The meeting with His Highness ended at 9.45 a.m.