

AKR RURAL SUPPORT PROGRAMME
2003

The Aga Khan Rural Support Programme

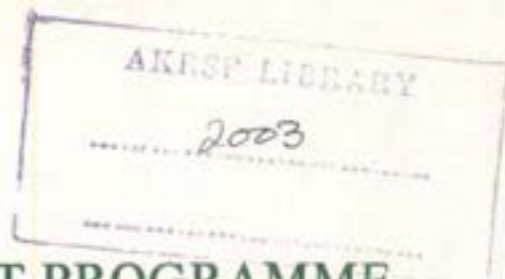


SECOND ANNUAL REVIEW 1984 Incorporating the Eighth Progress Report



GILGIT, NORTHERN AREAS

1985



THE AGA KHAN RURAL SUPPORT PROGRAMME

A Project of the Aga Khan Foundation

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AKRSP

Babar Road, P. O. Box 506
Gilgit, Northern Areas, Pakistan

Phones : 480, 779

Cable: Agafound, Gilgit



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FOREWORD

The Second Annual Review marks the completion of two years of the Aga Khan Rural Support Programme (AKRSP) on the ground. Much has happened during these eventful 24 months since the first exposure of the General Manager (GM) to the Board of Directors (BOD). Articulating the development strategy for AKRSP, the GM to-be had underlined and explained the importance of Productive Physical Infrastructure (PPI), Administrative Infrastructure and the Social and Economic Infrastructure. In actual implementation the strategy remained intact but many details had to be reorganised, revamped and evolved. In simple terminology, the development of the small farmers of the Northern Areas, constituting over 90% of the population, depended on their acceptance of the discipline of organization and collective management, their willingness to acquire human skills, and their efforts in generating their own capital through savings.

In the cold wintry months of 1982-83 with below-freezing temperatures, the Management Group (MG) valiantly tried to carry the message of development from one village to the other, on jeep tracks which only the 'precision drivers' of the Northern Areas could negotiate. The initial response of the villagers was one of polite disbelief. The other agencies in the development game ignored the Programme bordering on scepticism which at times turned into hostility. However, the completion of PPI projects in some villages completely turned the table. Everyone started taking notice of the Programme and most of all the villagers. The PPI proved a stunning success. This attracted criticism and jealousy. AKRSP was accused of bribing villagers. Even my mentor and teacher, Dr. Akhtar Hameed Khan (AHK), berated me on offering terms of partnership to the Village Organisations (VOs) which they could not refuse. On his second visit four months later, AHK observed, "It is extremely fortunate that AKRSP can provide the initial capital for the construction of this infrastructure - PPI or productive physical infrastructure, as they call it. Otherwise the villages, in their present destitute condition, could not undertake this essential task. As in most villages the work is done by the villagers themselves, the wages paid to them serve the purpose of an invigorating transfusion. A substantial portion of the wages is turned into equity capital through weekly savings collected in the group meetings. At present the chief reason for the great popularity of AKRSP is the financing of PPI projects. In the Gilgit rural situation, where the holdings are so small and the majority of farmers are compulsively searching for non-farm work, the introduction of a paid works programme (PPI), which simultaneously starts the process of agricultural development, is fully justified."

In rejecting the conventional concepts of community participation AKRSP was dispelling the myth that real rural development could be achieved by self-help synonymous with free labour. AKRSP redefined self-help as villagers' willingness to organise themselves for collective management, to undertake implementation and maintenance of PPIs, to acquire human skills through extension training, and generate their own capital through regular meetings and

savings. The response of the VOs to the new definition of self-help has been 'spectacular' in the opinion of the world's most leading exponent of rural development.

Winning over the villagers was easy compared to convincing the donors, other developmental agencies and the BOD. However, once the donors had seen the Programme on the ground, their response was as generous as one could hope for. The BOD, once it had satisfied itself on the many issues involved in implementing the strategy, stood like a rock and gave support and encouragement without which the Programme couldn't have survived. The Northern Areas Administration encouraged and patronised the Programme but at times felt uneasy about the contrast in its methodology of development compared with other development agencies. With the arrival of Maj. Gen. Safdar Ali Khan as the Martial Law Administrator, Zone 'E', the support and collaboration it is receiving from the Administration augurs very well for the Programme and the VOs. Above all the greatest encouragement the Programme received was from His Highness the Aga Khan himself when in May 1983 after a visit to four VOs, His Highness observed "...they correspond exactly to the type of project that I was hoping that this Programme would put together."

The past two years have been one of exhilaration and satisfaction but the goal ahead is still far far away. The time has arrived to spell out the long-term view. We are fortunate to have AHK's vision to guide us. During the past he has been like a beacon's light to the Programme. The preliminary review undertaken by Professor Guy Hunter in early 1984 further endorsed the strategy in the following words: "AKRSP is an excellent model for the initial programme, and has performed excellently. In the coming phase it will still have a vital role to play in maintaining the Village Organisations (and adding some new villages), and secondly as a catalyst in drawing in and promoting cooperative, commercial and financial institutions which will increasingly be needed to service the growth towards a more market oriented economy." Accordingly, a separate strategy paper spelling out the long-term view and the short-term consolidation has been prepared for consideration and approval of the BOD. How far the Programme will succeed in achieving its objectives is dependent on its ability to set up the institutions needed to put the fourfold support - land development, agricultural development, credit and banking and marketing - now being given by AKRSP to VOs, on a permanent basis. The VOs, during the last two years, have proved their viability as potential self-sustaining and self-reliant micro-economic units; it is now for the Programme to take up the challenge and fulfil its part of the partnership.

A Programme like AKRSP is the result of concerted and combined efforts of a team. In case of AKRSP the sheet anchor of the team are the Social Organisation Units, ably supported by the Programme support services, namely Engineering, Agriculture, Social Organisation, Women's Section, Marketing, Credit, MER, Accounts and Administration. The Audio-Visual section helped to project the field achievements besides critical input in extension training. The support staff kept the wheels moving because without the secretaries, the stenos, the technicians, the store-keepers, the peons, the guards, the cleaners, the gardeners and last but not least the drivers, the Programme would have

come to a grinding halt. The fact that even after two years the team does not distinguish between working days and holidays, between office hours and non-office hours and does not complain about the hardships, hazards to personal safety, and the lack of many facilities speaks volumes of the dedication, affection and sympathy that everyone in the team has for AKRSP. The General Manager can only but feel immensely fortunate and privileged to be the captain of such a team.

The MER has worked very hard to produce the Second Review and deserves our appreciation for the long hours of work and the diligent analysis of raw data, in preparation of a readable document.

Shoaib Sultan Khan
General Manager

SUMMARY OF EIGHTH PROGRESS REPORT

I. Overview

In the last progress report, we had raised certain issues about the future direction of AKRSP in consequence of a detailed discussion with Dr. Akhtar Hameed Khan during his fourth visit. The Management Group has prepared a strategy paper for the review of the Board of Directors which sums up the programme policy for the next ten years. The course of action suggested in the strategy paper encompasses both long-term planning and short-term consolidation. AKRSP's long-term objective to phase itself out is planned by fostering viable organisations which would perform the functions AKRSP is performing, although in an elementary and incipient manner, namely land development, agricultural development, credit and banking and marketing. To achieve long-term objectives, short-term consolidation envisages a new dimension to village planning and land development, setting up a revolving fund for loans, legalising the credit and banking functions by formal arrangements and reconstruction of the marketing section through establishment of a strong central organisation.

The dilemma of extension of the programme activities to other areas has been overcome to some extent by accepting the fact that on account of the nature of its design, AKRSP can be replicated, but its area of operation cannot be extended indefinitely. It will be impossible to organise, train, supervise and supply VOs of other districts from Gilgit. Each district project must have its own supporting institutions; engineering, training, banking, marketing and monitoring. Extending the services from Gilgit to other districts, will not only prove ineffectual but would also weaken the programme in Gilgit. In accordance with this policy, the Board of Directors has approved setting up of a district programme office for the Chitral programme. In case of extension of the programme to Baltistan, a similar set up has been envisaged for that district with headquarters at Skardu.

II. Social Organisation

By the end of two years, the number of VOs in Gilgit had risen to 289 and 90 in Chitral. Altogether the Gilgit VOs represent 75% of the households and their membership is estimated at 23,120. In absolute terms, the number has gone up but the decline in percentage is due to increased number of households and population of the district as reported in the latest government figures. VO savings at the end of the year stand at Rs. 5.14 million for Gilgit district with a mean savings per VO of Rs. 17,800. In Chitral the savings amount to Rs. 730,000 with a mean saving per VO of Rs. 8,111. The response of the villagers to the discipline of organisation and collective management as reflected in implementation of PPIs and savings programme has been positive and much beyond expectations.

III. Productive Physical Infrastructure

The assumption made by AKRSP in the initial stage of the PPI programme that VOs would listen to good advice and plan second generation PPIs on loan basis has proved correct. None of the 177 VOs where PPIs have been initiated have requested for a second PPI on a grant basis. A number of villages where comprehensive village planning programmes had been prepared have now asked for loan-PPIs. The first tranche of Rs. 5 million expected from Regional Development Finance Corporation as a five year loan is likely to be utilised as soon as it becomes available. The policy being followed in disbursement of the medium term loans is to benefit the maximum number of VOs with focus on the poorest of the poor of the VO members. The objective is to develop a low cost high benefit model which would take advantage of the terrain and concentrate on production of timber, fruits and animals. The engineering section is collaborating with forest, fruit and pasture experts in developing the model.

An epoch making development has been the pooling of LB & RD resources with AKRSP to implement PPI projects in two Union Councils of Baltistan district. To date 93 PPI projects have been fully completed from the total of 177 initiated in Gilgit district. In Chitral the programme on the same portfolio was 21 PPIs completed out of the 52 schemes initiated (one project had to be abandoned from last quarter).

IV. Extension Training and Supplies

A total of 11 courses for village specialists have been held so far including three courses for women's poultry specialists. Another 60 women were trained in quilt-making with polyester. In Gilgit district 214 VOs and Women's Organisations sent 270 representatives for training at AKRSP's Extension Training Centre. The number of Managers' Conferences, on an average attended by 50 Managers and Presidents of the VOs, has totalled 12. The detailed proceedings of the Managers' Conferences are printed and distributed to all the participants, thus providing important documentation for feed-back, monitoring and future planning.

The arrival of the Senior Agriculturist has provided the necessary fillip which the section was in need of throughout 1984.

V. Marketing

The experiment in marketing has taught us a few lessons: (a) collective marketing is readily accepted by VOs; (b) there is great scope for export of fruits and nuts to the down country markets; and (c) separate marketing trips by individual VOs have yielded very uneven results.

The need for a strong central organisation:

- (1) To conduct market research and processing and packaging research;
- (2) to train village managers and advise VOs; and
- (3) to deal with down country wholesalers;

is strongly felt and restructuring of the marketing section is accordingly being undertaken.

VI. Women's Organisation

By December 1984, Women's Organisations had risen to 72 from 45 in the last quarter with total membership of 4,156 and accumulated savings of Rs. 520,000, an increase of over 100% on the last quarter savings. The conceptualisation of the Women's Programme strategy still remains a cherished goal and a brainstorming session of active practitioners is scheduled for the month of March to help clarify many issues involved in designing a viable programme.

In the meanwhile, as usual, women have responded magnificently to the idea of quilt marketing with polyester received from ICI. Some of the organisations made as much as upto Rs. 7,000 profit from making and selling quilts. Another initiative under the brand name "Basket Project" which aims at specialising VOs in demand oriented linen such as bed sheets, pillow cases, etc., has had a very successful start. The interest of VOs in sanitation and hygiene programmes is also being assessed.

VII. Budget and Accounts

Most of the committed funds became available during the quarter under review which gave a significant impetus to the Programme activities. With multi-year funding pledged by CIDA, Alberta AID and AKF (C), programme activities particularly PPIs programme can now be much better organised and implemented.

The total resources available for 1985 amount to Rs. 41.41 million including Rs. 9 million as short term and medium term loans to VOs. In addition to loans the programme expenditure is pitched at Rs. 29.25 million, thus entailing need for raising additional resources to the extent of Rs. 3.42 million.

VIII. Monitoring, Evaluation and Research

There is a growing recognition that the diaries of the Social Organisers provide valuable sociological data for quarterly progress reports; data about attitude and opinion, trends, pioneers and laggards, exceptional leaders etc. MER is attempting to select from the diaries suitable subjects for further investigation. A Senior Programme Officer has since been recruited and it is hoped that during the next quarter, revealing case studies and striking profiles, pictures of progress and set-backs, examples of consensus and disputes, inertia and loyalty and disloyalty would emerge giving an insight in the dynamics of Social Organisation.

For research of a high academic standard, MER is trying to forge links with established research institutions for collaborative research.

CHAPTER ONE

INSTITUTIONAL INNOVATIONS - DIFFUSION IN PACKAGES AND CLUSTERS

I. Introduction

Development projects and strategies throughout the world have often been designed with the recognition that the discovery and diffusion of innovations is an important source of higher incomes. Policy makers have long been aware of the need to promote technological change in both industry and agriculture. These concerns have been reflected in academic work by sociologists, economists and geographers, and a rich literature exists by now on the theory and empirics of innovation diffusion. A brief review of this literature indicates the striking absence of documentation and research on institutional change and the diffusion of institutional innovations. Perhaps, this academic omission merely reflects the design of development policy and projects: much of development policy and administration is concerned with technological change and input delivery, while the institutional changes required for development are usually ignored.¹ At AKRSP, however, the fundamental premise has been that institutional change at the village level is a pre-requisite for small farmer development. In particular, each AKRSP activity that has been initiated so far can be viewed as a combination of input delivery and institutional innovation. In future, technological innovations will also be promoted through village-level and higher institutions designed to disseminate technology widely and rapidly to small farmers. Over time, a comprehensive development package will evolve, in which each technological innovation will be combined with an input delivery system and a supporting rural institution.

In this chapter, we first briefly describe the kind of institutional changes that AKRSP has promoted in its first two years. Next, we review the pace at which each combination of material inputs and institutional arrangement has been spreading in Gilgit District; given the pace of diffusion, estimates can be made for the length of time it will take for each package to be accepted universally. Finally, we discuss the future course of diffusion of each innovation, paying particular attention to both the farmer's incentive to accept a package, and AKRSP's role in devising and promoting profitable changes.²

II. Four Institutional Innovations

The first and most important rural institution promoted by AKRSP is the Village Organisation (VO). The VO is a coalition of all those residents of a village whose economic interest is best served by undertaking specific development activities collectively rather than individually. The residents of any village may form a VO in anticipation of collaboration with AKRSP. However, no assistance from AKRSP will be forthcoming unless the VO has established a record of meeting regularly as a general assembly and accumulating collective savings in the account of the VO. In and of itself, the VO is simply an informal cooperative that might or might not be used profitably by its farmer-members. Since AKRSP's objective is to use the VO to the universal and lasting benefit

of its members, it has to demonstrate to the villagers how the VO can be used profitably by them. In other words, AKRSP has to ensure that the VO, an absolutely new institutional arrangement, is seen by its farmer-members as a profitable enterprise. The immediate implication of this is that AKRSP has to invest in helping form and sustain the VO, that institution-building is itself a desirable and costly activity.

In the experience of AKRSP's management, the most direct and lasting way of demonstrating the benefits of organisation is by rewarding villagers who organise with an income-generating project, which can be identified, implemented and maintained by the Village Organisation. Once the VO has identified such a project, and AKRSP has ascertained the project's feasibility and universal benefits, the project is financed by a grant from AKRSP. The insistence that the project be implemented and maintained by VO members themselves constitutes an institutional arrangement that differs radically from other approaches to public works construction in the region. Villagers prefer the AKRSP approach because they get paid for much of the labour they supply, the payments are prompt and public, and the project can be completed rapidly. In other words, the productive physical infrastructure (PPI) project demonstrates the benefits of working together as a Village Organisation, quite apart from its intrinsic value as a village-level public works project. It is in this sense that the PPI project is an investment towards the expensive activity of rural institution-building.

A Village Organisation that implements a PPI project is often able to save 25-50% of its labour earnings within 1-2 years of the completion of the project; these savings are in addition to other amounts saved by the VO before and after the project. A Village Organisation that can offer sufficient savings as cash collateral to AKRSP becomes eligible for a variety of group loans. This is the third institutional innovation introduced by AKRSP. In the first two years of the credit programme, most of AKRSP's lending to VOs has been for the purchase of chemical fertiliser. By participating in AKRSP's fertiliser credit programme, small farmers can readily secure interest-free seasonal loans that are available from commercial banks as part of a government programme; and they can use these loans to purchase fertiliser from AKRSP in the desired amounts and at the required time.

Finally, AKRSP has an extension training programme that seeks to reduce the losses suffered by the villagers due to livestock and plant diseases, and insects and pests. The VO is asked to nominate a suitable individual for training by AKRSP, and to undertake to support the individual financially, and replenish his stock of inputs regularly, after training and an initial stock of inputs have been provided by AKRSP. For the villagers, the cost of acquiring para-veterinarian or plant-protection services is larger than under the other arrangements prevailing in the region, but the benefits, too, are assured and much larger.

In the preceding discussion, we have indicated the importance of two sets of factors which, together, determine the replicability of AKRSP's institutional innovations - the farmer's willingness and ability to innovate, and AKRSP's ability to develop and support innovative approaches.³ It is the interaction of these two forces that determines the growth of institutional innovations in the project area.

III. The Diffusion of Institutional Innovations

In addition to the four basic innovations described above, one can think of two or more such innovations as constituting a package. Research on the adoption of technological innovations in agriculture has demonstrated that farmers hardly ever adopt several innovations simultaneously as a package: they proceed sequentially, adopting one or two innovations at a time.⁴ Although it has been ignored in the literature on the subject, a parallel argument needs to be made on the supply side: development projects or suppliers cannot usually support the research, extension and logistical services needed simultaneously for the diffusion of several innovations within a package. Thus, both farm-level and supply-related constraints determine the beginning, the pace and the potential of a diffusion process.

The preceding arguments can be illustrated with the help of Table 1, data from which are plotted in Figure 1. Programmes for village organisation, productive physical infrastructure and loans for fertiliser have been in place since early 1983, while the present training programme was devised by AKRSP later in that year. The most comprehensive package that AKRSP could offer in its first two years is (VO+PPI+Training+Loan), called Innovation G in Figure 1 and Table 2. By the end of 1984, this package had been adopted in one-fourth of the project area's villages, a two-fold increase over the acceptance rate of a year earlier. As the estimates in Table 2 indicate, this comprehensive package will reach 95% of the villages by June 1987, assuming the same pace of diffusion as for 1983-84. That date occurs only four years and four months after the formation of the first Village Organisation in Gilgit District. Table II also contains estimates of time lags for the diffusion of some other combinations of innovations.⁵

In Table II, we have given estimates of the month and year in which a particular AKRSP programme was implemented in at least 20% of the project area's villages; we may think of this date as the time of availability of a replicable innovation. By this measure, the concept of the Village Organisation was the first innovation to take off (June 1983); the PPI and loan programmes became available next (both in November 1983); while the training programme was developed as a successful model by April 1984.

The figures made available in this chapter constitute useful benchmark data on the overall progress of AKRSP's activities and the response they have elicited from the villagers. However, at least two important issues remain in balance for further investigation. Firstly, the mere adoption of an innovation indicates little about the viability of an innovation and its effects on village life: one needs to be sure that each innovation has been adopted in all its significant aspects by the villagers.⁶ Secondly, AKRSP needs to introduce several more innovations to address the development needs of the countryside, and it needs to speed up those of its programmes that progressed slowly in the past. These issues are discussed in the next two sections.

IV. Model Villages and Clusters

Since a development agency is usually unable to support the simultaneous diffusion of several innovations, it might find it efficient to develop replicable

innovations by concentrating on a few villages initially. This approach has two advantages: firstly, it enables the project to concentrate its research efforts on a manageable area, and, secondly, villages that adopt an innovation serve as a demonstration and source of information for surrounding villages. Thus, a successful innovation can be expected to diffuse rapidly among a cluster of villages once the period of experimentation is over. During 1985, AKRSP staff will concentrate on 18 selected Village Organisations in order to refine, expand and test an advanced package consisting of the Village Organisation, PPI, Credit, Training and Marketing. The intention is not to concentrate on these model villages to the exclusion of the others, but merely to conduct research and experimentation on the advanced package within an identifiable and responsive clientele, in a cost-effective manner. As soon as a replicable advanced package is adequately developed, it will be extended to other VOs, with the necessary support services being provided universally by AKRSP, as has been done in the past with individual programmes.

The selection of model villages will be followed by two kinds of effort on the part of AKRSP. Firstly, AKRSP staff will work intensively to evaluate the impact of each programme in a village, and to review the institutional arrangements that have been designed so far. The objective will be to design an advanced package in which each innovation can be expected to have a high probability of rapid adoption by large numbers of villagers. Secondly, new arrangements will be devised in the model villages for those aspects of the village economy which have so far remained unattended by AKRSP. For example, new crops and new varieties of existing crops may be tested on fields selected by model VOs and managed by farmers nominated by them. Then, the replication and distribution of quality seed may be undertaken by these model VOs so as to enable diffusion within homogeneous agro-climatic clusters of villages.

V. Increasing the Rate of Innovation Diffusion

Within the development package promoted by AKRSP in its first two years, the PPI and credit programmes have progressed more rapidly than extension training and marketing. The management feels that the pace of the PPI and credit programmes is consistent with both the readiness of the Village Organisations to accept AKRSP's terms of partnership, and the financial and managerial resources available to the Company. The training programme can now be accelerated in Gilgit District, since the initial problems associated with it have now been diagnosed, and steps are underway to resolve them. The marketing programme still needs to discover replicable models for the profitable marketing of the region's produce. The initial staffing requirements for the marketing programme have now been fulfilled, and plans are being devised for collective marketing by 20-40 VOs during the 1985 season.

For Chitral District, a District Programme Office has been approved by the Board of Directors, beginning January 1985. Increased financial commitments by the donors for the Chitral Programme will make it possible to increase the number of PPI projects to be initiated in 1985, and to establish an Extension Training Centre at Chitral Town. It should also be possible to increase the volume of the credit programme for Chitral during 1985. The marketing pro-

gramme, however, might not be extended to Chitral until 1986. The same kinds of improvements are expected in Baltistan District, where a small PPI programme was initiated in early 1985, using funds committed by the Northern Areas Administration. As soon as additional resources are committed by international donors to AKRSP, a District Programme Office will be set up in Skardu, together with an Extension Training Centre, and AKRSP will be able to extend its full package rapidly.

NOTES

1. A notable exception from Asia is the Comilla Project in former East Pakistan. Three papers on the Comilla experience are included in *Rural Development in Bangladesh and Pakistan*, edited by Robert Stevens, Hamza Alavi and Peter Bertocci (Honolulu: University Press of Hawaii, 1976). The paper by Stevens discusses institutional changes, while Haq, and Faidley and Esmay, evaluate the technological changes that occurred simultaneously with institutional development.
2. The discussion in this chapter assumes that both technological and institutional innovations will be widely accepted only if they are profitable, and if farmers have the ability and knowledge to adopt them profitably. The next chapter reviews the appropriate farm-level and supply-related determinants of innovation diffusion.
3. Roughly speaking, farmers are the demanders, and demand depends on the profitability of an innovation and the ability of the farmers to exploit that opportunity for profit; and AKRSP is the supplier, charged with undertaking research, extension and logistical functions in support of the Village Organisation and other institutional innovations.
4. See, for example, Derek Byerlee and Edith Hesse de Polanco, The rate and sequence of adoption of improved cereal technologies: The case of rainfed barley in the Mexican altiplano. (Mexico City: CIMMYT, Economics Program, Working Paper 82/4.)
5. All of these are calculated by fitting logistic curves to the data in Table I.
6. The issue corresponds to the question of mere adoption versus the intensity of use of a technological innovation in agriculture.

INS Table 1

GILGIT DISTRICT

DIFFUSION OF INSTITUTIONAL INNOVATIONS 1983-84

Number of villages to be covered: 306

% of Villages Covered by each programme/package:

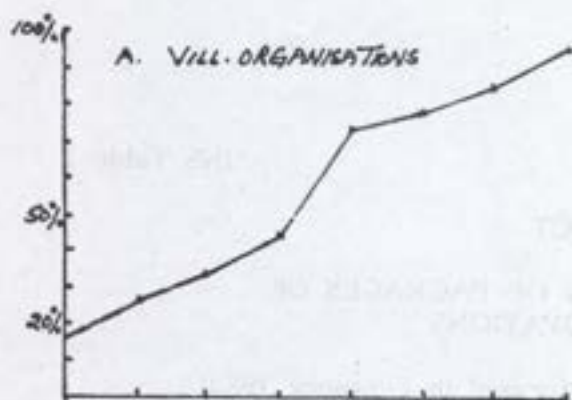
	VO	VO+PPI	VO+Loan	VO+Trng	VO+PPI +Loan	VO+Trng +Loan	VO+PPI+ Trng+Loan
1983							
April	16	9	5	0	3	0	0
July	26	11	12	0	6	0	0
October	33	15	22	15	11	9	6
December	43	28	25	16	15	10	8
1984							
March	73	43	37	16	24	12	9
June	77	44	63	18	39	21	16
September	83	46	65	31	41	27	22
December	94	60	68	35	48	31	26

GILGIT DISTRICT

DEVELOPMENT AND DIFFUSION OF PACKAGES OF
INSTITUTIONAL INNOVATIONS

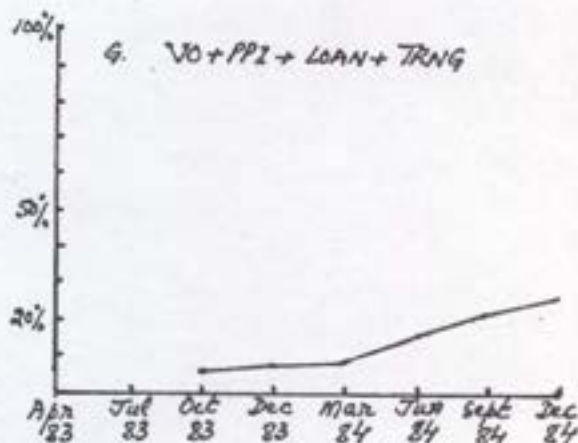
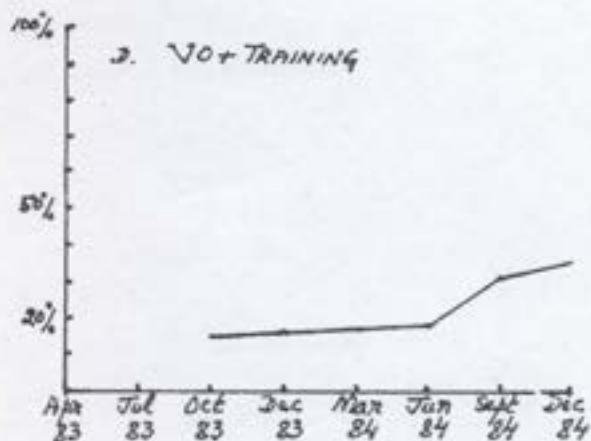
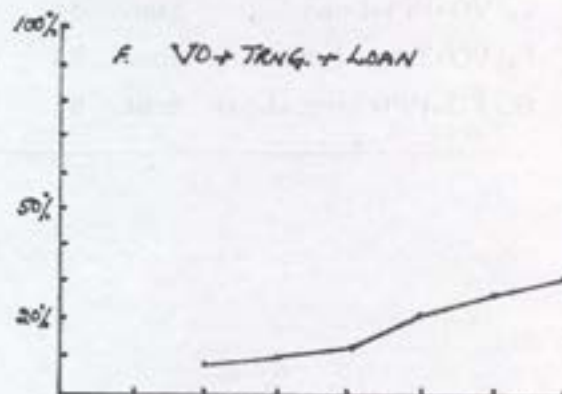
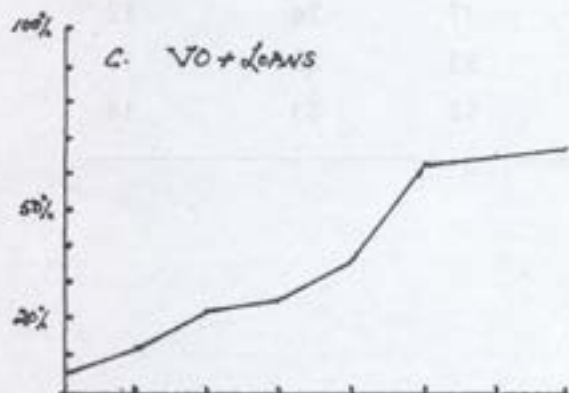
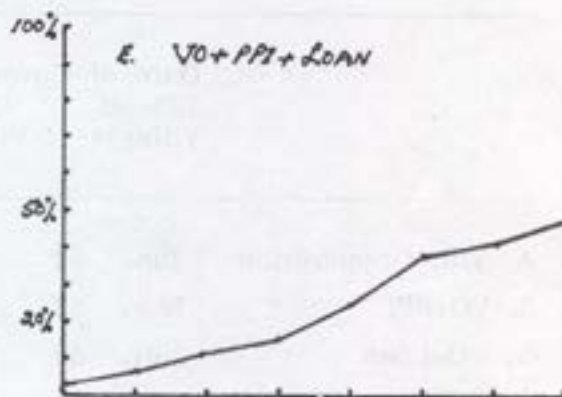
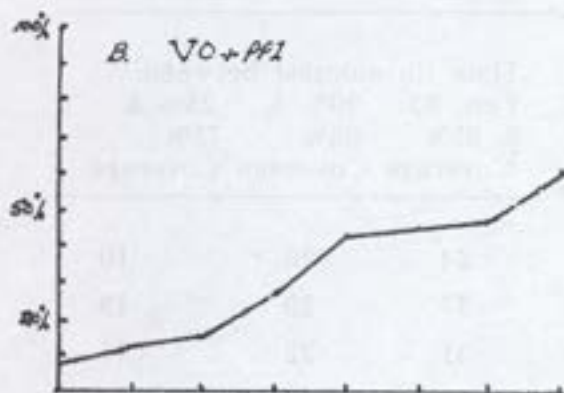
(The first Village Organisations were formed in February 1983)

	Date of Coverage of:		Time (in months) between:		
	20% of Villages	95% of Villages	Feb. 83 & 95% Coverage	20% & 95% Coverage	25% & 75% Coverage
A. Vill. Organisation	Jun. 83	Feb. 85	24	20	10
B. VO+PPI	Nov. 83	Mar. 86	37	29	15
C. VO+Loan	Nov. 83	Aug. 85	31	22	11
D. VO+Training	Apr. 84	Dec. 87	58	43	22
E. VO+PPI+Loan	Mar. 84	Mar. 86	37	24	12
F. VO+Trng.+Loan	Jun. 84	Jun. 87	52	35	18
G. VO+PPI+Trng.+Loan	Sept. 84	Jun. 87	52	33	14



INS FIGURE 3

GILGIT DISTRICT.
GROWTH OF INSTITUTIONAL INNOVATIONS.
VILLAGES COVERED AS % OF TOTAL
NUMBER OF VILLAGES.



CHAPTER TWO

FUTURE INSTITUTIONAL DIRECTIONS - AN OUTLINE*

I. Future Institutional Shape

After two years the time has arrived to ask the question, what kind of institutions should be established by AKRSP to ensure the strategy and continuity of the village development process it has started?

Systematic village development rarely takes place without outside institutional support. During the last two years AKRSP has become the central supporting institution for Gilgit villages. Essentially we see a two tier system in operation.

A close scrutiny reveals that AKRSP's central organisation is performing, although in an elementary and incipient manner, the functions of the following institutions:

- a. A land development corporation.
(Surveys, designs, plans, technical guidance, supervisory services, supply of materials, etc.)
- b. An agricultural development corporation.
(extension, training, supply of seeds, fertilisers, pesticides, veterinary medicines, etc.)
- c. A central bank.
(organising groups, collecting deposits, distributing and realising loans, auditing accounts, training managers, etc.)
- d. A marketing corporation.
(market research, contacting wholesalers, training managers, collecting and marketing produce, processing research and training, etc.)

Without AKRSP's fourfold institutional support the Gilgit villages would have remained immobilised. And any sudden withdrawal of support would again immobilise them.

How can the fourfold support be placed on a permanent basis? The analysis given above points out the directions.

- a. Let the Central Bank become the institutional core, and the VOs affiliated to the Central Bank.
- b. The Bank will receive savings and equity capital from the VOs and give them all kinds of loans.

* Based on Dr. Akhtar Hameed Khan's Report of his fourth visit to AKRSP.

- c. The Marketing Corporation will either be autonomous or an affiliate of the Central Bank. It will take over the functions of supplying agricultural or land development inputs, besides the processing, stocking and marketing of the products of VOs.
- d. Engineering and agricultural extension will become two important wings of the Central Bank.
- e. While the Central Bank and the Marketing Corporation may soon become quite profitable, the Engineering and Agricultural Extension wings will require subsidisation, which may be provided both from the profits of banking and marketing and from donations.

II. Short-Term Consolidation

II.A. Village Plans and Land Development

At the advent of AKRSP agriculture was viewed with despair by the large majority of rural populace seeking jobs outside the village. In the last generation or two little new land had been brought under cultivation. In this situation sizeable investment by AKRSP in productive physical infrastructure projects in over 200 villages with the prospect of covering all the villages in the region in due course, has provided the first sign to many villagers that the grimness of existence can be relieved. Uptil now the Engineering Section has concentrated on irrigation channels, link roads, protective bunds, etc. It has also assisted in formulation of village plans. However in order to prepare good plans engineers have to be joined by forest, pasture and horticulture experts. In the Northern Areas and Chitral the scope for woodland, pasture and orchards is far greater than the scope for cultivable cropland. Moreover, the cost of reclaiming cultivable land is prohibitive while the cost of developing forests, pastures and orchards is quite low. If good models of low cost development are presented to the VOs, they would, in all probability, accept the vision of making long term village plans for the production of large quantities of timber, animals and fruits. In fact the vision is already being practiced in a few villages, such as Oshikandas. If it becomes common large quantities of timber, animals and fruits will be produced in every Gilgit village, yielding large cash incomes. This is how the Gilgit villages will benefit from their geographical environments, their land is not suitable for commercial production of grains like lands of Sind and Punjab. They can take advantage of the terrain only concentrating on timber, animals and fruits.

In collaboration forestry and pasture experts with engineers will prepare social forestry plans for as many VOs as possible. A possible source of help in the field could be World Food Programme which has generously helped social forestation plans in Pakistan and India.

II.B. Revolving Fund for Loans

The solvency of Gilgit's agrarian economy will depend on the VOs village plans and land development. The first step, as indicated above, is to demonst-

rate low cost high benefit models. The second step is to give support and guidance. The VOs are willing to accept sound advice and arrangements should be made for long-term land development loans in collaboration with national credit institutions and donors.

II.C. Credit and Banking

So far AKRSP has catered only for short-term loans and is just about to embark on medium term credit with the help of National Development Finance Corporation (NDFC). In the sphere of crop production loan while AKRSP carries the entire burden of organising VOs, promoting savings, and distributing and recovering loans, a commercial bank takes all the profits. In January 1985 it held alongwith two other banks nearly 55 lacs in deposit from the VOs and had loaned 40 lacs against a 100% guarantee from AKRSP.

In another year the volume of deposits and loans may exceed ten million rupees. AKRSP should institutionalise what it is already doing informally, i.e., legalise the credit and banking functions and capture the profits. AKRSP's credit operations will include all kinds of short, medium, and long term loans for land development, marketing, stocking, processing, transport etc.

II.D. Marketing

While the engineering section requires an additional dimension, and the credit section requires formalisation, the marketing section requires total reconstruction.

A few lessons have been learned from the experimental efforts:

- a. Collective marketing is readily accepted by VOs.
- b. There is great scope for export of fruits and nuts to the down country markets.
- c. But a strong central organisation must be set upto:
 - (i) conduct market research, and processing and packaging research.
 - (ii) train village managers and advise VOs;
 - (iii) deal with down country wholesalers.
- (d) Separate marketing trips by individual VOs have yielded very uneven results.

The potential of marketing of VO's produce is immense. After land development and increased productivity have been linked with credit and marketing a well managed marketing corporation will have turnover of millions of rupees, exporting the multiple produce-timber, fruits, animal products of 300 VOs.

CHAPTER THREE

SOCIAL ORGANISATION

I. Introduction

Modern development is more a matter of realistic on-the-spot decision-making than of lengthy and complex planning remote from the actual ground of action. Two years ago, AKRSP presented a formidable economic agenda for the development of Northern Pakistan which was based on a special understanding of the local conditions, psychology and goals. This approach has so far produced results which have won the acclaim of donors, practitioners and administrators.

The three essentials of small farmer development are: (a) organisation and collective management; (b) human skills and (c) capital. Taking these into account, AKRSP devised its strategy, the central focus of which was to create income and employment opportunities for small landholders who constitute the bulk of the population in the project area. The principal mechanism for achieving this goal was the organisation of rural people into viable self-sustaining Village Organisations which were to generate their own capital and acquire skills related to agricultural activities.

The idea behind this kind of thinking was to utilise effectively the resources available within the villages and to create what was missing, i.e., capital and skills, through collective action. Thus, as a private organisation, AKRSP undertook to serve as a catalyst for the development of Northern rural areas through promoting local organisation and participation, identifying opportunities for income and employment generation, developing human skills, and introducing innovations where necessary.

II. Performance

Measuring performance against the aforementioned objectives, a summary account of activities is given as follows:

II.A. Village Organisation

More and more villages responded to AKRSP's institution-building process. By the end of the second year, 404 Village Organisations had been formed in the Programme area: 289 in Gilgit District, 90 in Chitral District and 25 in the experimental areas of Baltistan District. Gilgit District represents the highest concentration of Village Organisations. Out of 350 villages, 289 have chosen to organise with or without formal assistance from AKRSP. These Organisations represent roughly 75% of the total households in the District.

II.B. Equity Capital

In AKRSP's philosophy, organisation is meaningless if villagers do not generate their own capital. Equity capital provides the security for loans that Village Organisations obtain for crop production or future projects. Consistent savings are also the main criterion for judging the VOs' viability and will transform them eventually into self-sustaining micro-economic units. A steady and increasing growth in equity capital of the Village Organisations has been recorded during the year under review. By the end of December 1984, Village Organisations had accumulated an impressive amount of Rs. 5.87 million. In addition, 72 Women's Organisations had saved Rs. 0.52 million as equity capital.

This encouraging development is demonstration of the Village Organisations having taken firm root and the farmers' faith in the VOs. The doubts expressed by some, that villagers had organised only to be eligible for a grant from AKRSP and would disintegrate immediately afterwards, have been effectively dispelled. An analysis of the savings patterns shows that in most VOs the savings increased steadily, and in some cases even increased dramatically after completion of the PPIs. The economic rationale behind this phenomenon is that once associated with an income-generating activity, individuals safeguard their economic interests and remain organised. Thus, the incentive for rural people to engage in collective economic activities was provided by the initial input, in the form of PPI projects, which is being consolidated through the secondary inputs, such as extension training and supplies; marketing and agricultural credit; implements; and land development loans. All these specialised inputs are geared towards one goal: to enable the villagers to explore their own potential for development.

III. Support Institutions

III.A. Collective Land Development

For Village Organisations, the major activity ahead is collective land development. Indeed, without this incentive, the formula 'entry point' would hardly have been persuasive. New land is the new source of income for the villagers. As such, the Village Organisations are more willing and enthusiastic to undertake joint ventures for the reclamation of land.

In line with the villagers' interest, AKRSP has designed a suitable package to fill the resource gaps in the target area. This package includes surveys, planning, long-term loans, training and technical advice.

The initial planning, including directions and strategy, has already been completed. A number of Village Organisations have already entered the implementation phase by initiating the physical work on land development projects. Many have prepared detailed village development plans and are on AKRSP's priority list for land development loans.

In the years ahead, the major focus of the programme will be to encourage maximum land reclamation. The combined vision of both the Village Organisations and AKRSP is to specialize various zones in their potential areas of productivity. An encouraging feature in the context of specialization has been the villagers' own interest in the cost-benefit analysis of their existing patterns

of productivity. Almost all the Village Organisations with land development plans have voted for the collective reclamation of new lands without dividing them beforehand. They have emphasized "Social Forestry" and block plantation of fruit trees, and have given special priority to the development of pastures.

III.B. Increased Agricultural Productivity

Closely related to the land development issue is the need for increased agricultural productivity. In order to achieve this objective, AKRSP adopted a strategy to reduce losses through training and extension, and to increase existing levels of production by providing the required inputs, such as fertiliser and better varieties of seeds. These efforts have so far produced encouraging results. Almost every VO has either a trained plant protectionist or a livestock specialist. Villagers are now more willing than ever to make maximum use of these and other facilities extended to them by the concerned government departments. In the absence of any reliable agricultural survey before and after the AKRSP's intervention, it is difficult to say how substantial the impact of these measures has been on the production parameters of the Northern Areas. However, a significant improvement in the traditional patterns of agriculture is easily observable. Farmers have shown great interest in adopting improved methods of agriculture. An outstanding example is the increasing demand for fertilizer. The Village Organisations used Rs. 3.24 million and 0.28 million worth of fertiliser in Gilgit and Chitral Districts, respectively. It is worthwhile to mention that the National Fertilizer Corporation of Pakistan (NFC) awarded AKRSP the first prize for distributing the maximum amount of fertilizer in the Northern Areas.

AKRSP believes that the most promising way forward is to disseminate the latest agricultural know-how and related skills. This new efficiency is most needed in the village-based institutions which will be shortly undertaking large-scale land development schemes. Village Organisations will be assisted in developing of horticulture, in improving local and introducing new and better varieties of fruit, fodder and other crops. In addition, AKRSP's research activities will focus on both extensive and intensive methods of farming, promotion of pastures and the development of livestock. A Senior Agriculturist has now joined AKRSP to oversee its expanding activities in the field of agriculture.

III.C Cooperative Marketing

Another encouraging economic activity in the Programme area is the promotion of cooperative marketing through Village Organisations. Presently, there is no organised form of production, distribution and marketing of local produce. A good deal of valuable fruit is wasted which could be saved and made an additional source of income for its producers.

On AKRSP's initiative and encouragement, Village Organisations undertook marketing of their produce on a limited scale. The establishment of effective marketing channels require a number of important arrangements and considerations. The task is not simply to find a market for a ready-made item, but to improve its quality so that it can compete in the marketplace. Other aspects of marketing include training in picking, packing and grading of the marketable

products and the development of adequate transport and storage facilities. Experience has shown that AKRSP will have to set up a central Marketing Organisation to help VOs market their produce.

III.D Saving and Credit

In the Northern Areas, commercial transactions and the use of credit and banking facilities have dramatically increased since AKRSP began its operations. The savings of the villagers have created a new sense of commercialisation which was foreign to this area until very recently. Village Organisations have demonstrated great solvency in obtaining agricultural loans and their repayment. Some VOs have even embarked on internal banking within the Organisation by giving loans to their members. In our view, the model for banking and credit has reached a fairly advanced stage of development, and has the potential to be given a legal cover as a cooperative bank in the future. Given the expanding equity capital as collateral, Village Organisations will be able to obtain loans even without the security hitherto provided by AKRSP - a major target which AKRSP was aiming at in the programme area.

III.E Social Services

Apart from being a viable economic organism, the Village Organisation serves as an effective forum for the villagers to discuss their common problems, solve local disputes and to defuse tribo-religious tensions.

In Nagar, for instance, the people are divided into two main political factions. The villages constituting main Nagar have predominantly pro-Mir populations while the villagers living in lower Nagar areas support their religious elite (Syeds). The pro-Syed villages were the first to welcome AKRSP in Nagar sub-division. As a reaction, villages in main Nagar showed little interest in the Programme's activities. For one year after AKRSP was founded, not many Village Organisations formed in the main Nagar area. In the beginning of 1984 AKRSP opened an SO Unit in Nagar sub-division and the office was particularly set up in the pro-Mir area. This facilitated direct communication between AKRSP and these reluctant conservative villages. As a result, four Village Organisations were formed in Kazimabad, Shabirabad, Chamaling and Sumayar.

This produced further positive effects in the politically divided society of Nagar. Pro-Mir sections in lower Nagar had hitherto opposed Village Organisations because they looked towards main Nagar for their political guidance. The formation of Village Organisations in main Nagar itself led these people to change their views and they started to participate in the activities of their respective VOs. Similarly, pockets of opposition groups in the lower Nagar area were obliged to adapt a modest policy towards their orthodox fellow villagers. Thus, the overriding economic interests brought two antagonizing groups together to organise in the pursuit of common goals.

The immediate result of the development process is usually increased productivity, but this is almost inevitably associated with undesirable changes in existing patterns of income and ownership. In AKRSP's methodology, however, the organisation serves as an institution for the collective management of common resources and checks monopoly and economic abuses by a few individuals.

This organisational spirit has also produced many other interesting features. The Village Organisation of Bar, for instance, has acquired sanctioning power through a unanimous vote to oversee proper management of water resources. Since the village has a chronic water shortage, the office bearers of the Village Organisation make surprise visits to prevent misappropriation of available irrigation water and ensure that every farm gets its due share of water.

Some Village Organisations are now planning to provide their members with certain social services. For instance, the Village Organisation of Passu has included the following in its five-year village development plan: a community hall; a play ground; a Jamat Khana and a shopping Centre, with a view to extending additional facilities to its members. At a later stage, the VO is aiming at providing sanitary lavatories to every household in the village.

In the third stage of development, Village Organisations are expected to take up schemes in the social sector, such as self-help schools, dispensaries and a variety of other projects related to sanitation and hygiene. Village Organisations will undertake these projects either on loans or entirely from their own resources.

IV. Issues in Social Organisation

IV.A Terms of Partnership

The terms of partnership between AKRSP and the Village Organisations have been formalised in the form of an agreement, vide Annexure I, which is discussed, agreed upon and signed, by every member of the VO before the release of the first instalment of the PPI grant.

IV.B Classification of VOs

In light of Dr. Akhtar Hameed Khan's advice, AKRSP intends to carry out a general categorisation survey of the Village Organisations. Social Organisers have been charged with the responsibility of grading all Village Organisations into A, B, C and D classes, according to their performance against the Programme's approach and expectations. During this categorisation task, the SOs will take into account the regional variation and intellectual and social development of various groups in addition to using the standard yardsticks of savings performance, and the commitment to the PPI projects before and after their completion. The MER Section will analyse this information to form a general picture of the various evolutionary stages in the development of Village Organisations.

IV.C Problems in Social Organisation

The issues and problems in social organisation have been mentioned in each of our Progress Reports and clear trends are now discernible from good and bad case studies. To highlight issues in the process of organising, including problems and shortcomings, AKRSP plans on preparing a series of case studies in the coming months.

V. Women's Programme

The spirit of organisation has also swept through the women's ranks in the programme area. By December 1984, 72 Women's Organisation had been formed with an unprecedented savings figures of Rs. 0.52 million.

To keep pace with this unexpected but, nevertheless, encouraging development, AKRSP has yet to develop a viable strategy. However, at present, a number of activities are already underway to improve the living conditions of women in the Programme area (see the Section on Women's Programme).

Two specific issues have been simultaneously taken as the Programme's main focus areas. Firstly, to identify income-generating activities for women and, secondly, to design and introduce appropriate technologies for reducing the excessive workload of women. A major problem has been the traditional status of women in the Northern Areas, which does not entitle them to independent property. Men and women work together to produce whatever they can for the sustenance of their families. Thus, in the existing social setting, it is not possible for any development strategy to divide the farm in order to engage women in an independent income activity. After giving much thought to this issue, AKRSP's MG has reached the conclusion that no such activity can be feasible without the cooperation and coordination of the predominantly male-dominated Village Organisations. Fortunately, Village Organisations have shown great interest in promoting the women's case. The VOs of Shishkat and Aminabad have even allotted production plots to their Women's Organisations to grow their independent crops.

A number of VOs have already indicated that they will undertake projects more specific to the women's needs, such as schemes in education, sanitation and health. These initiatives on the part of villagers provide a workable direction to AKRSP's increasing interest in the development of women in the Northern Areas.

VI. Conclusions

In the first phase, AKRSP's immediate objective was to organise villagers into broad-based Village Organisations. With the establishment of 289 Village Organisations in Gilgit District that target is clearly achieved.

The results of the first phase have been reassuring. (The activities undertaken by each VO in Gilgit and Chitral Districts are summarised in End Table 2.) Although there are wide variations in the savings performance of the VOs, the villagers' general propensity to save and enthusiasm to build income-generating assets have been very encouraging. The next step already underway is to strengthen this process through institutionalising various economic activities undertaken by these Village Organisations. In more specific terms, AKRSP is focusing its attention on the development of support institutions such as land development, collective marketing, banking and credit, and the promotion of required skills and innovations in the programme area. In this task, more dynamic VOs will be developed as models for others.

AKRSP - VO TERMS OF PARTNERSHIP

Part-I

1. The Village Organisation will hold regular weekly meetings, and attendance of all the members will be ensured, as far as possible.
2. One-fourth of the labour cost of the Productive Physical Infrastructure (PPI) Project will be saved for deposit in weekly savings during the development of the project. Savings scheme will continue even after the completion of the project.
3. The project will be completed within the estimated costs, and no revisions will be entertained under any circumstances. The estimated amount is a gift on behalf of AKRSP and not subject to increases.
4. After completion of the project the responsibility for maintenance shall exclusively rest with the Organisation. Furthermore, compensation for land affected by the project will also be arranged by the Organisation.
5. Repairs to damage due to any natural disaster to a completed or ongoing project will also be the responsibility of the Organisation, and under this or the conditions of Article No. 4 the Organisation will not claim assistance from AKRSP or for that matter from any other agency.
6. During the construction of the project suggestions and advice given by technical staff of the AKRSP will be given due consideration and acted upon.
7. The Organisation will nominate its members for specialist training.
8. It shall be the duty of the Organisation to utilise the service of the trained (skilled) specialist and pay the price of medicines and service charges in cash so as to ensure replenishment of the stocks of medicines in time.
9. It shall be the duty of each member in the Organisation to check and verify the progress and expenditure of the PPI under execution. Each member shall ensure proper records of savings attendance and other matters.
10. A two-thirds majority of the total members in the Organisation can remove any office bearer.
11. The last instalment of the project shall be paid only after the completion of the project, and on such certification by at least 75% of the members through a resolution, which should be attested by the Sub-Engineer and the Social Organiser concerned.

12. It shall also be the duty of the members of the Organisation to ensure that the agricultural implements are in good condition, and also examine the accounts pertaining to their rental.
13. Each member should participate in the process of planning of the village and give his views to the concerned Engineer.
14. At least 10% of the newly developed land shall be reserved for forestry.
15. It shall be the duty of each member to repay his loans within the fixed period; otherwise, the Village Organisation will be responsible for paying the defaulted amount.
16. The Village Organisations are also bound to give full cooperation to the programmes of Government organisations, e.g., LB & RD etc., or other development agencies, such as CBS or UNICEF, etc.
17. The Organisation shall arrange for the marketing of the products of its members on a collective basis.
18. The Organisation shall provide assistance to the Women's Organisation of its village, e.g., it will help the Women's Organisation in collecting their savings or in marketing their produce. The Women's Organisations as far as possible will be headed by women presidents.
19. It is the moral obligation of the Organisation to provide an opportunity to impoverished members to benefit from the programmes.
20. It is the responsibility of the Organisation to store explosives in safe places and take safety measures during transport and use of explosives.
21. Instruments/material or their cost given to the Organisation for any project by AKRSP should be returned to AKRSP if not used.
22. AKRSP retains the right to modify or cancel its terms of partnership and the Village Organisation shall be bound to follow the modified terms.
23. Each Village Organisation shall nominate at least two members to transact business matters, such as maintenance of bank accounts, etc., on behalf of the members.
24. The Organisation shall give an understanding that any project initiated with the assistance of AKRSP shall not result in damage or loss to anyone.
25. The Organisation shall ensure that until the completion of the project there are no differences within or without the Organisation, pertaining to the project and there is no case pending in a court of law.
26. In the case of a link road the Organisation shall arrange acquisition of land without payment of compensation by AKRSP.

Part-II

1. VO. Name.....
2. Priority project identified by the VO.....
3. Date.....
4. Total savings Rs.....
5. Total members.....
6. Total households.....

We, the members of Village Organisation, hereby agree that any help/grant provided by AKRSP for our village would be conditional on our undertaking to complete the project and to increase collective savings and to make all efforts for speedy land development, prevention of losses on a permanent basis according to the following programmes:

A. Savings

Before getting a grant for the project, the savings of the VO are Rs..... which, on an average, are more than Rs. 300 per member. Before completion of the project, $\frac{1}{4}$ th portion of labour charges would be compulsorily deposited in the savings. The savings would continuously be increased even after the completion of the project.

B. Project Implementation Programme

1. Project will be initiated w.e.f. and shall be completed on..... that is in..... months. During this period at least..... members will work daily on the project.
2. Project work would be completed according to the following stipulated time schedule:

1/4th on.....
1/2 on.....
3/4 on.....
Completed on.....

If not completed on above mentioned specified dates, AKRSP shall have full power/authority to stop payment of instalments and freeze VO savings.

C. Land Development

For the development of land the following programme will be adhered to:

		1st year 1985	2nd year 1986	3rd year 1987
<u>Afforestation</u>	No. of plants	.....	.....	.....
<u>Orchards</u>	No. of plants	.....	.....	.....
<u>Crops</u>	No. of kanals	.....	.....	.....
<u>Pastures</u>	No. of kanals	.....	.....	.....

D. Control of Diseases

1. Annual spray on orchards.
2. Immediate arrangement in case of disease.
3. Protective annual vaccinations for each animal (5 vaccinations per animal).

E. Expenditure incurred under clauses C & D will be borne by the members themselves and this expenditure be entered in the VO register as an advance. In case of default AKRSP is hereby authorised to deduct 20% amount from the grant money.

F. Mode of Payment

AKRSP will pay 20% of the total project cost at the Third Dialogue in the presence of all VO members on acceptance of the aforementioned terms and conditions. Thereafter, second, third and fourth instalments would be paid on the receipt of VO resolution duly recommended and forwarded by the concerned SO and Engineer. Moreover, 20% of the amount would be spent on land development and prevention of losses as provided in clauses C & D. This (20%) amount would be paid on the completion of first year's land development programme.

All members will adhere to the above conditions.

Signatures of members of Village Organisation.....

[illegible]

CHAPTER FOUR

WOMEN'S PROGRAMME

I. Introduction

During the quarter under review, the women's programme continued its work in the three categories of activities in which it has been involved, i.e., income-generation; training, extension and marketing; and labour-saving technologies. The Programme also undertook a programme planning exercise, with the aim of developing a coherent and replicable strategy for its future activities. Employing the results of two consultant studies commissioned by AKRSP and an in-house staff study, the relevant issues and the parameters of the women's programme have been identified.¹ Because of the position and role of women in the Northern Areas, the programme is to be developed along lines that are different from the men's programme. Firstly, the project identification phase will require relatively greater input from AKRSP than the men's programme due to the women's lack of access to resources and information in general. Secondly, an income-generating programme for women has to incorporate methods of decreasing the present heavy workload of women in order to enable them to participate. Thirdly, the customary and/or religious restrictions on women mean that the design of the programme will have to account for the limited mobility of women and that AKRSP cannot utilise fully the established network of men's village organisations.

Accounting for these factors, the programme is being developed with the following objectives in view: (1) enhancing the quality of life of the women of the Northern Areas; (2) providing women access to resources and training; (3) developing viable income-generating activities for women; and (4) strengthening the institutional capability of rural women in order to enable them to provide for their welfare on an ongoing basis. Proposals for achieving these objectives include, the formulation of a programme outline through a "brainstorming" session of experienced administrators in women's programmes; the establishment of a working group on the women's programme at AKRSP with responsibility for developing a portfolio of zone-specific projects; and the provision of a mobile audio-visual unit to extend information on improved technologies and health and sanitation issues. Through liaison with existing agencies working in the health, sanitation and education fields, AKRSP plans to expand the provision of these services to women and make it an integral component of the women's programme.

II. Progress of Women's Programme

II.A Women's Organisations

By December 31, 1984, 72 Women's Organisations consisting of 4,156 members had been formed in Gilgit District. These organisations had accumulated savings of Rs. 520,000, or approximately Rs. 125 per member. A typical member of the organisation is the senior woman of a household with control

1. See, AKRSP Strategy Paper. Gilgit, February 1985.

over the female resources of the household and aged between 30 and 70. Non-members tend to be the poorest members of the community due to the focus on savings, the younger daughters-in-law of child bearing age who are occupied with children and heavy household tasks, and the Sunni and Shia women because of purdha observance.

II.B Income-generating Activities

(i) Quilt Production

One of the major activities of the Women's Organisations thus far has been the production of quilts. During the quarter under review, 3,000 quilts were made by 60 women's organisations. Of these, approximately 80 per cent have been sold at an average profit of Rs. 75 per quilt. Thus, the project has generated total income of Rs. 180,000 or approximately Rs. 50 per member involved in the project.

(ii) Basket Project

Four organisations in Gilgit District were provided baskets containing sewing materials and cloth for making linen goods. The purpose of this project is to give women an activity that will provide them incomes that are greater than those they are able to gain from time-consuming embroidery work. Each organisation is responsible for arranging the work schedule, making the labour payments involved and marketing the products. Some marketing assistance has been provided by AKRSP and thus far the goods have been sold for a total profit of about Rs. 1,400.

(iii) Home-based Poultry Farms

As a follow-up to the poultry training courses held during the previous quarter, 500 chicks of the Rhode Island Red (RIR) variety were provided on credit to the trainees. From these 24 home-based poultry farms have been established in 4 women's organisations. Since this activity has been undertaken as a pilot project, its further expansion will be tied to production results. Follow-up data will become available towards late summer when the poultry will reach productive age.

(iv) Enclosed Vegetable Gardens

Using land donated by fellow villagers, about 5 enclosed vegetable gardens have been established. AKRSP has assisted in the provision of good quality seeds and fertiliser and, under the auspices of FAO/UNDP, in the introduction of new varieties of fodder and fruit trees. The development of this project is constrained by the limited period for which the land is donated and the lack of a viable marketing system.

II.C. Extension, Training and Marketing

One poultry training course for women was held during this quarter. Following up on the training provided in the earlier courses, this third course was focused on the establishment of home-based poultry farms. The course was held from October 6-13, 1984. Twenty trainees participated and 5 kits were distributed at the completion of the course.

In addition, some marketing assistance was provided for quilts, linen goods and the produce of the enclosed vegetable gardens.

II.D. Labour-saving Technologies

(i) Nut-cracking Machines

Thus far, 10 nut-cracking machines have been provided to women on credit. Due to a generous donation by the Women's Organisation Committee of the His Highness Prince Aga Khan Shia Imami Ismailia Council for the United Kingdom, this project will be expanded considerably. About 40 more women's organisations will be provided nut-cracking machines with the donated funds.

(ii) Cream Separator

Two cream separators have been provided on credit in villages where electricity is available. The programme hopes to link the provision of this labour-saving device with livestock development.

(iii) Fuel-conserving Stoves

Work is underway for the development of fuel-conserving stoves that can be produced with local material and limited training.

WP Table 1 presents a summary of women's participation in important AKRSP activities, while End Table 3 lists Women's Organisations and their activities individually.

WP Table 1

GILGIT DISTRICT
PARTICIPATION IN WOMEN'S PROGRAMME, 1984

No. of Women's Organisations Participating in:

Sub-Division	Vill. Org.	Quilt. Prod.	Poultry Trng.	Poultry Keeping	Nut-Cracking Machines
Hunza	44	32	13	1	11
Nagar	0	0	0	0	0
Gilgit	18	17	9	5	3
Punyal-Ishkoman	8	5	1	0	4
Gupis-Yasin	2	2	0	0	0
Gilgit District	72	56	23	6	18
% of Women's Organisations participating	-	78%	32%	8%	25%

CHAPTER FIVE

PRODUCTIVE PHYSICAL INFRASTRUCTURE

I. Introduction

Productive Physical Infrastructure (PPI) has served in many ways as the beginning and essence of the AKRSP strategy. It has been an entry point for the development effort and, simultaneously, it has induced broad-based participation which was essential for change and initiating the development process. The first PPI project was a grant by AKRSP and was viewed as an investment in organising the villagers. With the completion of PPIs in many villages, a stage has been reached in which the people have a vision of the developmental potential of the village and thus are induced towards collective management of village resources. The Engineering Section undertook preparation of comprehensive village plans in association with village residents. Several surveys of villages were done showing the entire area of the village, current land use and field channels, link roads and paths, and cultivable waste land. A new dimension has now been given to the preparation of village plans. In order to prepare sound plans, engineers require the assistance of forest, pasture and horticulture specialists because the scope for woodland, pasture and orchards is far greater than the scope for cultivable cropland in the Northern Areas.

Another epoch-making development has been in the sphere of inter-agency relationships. The government's Local Bodies and Rural Development (LB & RD) Department had initially not been very clear about, nor sympathetic towards, AKRSP's PPI strategy. The District and Local Councillors were equally suspicious, though AKRSP has been striving since its inception to support the effort of these agencies at the village level and has advocated a meaningful and positive collaboration between various agencies.

As a result of interaction over the last two years between the AKRSP management and the Northern Areas Administration and elected Councillors, two Union plans in Baltistan District have been initiated jointly by the District Council and AKRSP. On the suggestion of the Northern Areas Administration, a proposal for implementation of village level irrigation schemes (currently in the NAWO portfolio) according to the AKRSP strategy has been approved by the Federal Ministry of Kashmir Affairs and Northern Areas. This may result in the funding of a number of irrigation projects from the AKRSP portfolio of PPIs and, above all, mark a new era of coordination and collaboration between LB & RD and AKRSP.

In the interview in 'Valleys in Transition', His Highness spoke of the need to connect remote and isolated villages with the Karakoram Highway to derive maximum benefit from this colossal investment. The construction of link roads and pony tracks, connecting dozens of remote and isolated villages to the Highway, has provided greater mobility to the otherwise restricted and land-locked people.

Surveys are underway to evaluate competitive gains but the importance of bridging isolated rural people with urban centres has set into motion the process of filtering down of information with new ideas on important aspects of socio-economic development. This is in addition to the actual economic gains from the network of the link roads in terms of marketing surpluses and availability of consumer goods at lower cost.

II. Portfolio of Engineering Projects

To date, first dialogues have been held in 446 villages in both Gilgit and Chitral Districts. By the end of December 31, 1984, the total number of identified schemes in Gilgit District was 432 with an estimated cost of Rs. 57.7 million. PPI Tables I & II illustrate the schemes as well as present cost breakdowns by sub-division. In Chitral District, a total of 274 schemes have been identified to date with an estimated cost of Rs. 32.6 million.

Thus far, 177 PPI projects have been initiated in Gilgit District at a total cost of Rs. 22.5 million of which Rs. 16.4 million, or 73% of the total cost, has been disbursed to Village Organisations. By the end of December 1984, 93 projects had been fully completed in Gilgit District and the overall physical progress of PPI projects in the district was 87%.

PPI Table 3A shows commitment, disbursement and the number of completed schemes by type of project, and PPI Table 3B illustrates the same by sub-division. PPI Table 4 illustrates sub-division-wise distribution of schemes and costs in Gilgit District. As indicated, the average cost of a project in Gilgit District stands at Rs. 126,943, i.e., an increase of only Rs. 8,193 in the average cost since the last annual review.

In Chitral, the PPI Programme has not progressed as well as in Gilgit District due in large part to the management of AKRSP being based in Gilgit. The poor communication links make it difficult for the management to effectively supervise and monitor the Chitral programme. To remedy the situation, a District Programme Office is being set up at Chitral. To date, 52 PPI schemes have been initiated in Chitral, of which 21 are now complete. The total cost of these schemes stands at Rs. 6.4 million, of which Rs. 4.2 million, or 66%, has been disbursed to the Village Organisations. The overall physical progress of the PPI projects in Chitral District is 70%. The average cost of a PPI scheme in Chitral District stands at Rs. 122,384. PPI Table 5A shows commitment, disbursement and the number of completed schemes by type of project, and PPI Table 5B shows them by sub-division. PPI Table 6 illustrates the distribution of schemes and cost breakdown by sub-division. In addition, 22 PPI schemes have been identified in Baltistan District, of which cost estimates have been worked out for 14 schemes as Rs. 2.4 million. Of these, two schemes have been initiated, costing Rs. 0.21 million and showing 20% physical progress.

III. Future Plans

AKRSP's resources are limited and the programme area too large to be fed with funded schemes on a permanent basis. From the onset the focus,

therefore, has been on the establishment of permanent institutions through which the villagers themselves can pursue further development activities. As such, the PPIs are confidence-building measures. By providing the initial investment, they help penetrate the centuries-old economic stagnancy in this area.

Upon the completion of the PPI schemes, AKRSP plans on following through with other support measures. Due to its institutional network, AKRSP is in an ideal position to sustain the development process even after it is gradually phased out from its present programme area. For AKRSP, after all, everything revolves around one thing: to make the villagers as capable as possible of determining their own destinies. It is, therefore, essential to make many important decisions now so that eventually AKRSP can achieve its objective.

One such decision is to provide long-term loans to the Village Organisations for additional PPI schemes, such as land development. The core of this new policy is to enable the Village Organisations to consolidate their gains resulting from the first generation of PPI schemes. The loan-PPI programme accords with the objective that external aid should only provide a take-off for autonomous and self-sustained development. In the future this loaning arrangement will be handed over to the VOs themselves once they have accumulated enough savings to be used as collateral for loans from commercial banks.

Another idea, which has not yet been explored fully, is to link funded-PPI schemes with subsequent projects. For instance, the grant for an irrigation channel would be tied to the development of the reclaimed land.

In certain cases the PPI projects identified by the Village Organisations are too large and costly for AKRSP to undertake entirely even with drastic reductions in labour costs. In these instances, AKRSP's approach will be to offer a grant-cum-loan package. The proportion of grant/loan will be determined on the basis of total estimated cost of the proposed project, the resources available to AKRSP, the financial status of the concerned VO, and its members' willingness and ability to carry out the task. Thus far, only one VO, namely Khanabad (Hunza), has been approached in this regard, but an agreement has not been reached as yet. However, the proposal still stands valid and it is expected to attract many VOs which have identified large-scale projects.

AKRSP plans to initiate 100 PPI projects in Gilgit District and 75 in Chitral District during 1985. In addition, the Programme also aims to undertake 25 PPI schemes in Baltistan, provided the required funds are available by then.

IV. Survey and Cost Estimates

One feature that distinguishes AKRSP from other agencies in the field is that it involves local people and their expertise in the development activities, including engineering work.

IV.A Survey

The task in front of AKRSP in this regard is to prepare sound and high-quality surveys for its engineering projects. Additionally, the aim is to make

them as cost-effective as possible for the Village Organisations which are the actual implementing institutions and are responsible for the maintenance of the schemes after completion. To achieve this two-pronged objective, AKRSP has combined modern engineering techniques with local expertise, thus making maximum use of local knowledge, conditions and variables through the participatory process.

In many ways, this "Social Engineering" has helped AKRSP to avoid many problems that are common to other organisations with similar undertakings that do not involve the beneficiaries at the design stage. In AKRSP's methodology the identification of a project is done by its actual beneficiaries. This amounts to taking their interest as the main guarantor of the project's viability. In the second stage, when AKRSP engineers carry out the feasibility survey, all details and specifications are discussed and agreed upon with the Village Organisations before going into the final stage of implementation. Thus, an AKRSP survey includes not only the physical feasibility of a potential project, but also ensures that social conditions are favourable for the successful completion of the project.

IV.B Cost Estimates

In light of the past two years' experience, the method has been improved to ensure both realistic cost estimates and their relevance to the Programme's objectives. The estimates prepared by the Engineer/Surveyor are item-wise and discussed with the Village Organisations. The cost of materials, such as cement, explosives and steel is paid entirely by AKRSP since the villagers have little economic capacity to acquire these on their own. The labour component, however, is negotiated with the Village Organisations since the villages have a clear advantage in human labour and, as such, can save considerably (in some cases, the negotiated sum on labour cost has been as low as 50% of the actual estimated amount).

Once the cost estimates are completed and the terms agreed upon, the arrangement becomes more or less a package deal. Village Organisations take up the sole responsibility of completing the projects within the granted amount and the specifications. Village Organisations are expected usually to spend from the separate funds designated specifically to each component. However, in extreme cases, where the funds assigned to one component are exhausted, the transfer of funds from other components is allowed with due information to AKRSP. Savings from the PPI grants is a common practice in the Village Organisations and is encouraged by AKRSP.

The yardstick for built-in estimates in 1985 will have to be slightly changed on the basis of 1983-84 variations between actual and estimated costs.

IV.C Implementation

During the past 12 months various problems arose and were resolved in the implementation stage. Some of these are discussed below:

(i) Machines

AKRSP seeks to create motivation for development through collective participation. At the same time, it is in favour of introducing machines where necessary.

To facilitate the PPI work, ten portable drill machines with built-in engines were given to various VOs on hire basis. Two AKRSP personnel were delegated to a machine maintenance course conducted by the United Nations Development Programme (UNDP). This training was then transferred to the Village Organisations for the proper handling and maintenance of these machines. In addition, a portable compressor with a capacity of 125 CF per minute air velocity has been acquired to minimize accessive work on certain projects. The compressor is currently engaged on the Hanuchal irrigation channel project. Another compressor was purchased by a group of six VOs in Aliabad (Hunza) from savings for their common project. The VOs plan to rent out their compressor once the project is completed.

(ii) Explosives

The proper use of explosives has posed a considerable problems. Government procedures require AKRSP to prepare magazines for the safe storage of explosives. AKRSP has designed a storage facility for explosives under licence of the Local Bodies and Rural Development (LB & RD). The watch and ward cost of this facility is charged on the explosives requested by the VOs. The quantity of explosives to be issued to the VOs at any one time has been reduced from 500 kgs to 100 kgs. Further issuance is conditioned on the engineer's certification that the explosives previously issued were consumed for the purpose specified in the requisition slip.

(iii) Gabions

The previous practice of procuring ready-made gabions has been discontinued for economic reasons. Instead, the VOs have been provided with the required training for manufacturing the gabions at the project sites.

V. Land Development

The investment in the PPI programme has built the momentum for further development. At this stage, the major task in front of the VOs is to develop new land that has become available as a result of the completed PPIs.

With a view to achieving the desired results from this investment, AKRSP is now offering long-term loans to the Village Organisations for land reclamation. This came as a surprise to many, including the villagers, who were wondering where the VOs next stimulus would come from once the AKRSP grants were terminated.

The proposal has been well received by the villagers. A number of VOs have responded quickly with multi-year village development plans and the income schedules on how these schemes would increase their incomes. A detailed

programme has been chalked out for the land development loans. AKRSP has already negotiated a sizeable revolving fund with NDFC for this pupose. The major focus of this programme will be on social forestry and the development of cash crops. Village Organisations have agreed to develop the land collectively and to share the benefits.

The programme will endeavour to assist the VOs in exploiting their economic comparative advantages. For instance, a number of villages have been identified as suitable for the development of livestock; others have the potential for large-scale production of fuelwood and timber. A third group of villages have been identified as having the capacity to produce fruit on a commercial scale.

A rule of thumb followed in advancing land development loans is to ensure that the weakest member of the VO is also able to take advantage of this facility. Accordingly, loan applications from VOs for sums exceeding Rs. 2,000 per member have not been entertained in the initial stages. It is only when minimum requirements of all the members of a VO rplying for land development loans have been met that applications for additional and larger loans will be entertained.

PPI Table 1

NUMBER OF PPI PROJECTS IDENTIFIED
DECEMBER 1982 - DECEMBER 1984

PROJECT	GILGIT	HUNZA	NAGAR	PUNYAL- ISHKOMAN	GUPIS- YASIN	TOTAL
1. Irrigation Channel	51	48	28	30	69	226
2. Protective Bunds	6	6	4	13	39	68
3. Storage Reservoir	6	4	5	3	16	34
4. Lift Irrigation	5	-	-	-	-	5
5. Sedimentation Tank	1	1	1	1	-	4
6. Land Development	4	1	1	2	2	10
7. Link Road	20	25	12	6	16	79
8. Bridge	1	3	-	-	2	6
Total:	94	88	51	55	154	432

GILGIT DISTRICT
ESTIMATED COST OF PPI PORTFOLIO IDENTIFIED
DURING DECEMBER 1982 - DECEMBER 1984

(Costs in Rs. '000)

S.No.	SECTOR	GILGIT	HUNZA	NAGAR	PUNYAL- ISHKOMAN	GUSIP- YASIN	GILGIT DISTRICT	% OF TOTAL
1.	Irrigation Channels	9,612	5,625	3,087	2,864	10,020	31,208	54
2.	Protective Bunds	840	1,007	546	1,626	6,654	10,673	18
3.	Storage Reservoir	972	419	475	394	1,932	3,892	7
4.	Lift Irrigation	1,050	-	-	-	-	1,050	2
5.	Sedimentation Tank	136	131	88	180	-	535	1
6.	Land Development	340	100	100	200	98	838	1
7.	Link Roads	2,266	2,851	1,085	872	2,089	8,963	16
8.	Bridges	100	362	-	-	80	542	1
Total:		15,316	10,495	5,381	6,136	20,873	57,701	100
% of Total:		26	18	9	11	36	100	

GILGIT DISTRICT
PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT AND COMPLETED PROJECTS AS ON DEC. 31ST 1984

A: By Type of Project

S.No.	TYPE OF PROJECT	NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Irrigation Channel ...	107	12,450	8,839	71%	57
2.	Syphon Irrigation ...	1	508	396	78%	
3.	Lift Irrigation ...	2	242	192	79%	
4.	Link Roads ...	33	4,405	3,199	72%	17
5.	Protective Works ...	17	2,767	2,482	89%	12
6.	Storage Reservoir ...	12	1,539	890	59%	3
7.	Sedimentation Tank ...	2	238	205	86%	2
8.	Mud-flow Control ...	1	47	20	42%	
9.	Bridges ...	2	262	234	89%	2
Total: ...		177	22,458	16,457	73%	93

B: By Sub-Division

S.No.	SUB DIVISION	NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Hunza ...	46	5,866	3,988	68%	25
2.	Nagar ...	21	2,598	1,765	68%	8
3.	Gilgit ...	49	7,140	4,844	68%	16
4.	Punyal-Ishkoman ...	23	2,307	2,034	88%	19
5.	Gupis-Yasin ...	38	4,547	3,826	84%	25
Total: ...		177	22,458	16,457	73%	93

GILGIT DISTRICT

SUB-DIVISION WISE DISTRIBUTION OF SCHEMES AND COSTS AS ON
31ST DEC. 1984

S. No.	SECTOR	GILGIT	HUNZA	NAGAR	PUNYAL- ISHKOMAN	GUPIS- YASIN	GILGIT DISTRICT
1.	Irrigation Channel	...	3,966 (26)	3,787 (30)	1,228 (13)	1,508 (17)	1,961 (21)
2.	Syphon Irrigation	...	...	508 (1)	...	...	508 (1)
3.	Lift Irrigation	...	242 (2)	...	...	...	242 (2)
4.	Link Roads	...	2,261 (16)	1,434 (10)	515 (5)	118 (1)	80 (1)
5.	Protective Works	...	107 (1)	178 (2)	259 (1)	550 (4)	1,673 (9)
6.	Storage Reservoir	...	414 (3)	208 (2)	...	131 (1)	786 (6)
7.	Sedimentation Tank	...	150 (1)	88 (1)	...	...	238 (2)
8.	Mud-flow Control	...	...	...	...	47 (1)	47 (1)
9.	Bridges	...	262 (2)	...	...	...	262 (2)
Total:		...	7,140 (49)	5,866 (46)	2,598 (21)	2,307 (23)	4,547 (38)
							22,458 (177)

Note: The upper figure denotes the cost in Rs. '000.

The lower figure in parentheses denotes the number of schemes.

CHITRAL DISTRICT

**PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT AND COMPLETED PROJECTS AS ON DEC. 31ST 1984**

A: By Type of Project

S.No.	TYPE OF PROJECT	NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Irrigation Channel	28	3,799	2,299	60%	9
2.	Link Roads	3	286	233	81%	2
3.	Protective Works	15	1,911	1,380	72%	7
4.	Bridges	5	281	192	68%	2
5.	Hydel Scheme	1	87	87	100%	1
	Total:	52	6,364	4,191	66%	21

B: By Sub-Division

S.No.	SUB-DIVISION	NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Mastuj	18	3,439	2,026	59%	4
2.	Chitral	34	2,925	2,165	74%	17
	Total:	52	6,364	4,191	66%	21

CHITRAL DISTRICT
SUB-DIVISION WISE DISTRIBUTION OF SCHEMES AND COSTS AS ON
31ST DEC. 1984

S.No.	SECTOR	...	BUNI	CHITRAL	TOTAL
1.	Irrigation Channel	...	2,344 (12)	1,455 (17)	3,799 (29)
2.	Link Roads	...	170 (1)	116 (2)	286 (3)
3.	Protective Bunds	...	925 (5)	986 (9)	1,911 (14)
4.	Bridges	...	-	281 (5)	281 (5)
5.	Hydel Scheme	...	...	87 (1)	87 (1)
Total:		...	3,439 (18)	2,925 (34)	6,364 (52)

Note: The upper figure denotes the cost in Rs. '000.
The Lower figures in parentheses denote the number of schemes.

CHAPTER SIX

EXTENSION, SUPPLIES AND AGRICULTURAL RESEARCH

I. Introduction

Small-farmer oriented training programmes require a clear identification of problems taking into consideration their present level of knowledge, education and productivity. Accounting for these factors, exact training level and needs have been thoroughly assessed. The curricula and course materials that have been developed place emphasis particularly on simplifying the lectures as far as possible.

These training programmes consist of brief thirty-minute classroom lectures coupled with practical exposure through long field visits and rigorous field training. Each trainee is required to perform all operations, i.e., diagnosis, treatment and if necessary vaccination. In all the training courses, expertise of the local agriculture and veterinary departments have been utilised effectively and AKRSP appreciates greatly their cooperation.

II. Courses

During the quarter under review, three courses were held at the Extension Training Centre. Details of these courses are presented below:

Course Titles		Dates	No. of Trainees	Number of kits distributed
Third Poultry Training	...	10/6 - 10/13	20	5
Third Livestock Refresher	...	11/25- 11/27	31	0
Fifth Livestock Training	...	10/18- 11/6	19	19

As was done in previous courses, trainees were examined and presented certificates as well as materials for performing their duties in their respective villages. A livestock consultant is currently working at the centre to review the course work and the training kits; analyse nutritional aspects of livestock development; and outline disease control schemes.

Trainees from Chitral were able to attend the training courses during this quarter for the first time in 1984. Arrangements are underway to hold separate training courses in Chitral in 1985.

III. Training Impact

The training courses were held to create specialists at the village-level so that they can provide immediate service to their fellow farmers in their

respective VOs. These courses apparently have positive results. On the basis of follow-up visits to 21 randomly selected VOs, the livestock specialists had treated 2,147 animals for various diseases and vaccinated 904 animals against black quarter, anthrax and enterotoxemia.

In addition to the medicines/vaccines provided initially as a gift by AKRSP to trainees at the termination of each training course, additional medicines/vaccines worth Rs. 5,708 were purchased directly by the village livestock specialists from AKRSP. In the absence of any base-line data it is not possible to assess the increased impact in the use of medicines and trends in preventive vaccination. However, these were substantially higher compared to last year when, on average, only one animal was treated per week as reported in the First Annual Review (1983) of AKRSP.

Sixteen women poultry specialists were also contacted. They had treated a total of 1,488 birds for diseases such as New Castle, Coccidiosis and typhoid. In addition to the medicines provided as a gift, medicines worth Rs. 493 were also purchased. This indicates an increased trend in the adoption of the vaccination programme.

Follow-up visits to 20 VOs where specialists in plant production and protection were trained indicate the following adoption rates for improved techniques and inputs: improved grafting, 3%; improved pruning, 6%; line sowing, 2%, improved cultivars, 3%; pesticides, 10%; seed treatment, 2%; improved nursery management, 1%; and fertiliser use, 76%. To increase follow-up activities, the Extension Training Centre is in the process of procuring a vehicle which will be used full-time for this purpose.

IV. Field Activities

With the arrival of the Programme Senior Agriculturist, field activities have increased. Seeds of two winter wheat cultivars have been supplied to 16 VOs for testing. Seeds for the following crops have also been arranged for on-farm trials in the coming spring season of 1985: wheat, peanut, chickpea, okra, radish, turnip, melon, cucumber, peas, Chinese cabbage, mung bean, triticale, spinach, beetroot, carrot, squash, pumpkin, bitter gourd and yard longbean.

Arrangements have also been made with the government nurseries for the supply of 6,000 to 8,000 apple plants of good varieties for interested VOs. These are to be used for block plantings in the newly reclaimed land which will be available with the completion of the water channels.

For establishing legume/grass pastures, small quantities of 22 species of legumes and 2 species of grasses suitable for temperate climates have also been arranged for preliminary evaluation. The livestock consultant is also working on pasture development in the Northern Areas.

In all, 218 soil samples from Punyal/Ishkoman, Gupis/Phander, Yasin/Gupis, Gilgit/Naltar and Hunza/Nagar areas have been analysed for guiding farmers

in the effective and economical use of fertilisers. The results along with recommendations have been sent to the SOUs for making use of these recommendations and guiding farmers to attain maximum benefits. At present, farmers purchasing fertiliser on credit from AKRSP are spending an average of Rs. 189 per year for 26 kg of N, and 14 kg of P, per farmer; the regional variations in fertiliser use are reported in ESR Table 1.

V. Input Supplies

Supply of inputs, such as fertiliser and pesticides, face acute problems of transport and storage constraints especially in the remote villages. With no access points at a reasonable distance, private transport cost in these areas make inputs extremely costly. This added cost and the time spent in acquiring inputs forces the poor farmers to underuse purchased inputs. To overcome this situation, AKRSP has instituted a system of arranging the essential inputs where AKRSP can become an intermediary in ensuring input supplies.

Thus far this system has worked well in the absence of other public arrangements. With the increased awareness aroused through the training of village socialists, demand of these input supplies is increasing steadily at the same time, however, VOs have started complaining about high transport costs, which a poor farmer cannot afford.

In the absence of a satisfactory public supply arrangement, a large vacuum would be left behind, affecting the present progress seriously. To avoid becoming a permanent intermediary, AKRSP has initiated a process for centrally located VOs to get direct dealerships. These VOs then can become input depots for other relatively more remote VOs.

VI. Managers' Conference

Four Managers' Conferences were held between October and December. A total of 382 representatives of VOs participated in this activity.

VII. Extension Material

The Extension Training Centre continued production of pamphlets for dissemination among the rural population. During the current quarter, the following material was published to supplement the extension efforts of AKRSP:

1. Village Profile of Oshikhandas, which outlines the causes of the failure of the Oshikhandas Village Organisation; Urdu title: "Lamha-i-Fikria".
2. On Dehydration of Apricots, which describes the effective use of solar energy for preserving apricots and the methods of reducing losses; Urdu title: "Khobani ki daulat zaya hone se bachaye".
3. Loans for the Development of Land: Policy and Methodology, which outlines the procedures to be followed in applying for land development loans; Urdu title: "Abad kari ke liye policy aur tariq-e-kar".

4. Me and my Rural Sisters, which describes the condition of rural women; Urdu title; "Men(h) aur meri dhehl bhehne(h)."

ESR Table 1

GILGIT DISTRICT
FERTILISER CREDIT AND NUTRIENT BALANCE, 1984

Average per Loanee

Sub-Division		Loan (Rs.)	Nutrients (kg)		% in Nutrients of	
			N	P	N	P
Hunza	...	196	23	19	55	45
Nagar	...	163	20	16	55	45
Gilgit	...	228	33	14	70	30
Punyal-Ishkoman	...	181	27	12	69	31
Gupis-Yasin	...	161	24	11	68	32
Gilgit District	...	189	26	14	65	35

Note: The annual-crop area per household, for the district as a whole, is about 0.6 hectare. This implies fertiliser applications of 43 kg/ha of N and 23 kg/ha of P for 1984. A cropcut survey undertaken in 1983, when only a handful of farmers were receiving fertiliser credit, showed application rates, among users, of 40 kg/ha of N and 35 kg/ha of P.

CHAPTER SEVEN

SAVINGS AND CREDIT

I. Introduction

At present, AKRSP's credit programme is focused on the provision of agricultural production loans. Thus far, some 180 VOs (including multiple loans) have availed of these interest-free short-term loans in Gilgit District and their utilisation is increasing in Chitral District. The total amount borrowed by the end of December 1984 was Rs. 3,240,751 in Gilgit and Rs. 277,328 in Chitral. The average VO loan has been about Rs. 18,000 and over 17,000 individual farmers have benefitted directly from this credit facility. During the fourth quarter of 1984 Rs. 424,518 were disbursed as fertiliser loans.

II. Loans

II.A. Agricultural Production Loans

The most reassuring aspect of the agricultural production loan programme has been the consistently impressive recovery rate; 94% of the total disbursement has already been recovered. Only one Village Organisation, which had borrowed Rs. 29,618, is considered a defaulter as it has failed to repay its loan amount past the one-year mark since the date of issue.

AKRSP has arranged for a Rs. 4 million annual agricultural loan facility from a commercial bank and has acquired a fertiliser dealership. Acting on behalf of interested members, the VOs apply for fertiliser credit from AKRSP. The Programme's central office staff evaluates the reasonableness of the amount requested with reference to the VO members' requirements, equity capital (collateral) and previous performance. During this process, due consideration is given to keeping procedures simple and streamlined. Upon approval, the VO is extended an interest-free short-term loan, which, if unrecovered, is considered overdue after nine months and in default after one year.

Most VOs collect the loan in-kind from AKRSP's fertiliser store. The commission that AKRSP receives from the National Fertiliser Corporation (NFC) on fertiliser sales is used to subsidise transport costs of delivering fertiliser to distant VOs.

AKRSP underwrites the full loan amount while securing its own position by using the VOs equity capital as collateral. In effect, AKRSP is acting in this respect as a "development finance corporation" for the VOs. Marketing loans have also been issued to 8 VOs and a proposal is under consideration to provide bridge financing for VO marketing.

II.B Medium- and Long-term Loans

With the completion of well over one hundred PPI Projects, the VOs need to be guided and assisted in developing both the newly reclaimed and the

previously cultivable land. As a start, 3 VOs have been given long-term land development loans totalling Rs. 473,000. A Rs. 5 million long-term land development loan facility is being negotiated with the National Development Finance Corporation (NDFC). AKRSP is preparing its own procedures for subsequent land-development financing for the VOs.

III. Capital Formation

By the end of September 1984, the VOs total combined equity capital was slightly over Rs. 4 million, as reported by the previous quarterly Progress Report. The total equity capital increased to approximately Rs. 5.14 million in Gilgit District and Rs. 0.73 million in Chitral District by the end of the year. The Women's Organisations have accumulated a total equity capital of about Rs. 0.52 million. This figure is even more impressive in light of the fact that the Women's Organisations have not yet participated in PPI projects from which they could have put aside the labour component of the grant.

The equity capital per VO comes out to Rs. 17,800 and is deposited in non-withdrawable accounts in the commercial banks. The acceptance of the concept and practice of equity capital formation is essential for the future viability and self-perpetuation of the primary cooperatives. One of the basic founding principles of AKRSP is to nurture permanent rural institutions that can be sustained in the absence of AKRSP. In this regard, the savings institutions are a keystone of the AKRSP strategy.

IV. Debt-Equity Ratios

At the end of 1984 the ratio of total loans issued against the total VO equity capital was 0.60. It is probably unprecedented in a rural development programme that the farmer's collateral far exceeds the total amount loaned out to them.

S & C Table 1

LOAN-TO-EQUITY RATIOS

Sub-Division			Loan	Equity	Loan/ Equity	Rate of Recovery
1.	Hunza	...	448,564	1241,998	0.36	95%
2.	Nagar	...	281,659	422,329	0.67	97%
3.	Gilgit	...	1055,748	1103,025	0.96	94%
4.	Punyal-Ishkoman	...	618,106	1032,101	0.60	91%
5.	Gupis-Yasin	...	837,674	1116,267	0.75	94%
Gilgit District			3240,751	4915,720	0.66 ✓	94%
Chitral			277,328	728,185	0.38	85%

CHAPTER EIGHT

MARKETING PROBLEMS AND PLANS

I. Background to Marketable Products

Gilgit has had a subsistence economy for centuries, and even after the opening of the Karakoram Highway, the region's exports remain a fraction of its purchases from the plains. Many villagers procure daily consumables, such as soap, matches, paper etc. by bartering agricultural products such as dried fruits and grain. What the village shopkeeper cannot sell profitably within his locality, he brings to the market in Gilgit. These goods are usually in raw form and have to contend with a small local market that is accessible to other Pakistani traders only at high transportation costs.

Many varieties of fruits and vegetables are produced in the Programme area. Since there are no systematic data on vertical differences the following discussion is based in large part on conversations with informed individuals and on observations compiled after the end of the marketing season.

Cherry

Cherries are the first fruit of the season, and they arrive in the Gilgit market in May and are available for about one month. Their shelf life is extremely short and they deteriorate rapidly in heat. There is no known marketing outside Gilgit on a commercial scale.

Mulberry

This fruit follows cherries, but is not sold fresh. Some of the quantity is dried by villagers, and most retained for domestic use. Part of the dried mulberry is sold in Gilgit, of which an insignificant amount is exported out of the district.

Apricot

Apricots are the main fruit produced in Gilgit. They are sold fresh in the market during the season and in dried form later on. If picked at the right time, apricots have a shelf life of 6-7 days. The season starts in June and lasts until July (and beyond in higher altitude villages). In 1984, some quantities were taken by VOs from Yasin to the Rawalpindi-Islamabad markets with mixed results. Small amounts are purchased locally by traders from the plains. Most of the apricots are sold in dried form after destoning. Usually, the kernel and the fruit are sold separately though, apricots with the kernel are also available. The quality of the dried apricots is poor, due to the practice of drying the fruit under uncontrolled conditions. The quantities, however, are large and it appears that much of the produce exported is sold to the North West Frontier Province.

Peach

By and large, the quality of peaches is good, though not much is brought to the market in Gilgit or exported to down-country. The season is from mid-July to August and the shelf life is 6-7 days.

Plum

The quality of plums is about average. The season lasts from June until July and no further information is available at present.

Apple

After apricots, apples are the most abundant fruit in Gilgit. The season starts in mid-July and extends up to October. There are many varieties, most of which are soft-cored and are generally not liked in the plains due to a short shelf-life.

Grape

The grapes available in Gilgit are of medium size, with thick skins and large seeds. These are suitable mainly for making juice, most of which is used for making kilao. A small proportion is used to make vinegar. The season is from September-October.

Pomegranate

The variety available locally is of a low quality and some of it is dried. The season starts in October.

Pear

This could be the most profitable fruit to export from Gilgit. The quality competes favourably with other varieties available in large markets in Pakistan. The season is October-November.

Nuts

Dry fruit such as almonds, walnuts and apricot kernels are also available in the Gilgit market. Although the quality is average, sizable quantities of walnuts and apricot kernels are exported. Almonds are not a large export item.

Dried fruit and Vegetables

These include dried apricots, tomato powder and apple powder. Dried apricots are exported and the other two items are sold in the local market.

Livestock

This region is a small importer of cattle and there is a reported surplus of goats. It may be possible to find a significant market for hides and skins.

In general, the quality of fruit and other agricultural products in the Gilgit area is poor. Of the high-quality products, no data is available on available quantities.

II. Short-term Strategy for Fruit Marketing (2 Years 1985-1986) Implementation of Marketing Organisation Producer to Consumer. (Existing Varieties of Fruits).

II.A. Organisation

The base of the marketing structure is the VO. Members would undertake operations like plucking from trees, grading, collection at VO storage points, scientific packing in crates, and transportation to the loading points. The loading point would preferably be within a radius of 15 to 10 miles of participating VOs.

As the collection of good quality fruits within one VO may be less than one truck load, it is desirable to establish a loading point which would be composed of a cluster of 2 to 5 VOs. This loading point could also serve as quality control point as well as floor price payment point to VO members.

The AKRSP Management Group would work as advisor and trainer of VO level marketing skills. It would act as helper in establishing contact liaison of VOs/cluster loading points with wholesalers/wholesalers and institutional buyers like CDS, large hotels, restaurants and industries producing squashes and concentrates.

II.B. Incentives to Chain of Organisers and Marketing Workers

In 1984, marketing experience services like plucking, collection grading, transporting to collection points were assumed to be part of cost/purchase price from primary producer. This resulted in low quality procurement and low sale price at final sale point. In 1985 strategy, a systematic work remuneration system is going to be introduced as an incentive in reward system. This would ensure a great reduction of losses due to product quality and higher sale price.

II.C. Transportation Costs

By co-ordinating expertise of AKRSP marketing staff and the efforts of VOs with services of transporters, the transport costs will be minimised. In the meanwhile, on experimental basis, the AKRSP may purchase one truck and two Suzukies for using its own transport as core transport in conjunction with hired transport by charging rent from VOs. AKRSP will also encourage a few VOs to purchase on loan their own tractors and trollies.

II.D. Priorities in terms of fruit products

In the season of 1985, the AKRSP would give major emphasis on apples, apricots, and plums (Alocha).

However, other fruits if available in sufficient quantities to meet market supply and demand requirements, could also be considered. However, efforts

would be focussed on items where sustained supply and demand could be maintained through out the season.

II.E. Number of VOs Participating in Marketing

Activities: In the year of 1983-84 only 19 VOs participated in marketing operations.

In the year of 1985, 30 VOs with apparent positive advantages are being selected for marketing operations. Positive advantages include previous performance as well as co-operative effort, availability, nearness to loading points, enthusiasm of members in fruit production activities etc.

In the year 1986, 60 VOs are likely to be considered to participate in marketing operations.

II.F Funding/Credit

In the years 1985 and 1986 the AKRSP would require funding around two lacs to strengthen its expert staff, training of VO members in various steps in marketing and administrative expenses for doing liaison work between VOs, wholesalers and transporters etc.

Ultimately the expenditure on AKRSP experts staff would be shifted to VOs as their profitability would increase due to streamlining of marketing operations and skill of their trained local persons.

Credit facility or production loans would be made available to VOs in the year 1985.

II.G Transportation Costs

In marketing operations, the transportation costs include transportation charges from VO to loading point and from loading point to destination in Gilgit and down country. In 1984, the VOs adopted various economical or uneconomical modes on one term basis only in 1985, AKRSP liaison office would in order to provide instructions to VOs streamlining the transportation arrangements, transportation costs and ensure availability throughout season.

II.H Dry Fruits

During 1985 and 1986 the following dry fruits will be marketed; apricots and apricot kernel (gari), almonds, walnut gari, and almonds and apricot kernels baked in grape fruit juice (introductory item for winter 85-86).

II.I Upgrading of Fruit Varieties

During 1985 upto 1991 the existing varieties of fruit will be marketed. Even if we commence upgrading operations immediately such fruits would only become available after 1991.

However, on experimental basis some existing high quality fruits would be test marketed to ascertain if such varieties have any potential.

II.J Census of Fruit Trees and available fruit tonnage to be marketed

Census forms of fruit trees survey have already been distributed to VOs. The results would be compiled by the 2nd week of April 85. The tonnage to be marketed during 1985 would be compiled by the end of April, 1985.

In October 1985 fruit trees census of 300 VOs would be compiled.

II.K Contacts with Arhitis/wholesalers and Industry

During April/May 1985 contacts with leading Arhitis, wholesalers and industries would be made and a short list of reliable and trust worthy persons/companies would be prepared to streamline marketing operations.

II.L Fresh and Dried Vegetables

As of March 85 it has been planned to postpone the marketing of fresh and dried vegetables until later stages. However if the tonnage with marketable potential becomes available we may go ahead with some test marketing.

II.M Live animals, hides and skins

As of March 85 we have no plans for marketing of live animals, hides+skins. However if VOs show an interest and exhibit marketable potential we may conduct some test marketing.

II.N Research, Development, Experimental and Test Marketing

Just as grant PPI helped AKRSP as first rate entry point and acted as change agent both for developing physical infrastructures and administrative infrastructures, we may have to introduce as first grant market technology projects to number of VOs or preferably to clusters of VOs, known as loading point clusters to be called grant physical marketing technology infrastructure (PMTI).

III. Long-term Strategy 1985 to 1992 onwards

III.A Incentives to chain of organisation + Marketing workers

As sustained efforts of marketing would have to be maintained in competition with Feudal-Trader-big arhti model of Punjab and Sindo Co-operative model of AKRSP would have to crystallise itself in a more structured and professional model, emphasising on division of labour and assembly line techniques. For this, a sustainable and viable system of remunerations and incentives would be evolved.

III.B Transportation facilities

As the volume of exportable surplus increases the proposed marketing corporation may acquire a core number of trucks, Suzukies, tractor trollies to minimise the overall transportation costs.

Similarly efforts may be made to attract foreign donors to come forward and help the marketing division to import refrigerated trucks and cold storage facilities.

III.C Priorities in terms of fruit products

In addition to apples, apricots and plums, the following fruits will also be marketed: peaches, plums (aloo bukhara), grapes and others.

III.D Number of VOs Participating in marketing activities

In context of experience gained during 1985-86 the number of VO participating in marketing activities would be enhanced by 25% every year so that by 1991 a majority of VOs are involved in marketing operations. During these years it would be our endeavour to specialize considerable number of VOs to one or two fruits as per suitability of climatic, geographic and qualitative factors.

III.E Dry Fruits

The list of dry fruits to be marketed would be enhanced in a flexible manner as per experience of 1985-86.

In addition the better varieties, developed and propagated by horticulture section of AKRSP, would also be marketed.

III.F Contacts with Fruit Business and Industry

By year 1987 it is expected that AKRSP's VOs and its central organisation would have developed a good reputation as suppliers of fruits, dry fruits, vegetables, etc.

However, our contacts with buyers would be strengthened and consolidated. We might even consider supplying to Karachi based exporters for Middle East market/European market as Hunza brand fruits.

CHAPTER NINE

BUDGET AND ACCOUNTS

I. The AKRSP Donors

The last quarter of 1984 witnessed a momentous increase in the Programme's finances as the donors' committed funds began to be disbursed to AKRSP. As a result, the quarter under review saw a significant expansion in the PPI programme in Gilgit District. The total number of PPI schemes initiated in Gilgit rose to 177 as compared to 131 in the previous quarter. In Chitral, however, the number of PPI schemes initiated remained unchanged at 52 due to the increased engagements of the AKRSP management in Gilgit District; difficulties of communication in reaching out to Chitral; and sectarian unrest in Lower Chitral. To compensate for this, AKRSP intends to carry out a maximum number of third dialogues in the coming few months in Chitral, where the situation now appears to be conducive for such an initiative.

With multi-year funding now available from CIDA, Alberta AID and AKFC, planning future PPIs has become a reality.

The Management Group of AKRSP would like to extend its most sincere thanks and appreciation to all the donor agencies for their generous contribution and continued support to this Programme. Special thanks are due to CIDA, Alberta AID and AKFC. We are also grateful to OXFAM, ODA, AKF (UK), Ford Foundation and AKF (USA) for their continued support and interest in AKRSP.

II. Management of Accounts

Owing to the rapid expansion in the Programme activities during the last two years, the workload of the Accounts Section has increased tremendously. Basically, there are two major responsibilities which the AKRSP Accounts Section has to handle simultaneously and with equal care and attention, i.e., maintaining internal accounts and donor financial reporting.

II.A Internal Accounts

Matters directly concerned with the Programme activities include disbursement of funds for PPIs; disbursement and realisation of various kinds of loans; auditing and supervision of Village Organisation savings; attending to villagers specific accounting problems; maintenance of office work, staff salaries and a host of other activities that characterise the normal functions of an expanding development programme. In addition, the section has to represent itself in the third dialogues in order to countersign the grant cheques and also to keep the accounts and the funding position updated.

Undoubtedly, these are the normal internal functions of any other establishment such as AKRSP. However, a major distinguishing feature is that AKRSP

is trying to evolve a combination of various interrelated micro-economic institutions which are to be blended finally into self-supporting organisations. Since the major component of this exercise is to develop a finance corporation, AKRSP is continuing work towards this goal. Given the multitude of financial activities that are currently underway, AKRSP is doing no less than the job of a major "development finance co-operative". Although these finances are physically transacted through the commercial banking channels, the actual management of various accounts, grants and the disbursement and realisation of loans is done entirely by the AKRSP Accounts Section.

II.B Financial Reporting

In this context, the major responsibility of the Accounts Section is to prepare financial reports for donors according to the requirements of the donor agencies on the particular activities for which they have provided funds.

Over the last few quarters, AKRSP Accounts Section has been struggling to keep pace with the Programme's expanding activities. In the coming few months, AKRSP intends to review the present workload of the Accounts staff and to devise a workable system for streamlining the Programmes' financial matters. One way of reorganising the Accounts Section is to establish an extended computing facility at AKRSP. In addition, in view of the geographical and functional expansion of AKRSP, new staffing requirements of the Section will be identified soon. A team of Chartered Accountants from Ferguson and Company is shortly to take up a Systems Analysis for AKRSP on a short-term consultancy. With the assistance of these specialists, the AKRSP Management Group will be able to undertake a wide-ranging review of the administrative, financial and reporting requirements of an expanding Programme. It is hoped that this arrangement will help not only in devising an easy and workable system of accounting and reporting, but also in reducing the workload of the Programme in general and of the Accounts Section in particular.

III. Village Organisations' Accounts

The savings of Village Organisations are increasing at a pace never before imagined by the villagers themselves. This phenomena has created a greater need for the proper supervision and maintenance of the VOs' accounts. A full-time Field Accountant, whose primary responsibilities include providing guidance to the villagers in basic book-keeping and in solving their specific accounting problems, is looking after these accounts at present.

Due to the lack of functional education in the rural population, record keeping is often a very difficult task for the VOs. To overcome these problems, AKRSP intends to organise training programmes in which managers of the Village Organisations and village supervisors will be given instruction in basic accounting.

The first course of this kind was organised in December in which 20 village supervisors were given a 7-day training in elementary accounting. These village supervisors are expected to transfer this basic knowledge to the office bearers of the village organisations in their respective areas.

In addition, Senior Accounts personnel carry out surprise auditing of the VOs' project accounts and their savings on a regular basis. On one such occasion the Programme Internal Auditor found certain administrative irregularities in all the three VOs of Sherqilla. Later, the matter was discussed in the Managers' Conference and as a result the office bearers undertook to abide by AKRSP's terms of partnership pertaining to the savings of VOs.

The savings of VOs have since been separated and identified with bank accounts, in accordance with the decision reported in the Seventh Progress Report.

IV. Programme Expenditure

A summary of the sources and applications of funds by December 31st, 1984 is given in B & A Table 1.

B & A Table 1

SOURCES AND APPLICATIONS OF FUNDS, 1984 ('000 Rs.)

SOURCES			29,972
Balance Brought Forward from 1983			6,939
Donor Receipt in 1984			23,033
CIDA	...	9,245	
Alberta AID	...	2,192	
AKFC	...	2,355	
ODA	...	913	
AKF (UK)	...	531	
OXFAM	...	552	
AKF (Pakistan)	...	7,156	
LB & RD	...	89	
APPLICATIONS			24,508
Recurrent Budget	...	3,995	
Training Programme	...	901	
Research and Survey	...	1,362	
Survey Equipment	...	542	
PPI Grants	...	13,913	
Land Development Implements	...	528	
Agricultural Inputs	...	142	
Fixed Assets	...	1,261	
Changes in Working Capital	...	1,864	
SURPLUS			5,464*

* Due to the late arrival of funds from donors during this quarter, commitments were built up during January, 1985. As a result, an additional Rs. 4,846 were expended between January 1 and January 31, 1985, reducing the surplus to Rs. 618.

CHAPTER TEN

MONITORING, EVALUATION AND RESEARCH

I. The Organisation of the MER Section

I.A. The First Two Years

At the time of AKRSP's inception the Board of Directors approved a job description for the Programme Economist which assigned him/her the following major responsibilities:

- (1) General planning for AKRSP, and the identification and appraisal of investment opportunities, in collaboration with professional colleagues;
- (2) Establishment of monitoring systems;
- (3) Preparation of baseline surveys and the initiation of internal evaluation exercises;
- (4) Supervision of other socio-economic components of the work of AKRSP, including research.

By early 1983, the Programme Economist's work had come to include documentation (on paper, film and tape), the preparation of proposals for donors, processing monitoring data on most activities, and writing quarterly and donor-specific reports. A Project Economist was recruited in February 1983, and a Programme Officer in April of that year. A Research Associate joined in October 1983, and completed the MER Section. (At present, the MER Section operates with a Monitoring Officer, instead of a short-term Research Associate).

During the first two years, the MER Section's time has been spent almost exclusively on documentation, monitoring, report-writing and donor proposals. Documentation includes the maintenance of the library and documents produced by AKRSP staff, supervision of the audio-visual unit and collaboration with outside filming and editing teams, and responsibility for the use of the micro-computer by all staff. The monitoring function has two stages, namely the collection of raw data from the field or from project records and the presentation and analysis of data in the form of appropriate indicators and discussions. An effort is underway to transfer the data collection function entirely to the relevant Sections of AKRSP, so that the MER Section can concentrate on its hitherto neglected analytical and evaluative functions. Similarly, all the Sections are being encouraged to supply their own narrative quarterly reports and plans, leaving the MER Section with editing responsibilities. General donor proposals, however, remain the exclusive responsibility of the MER Section.

The functions described above are now being fulfilled in a satisfactory

manner. The MER Section now needs to focus on the objectives of evaluation and research and the means of fulfilling those objectives.

I.B Future Directions and Staffing

The geographical and functional expansion of AKRSP activities, together with the need to initiate evaluation and research programmes, requires a reorganisation in the division of labour among the MER Section staff. In specific terms, proper job descriptions need to be drawn up for existing staff and future staffing requirements need to be identified as soon as possible. It is proposed that responsibility be assigned to individual staff members as follows:

Monitoring Officer - all monitoring, most donor reports, some discussion notes on project activities;

Programme officer - minutes of all meetings, documentation, case studies, some donor reports;

Programme Economist - evaluation, socio-economic research, regional statistics;

Project Economist - same as for Programme Economist.

In addition, it is proposed that a Senior Programme Officer be recruited immediately with responsibility for the quarterly Progress Reports, the Annual Review, donor proposals, and some discussion notes to formalise the process of ongoing evaluation. Finally, some allowance needs to be made for additional staff that might be required as a result of AKRSP's expansion. The recruitment of one or two individuals to augment the MER Section in late 1985 or in 1986 would allow for overlap with staff who may be leaving AKRSP at that time.

II. Objectives and the Methods of Evaluation

II.A The Objectives of AKRSP and Its Programmes

II.A.1 The Objectives of AKRSP

The general objective of AKRSP is to help build a more productive and stable environment in its project area and, in so doing, evolve a replicable model for high mountain development. The strategy chosen to accomplish this objective is one that begins with the formation and nurturing of broad-based Village Organisations that are expected to work with development agencies in implementing development projects at the village level. The fundamental premise of this strategy is that the communist model of development is unacceptable because it abolishes private property, and that the capitalist model is inapplicable because it depends on large holdings. Thus, only cooperative development can help small farmers rise above subsistence agriculture.

There are various aspects to the general objective which can be discussed in terms of at least four specific objectives. Progress towards these four objectives would measure the impact of AKRSP on its project area, and, thus, also reflect on the appropriateness of its chosen strategy. Presumably, a successful strategy would also imply success at evolving a replicable model for development.

The four objectives are:

Increased incomes. The target group is rural families and we would be concerned with increases in income per capita or per family in the countryside. Defined narrowly, income can be measured as cash income; more generally, it could be measured as the value-added in production together with non-farm incomes. Both these measures relate to the welfare of individual farmers. In terms of social cost-benefit analysis, the objective would be an increase in a community's income, over and above the expenditure incurred by AKRSP and the community, with both income and expenditure measured at social prices.

Sustainability, or permanence, of increased incomes. AKRSP's objective is to promote increases in incomes that can be sustained by villagers on their own once AKRSP is no longer there. More specifically, one could be concerned with the sustainability of any or all of three targets - a once-and-for-all increase in income levels, a once-and-for-all increase in the rate of growth of income, or an increasing rate of growth of income.

Equitable distribution of gains among the beneficiaries. Here, beneficiary groups can be differentiated on the basis of income-groups, tenorial classes of farmers, regions or sects, whichever scheme of classification is adopted, equitability is seen as a pre-requisite for social harmony and political stability. Another related objective is maximizing project coverage, in terms of both the number of households in each village and the number of villages in the project area.

Ecological Stability. This objective could be viewed in either of two ways - to preserve the ecological balance as it exists now, or to devise ways of improving the long-run balance between the consumption and availability of natural resources.

Although the preceding discussion seeks to operationalize the objectives of AKRSP, the outcome is not completely satisfactory since much ambiguity remains. The clarification of objectives is the first step towards evaluation and needs to be accomplished at an early date.

II.A.2 The Programmes of AKRSP

Since Progress towards the objectives is accomplished through the several programmes of AKRSP, and evaluation exercise would begin with an assessment of the impact of each of the programmes. Indeed, each programme, such as physical infrastructure, credit, extension, ect., can and should be evaluated separately on its own merits. Each programme can be thought of as having the same four objectives discussed previously. Furthermore, each programme,

and at times its constituent elements, can be thought of as a model for achieving the development of a particular rural sector, activity or enterprise.

The most remarkable model at AKRSP at present is that of productive physical infrastructure. Within this programme, the construction of irrigation channels and link roads is the most popular activity at the village level. Each type of project can be evaluated with respect to its contributions to productivity, sustainability, equitability and ecological stability. The same criteria can be used for the credit, extension and other programmes.

Since AKRSP programmes are implemented through the Village Organisation, the success or failure of a programme with respect to a particular criterion can provide insights into the ability of the Village Organisation to fulfill the objective in question.

II.A.3 Administrative Objectives

The discussion so far has focussed on the social impact of AKRSP and its programmes. The operative questions have been of the kind, "What is the impact on the project area of every hundred rupees extended by AKRSP?" In addition, there are a number of desirable characteristics which appear to be essential to the success of AKRSP. These can be referred to as administrative objectives, the most important of which are:

- (1) to have the capability to raise the necessary amount of capital from commercial and development agencies and the villagers;
- (2) to work constructively as a private company with the government and with appropriate research institutions, development agencies and commercial firms;
- (3) to make strategic or programmatic course-corrections as and when required;
- (4) to attract and retain professional staff of a high calibre.

II.B Some Methods of Evaluation

II.B.1 Evaluation of Administrative Objectives

Although some of the administrative objectives noted above can only be evaluated qualitatively, in the form of discussions of successes and failures, others are amenable to qualitative analysis. The key concept that could prove useful in quantitative assessments is that of "leverage." For instance, progress towards the objective of raising funds from various donors can be assessed in both absolute and relative terms. In absolute terms, the relevant figures are dollar or rupee amounts committed to AKRSP or the amounts per household in the project area; in relative terms, the relevant figures are donor funds expressed as multiples of the seed money provided by the Aga Khan Foundation in various years. The last measure is an indication of the leverage obtained by the funds provided by the principal donor.

Similarly, the productive physical infrastructure projects financed by AKRSP are often extended by the villagers themselves beyond the plans prepared in association with AKRSP. Engineering re-surveys of completed projects would give financial estimates of the contributions made by villagers. The ratio of villagers' contribution to AKRSP's contribution is an indicator of the leverage obtained by AKRSP. The pooling of AKRSP and government resources for certain development programmes is also a desirable objective. In this case, the contributions of each party to a common programme can be expressed in terms of leverage.

It should be noted, however, that the concept of leverage needs to be interpreted with extreme care, for more leverage is not necessarily better. As an example, suppose that AKRSP succeeds in obtaining the pooling of the entire budget of a District Council for a common productive physical infrastructure programme. Its success might be viewed as undermining the national policy of promoting certain local government institutions. Likewise, access to large amounts of bilateral donor funds might be perceived as jeopardizing the success of selected government programmes. Finally, the contribution of villagers to PPI projects might impair their ability to accumulate sizable savings in the Village Organisation account.

In addition to the indicators of leverage, quantitative measures can also be used to evaluate progress towards some other objectives. For instance, the average time lag between the availability of a staff position and the recruitment of a person to fill that position is an indicator of AKRSP's ability to attract competent staff. The number of joint projects undertaken with research institutions and development agencies is one indicator of AKRSP's ability to work constructively with such organisations.

With ingenuity, some more specific objectives could also be quantified. Quantitative measures can make a useful contribution to qualitative discussions of success and failure.

II.B.2 Analysis of Social Benefits and Costs

In the analysis of the social impact of AKRSP programmes, the contribution of each programme component is to be assessed with respect to the four objectives mentioned earlier. As much as possible, the effects of AKRSP's efforts have to be separated from changes that occurred due to other reasons.

By far the most tractable objective to evaluate is that of increased incomes. With the help of baseline surveys, other benchmark data, and a knowledge of AKRSP inputs, it is possible to estimate various measures of income, with and without AKRSP intervention. The methodology is available even for estimating apparently complex interactions. For example, increased water supply from an irrigation channel might lead to increased yields or a new cropping pattern. The application of fertiliser will generate a positive interaction with increased water availability. Improved varieties will add their own and interactive contributions. The interactions can be estimated from field trials and crop-cutting surveys. On the benefit side, the contribution of AKRSP would

be those inputs and quantities that were not available before; the existing water supply, the previous level of fertiliser use, and the previous average yield are not to be attributed to AKRSP. On the cost side, contributions made by villagers and other agencies are to be counted as costs and not, as with leverage calculations, as benefits. Benefits and costs need to be calculated, in the final analysis, in terms of social prices and not necessarily market prices or private costs.

Issues pertaining to the sustainability of higher incomes can also be conceptualized readily, though quantification is somewhat more difficult. It would be useful to examine the sources of higher incomes for signs of permanence of decay. For instance, if irrigation channels are being maintained regularly, they are likely to be permanent additions to the region's physical capital. If a para-veterinarian trained by AKRSP is being compensated for his/her medicines and services by fellow villagers, he/she will continue to perform the functions for which he/she was trained. If the recovery of loans is on time, the prospects for a permanent revolving fund would appear to be bright. The sustainability of a loan fund could be ascertained by making a few calculations using the recovery rate, e.g., by calculating the number of years a revolving fund might last with a given recovery rate of less than 100%. Thus, with a 25% default rate, the original revolving fund would be reduced to less than 10% its size in 8-9 years; with 33% default, this stage would be reached in about 3 years, so that a 25% default rate is roughly 3 times as sustainable as a 33% default rate.

The widespread and equitable distribution of income gains can be assessed only with a number of complicated analyses. The coverage provided by a particular AKRSP programme within a region, an income-group or the entire project area, reflects how widespread the benefits of that programme have been. However, it is clear that not all the regions and individuals have the same pattern of needs; AKRSP's coverage might well reflect the given opportunities and constraints faced by villagers rather than a management bias or omission. The same qualification applies to measures of equitability. For instance, irrigation channels will result in larger absolute income gains in double-cropping zones than in single-cropping areas. Conversely, a livestock improvement programme might confer larger income gains in higher villages because of larger livestock numbers. Thus, assessments of equitability would have to not only choose from different theoretical measures of income distribution, but also reconsider actual estimates of various measures in light of the agro-climatic and socio-economic setting of particular programmes.

In assessing AKRSP's impact on the ecology of the region, the first step would be to look for the presence or absence of changes brought about by project activities. Next, a judgement needs to be made about whether such changes were adverse or beneficial. This could be an involved exercise: a link road that makes possible the marketing of wood from a village depletes the forest and increases incomes and thus has at least two opposing effects. In the case of natural resources such as forests, pastures and rivers, property rights are vested not in individuals but in society at large. The result is often a depletion of resources that is faster than socially optimal rates of utilization. Thus the institutional context needs to be kept in view in interpreting any

adverse changes. Evaluation would be simpler, however, for such programmes as those that promote forest plantation as a source of higher incomes.

It would not be realistic to evaluate all the programmes of AKRSP in the first 3-4 years of the Company. The PPI programme is fairly well advanced; the marketing and women's programmes are only just beginning; and the credit programme is somewhere in between. Moreover, not all the expected increases in incomes can materialize in the first one or two years, and assessments regarding sustainability and ecological stability might be premature until some time later. There is an obvious need, however, to articulate the specific objectives of each component of AKRSP's work, and then prepare a timetable for the evaluation of each programme and each objective. These tasks need to be addressed as soon as possible.

III. Social Science Research

While preparatory work for evaluation is already underway, efforts at social science research have been few and tentative. However, in 1984, the Board of Directors of AKRSP approved a proposal for a small Social Science Research Programme (SSRP) that could be added to the company. The final shape of SSRP, and its timing and duration, will depend on the availability of research funds. Although some donors have shown interest in funding SSRP, no commitments have been made thus far.

The purpose of the SSRP is to document, analyse and understand the behaviour of rural dwellers in the project area as well as the impact of the innovations being introduced. Thus the SSRP is designed specifically to promote the effectiveness of the work of AKRSP, as well as to attempt generalisations about approaches to rural development. There is almost no experimentation with approaches to rural development in Pakistan. Thus, AKRSP has already achieved considerable interest among high government officials and among donor agencies, five of which are providing financial support to the Programme. Similarly, there is little research of quality on rural development in the country. AKRSP and its proposed research activity have, therefore, significance in a country in which 73% of the population lives in rural areas. At the same time, AKRSP is tackling the problem of the peoples of high mountain valleys, a challenge that is generic to many parts of the developing world. Lessons learned in AKRSP would be of assistance in similar environments elsewhere.

Except for the occasional foreigner and one U.S.-based Pakistani anthropologist, no serious social science research has been conducted in Gilgit and Chitral Districts. FAO/UNDP has a small integrated rural development project in Gilgit, which is conducting some agronomic research. In part because of this vacuum, the SSRP proposal has generated considerable interest among Pakistani social scientists.

SSRP also plans some overseas affiliations to strengthen its research capability. These will depend on the particular strengths of the respective institutions, as well as on their interest in conducting research on Pakistan. The selection of institutional partners will be based on their empirical research records. In addition to collaboration with universities in industrial countries, an effort

will be made to seek exchanges with institutions in developing countries and with appropriate international resource bases (such as the International Centre for Integrated Mountain Development in Nepal).

AKRSP already has some research facilities. The most important among these are the credibility of AKRSP staff in the two Districts and the organisational infrastructure that makes research possible. The major research undertaken by AKRSP management in its first year has centered around the identification of the development potential of the project area villages. This was done through the Diagnostic Survey, which consists of a series of dialogues with each village. Although the primary objective of the Diagnostic Survey is to prepare a comprehensive portfolio of development projects, an important secondary objective is to document the socio-economic conditions of the area. This has been done through what are essentially direct observation methods; observations on each village visited by AKRSP management have been filed for future reference. One result of this endeavour has been a sharper understanding of the problems and potentials of rural development in the project area. This knowledge was used intensively in the preparation of baseline and crop-cutting surveys that are being used in current and future evaluation exercises. In 1984, an agro-economic research project was also initiated in collaboration with the CIMMYT South office in Islamabad.

Since the research is designed to improve the effectiveness of AKRSP, the principal beneficiaries of SSRP will be the peoples of northern Pakistan. These beneficiaries will be involved in the research as outlined above. Other beneficiaries include the staff of AKRSP, those concerned with rural development in Pakistan, social scientists working on Pakistan, and the donor community.

ANNUAL STATISTICAL ABSTRACT

This abstract covers the period December, 1982 - December, 1984.

		Chitral	Gilgit
I. Project Area			
1. Area (Sq. Km)	..	12,300	31,100
2. Population	..	240,000	255,243
3. No. of households (approx)	..	28,811	30,617
4. No. of villages (approx)	..	500	306
II. Overall Coverage			
1. No. of villages in which projects identified		133	296
2. Projects as % of I.4	..	26%	97%
3. No. of villages surveyed	..	89	253
4. ....As % of II.1	..	66%	85%
III. Social Organisation			
1. No. of Village Organisations	..	90	289
2. Membership of all VOs (est)	..	7,920	23,120
3. Total savings (Rs. million)	..	0.73	5.14
4. % of households of project area covered by VOs	..	27%	75%
IV. Productive Physical Infrastructure			
1. Total No. of projects identified	..	274	432
2. Estimated cost of these projects (Rs. million)		32.59	57.70
3. No. of projects initiated	..	52	177
4. No. of beneficiary households	..	4,500	18,480
5. Cost of initiated projects (Rs. million)		6.36	22.46
6. Physical progress (%)	..	70%	87%
7. No. of projects completed	..	21	93
V. Agricultural Credit			
1. Amount of loans (Rs. million)	..	0.28	3.24
2. No. of borrowing VOs	..	14	180
3. No. of beneficiary farmers (including multiple loans)	..	734	16,759
4. Loan amount due (million Rs.)	..	0.14	0.51
5. % of amount in default (overdue by 12 months)	..	0	2.8%

	Chitral	Gilgit
VI. Extension Training		
1. No. of courses	..	11
2. No. of kits distributed	..	243
3. No. of refresher courses	..	4
4. No. of trainees	..	270
5. No. of VOs & WOs represented	..	214
6. No. of managers' conference	..	12
VII. Marketing		
1. No. of participating VOs	..	19
2. No. of loanee VOs	..	8
3. Total amount of loans (Rs.)	..	182,000
4. Total receipts (Rs.)	..	483,239
5. Total expense (Rs.)	..	428,986
6. Total profit (Rs.)	..	54,253
VIII. Women's Programme		
1. No. of Women's Organisations	..	72
2. Membership	..	4,156
3. Savings (Rs. million)	..	0.52
4. No. of poultry courses	..	3
5. No. of WOs procuring polyester	..	60

End Table 2

**VILLAGE ORGANISATIONS FORMED
DURING 1984 WITH ACTIVITIES UNDERTAKEN**

\$ = PPI + = Credit
> = Vill. Spclt. Trng

* = Women's Programme
% = Marketing

S. No.	Village Organisations	Activities undertaken
DISTRICT GILGIT		
Sub-Division: Hunza		
1.	Passu ..	\$ + > *
2.	Gulmit ..	\$ + *
3.	Misgar Paeen ..	\$ + > *
4.	Ghulkin ..	\$ + > *
5.	Soust ..	\$ + > *
6.	Gircha ..	\$ + *
7.	Shishkat Bala ..	\$ + > *
8.	Khaiber ..	\$ + > *
9.	Morkhon ..	\$ + > *
10.	Kil ..	\$ + >
11.	Yarzirich ..	\$ >
12.	Zodokhon ..	\$ + >
13.	Ispanj ..	\$ + > *
14.	Shutmerk ..	\$ >
15.	Risht ..	\$ + > *
16.	Kirmin ..	\$ + >
17.	Raminji ..	\$ + > *
18.	Shehrsabz ..	\$ + *
19.	Misgar - Zakirabad ..	\$ + >
20.	Shimshal centre ..	>
21.	Shimshal - Sholalakhsh ..	
22.	Jamalabad ..	\$ +
23.	Shimshal - Chokarth ..	
24.	Khudaabad ..	*
25.	Shishkat centre ..	\$ > *
26.	Imamabad ..	
27.	Aeenabad ..	\$ +
28.	Hussani ..	*

29.	Altit	..	\$	+	>	*
30.	Hussainabad	..	\$	+	>	*
31.	Murtaza Abad Paeen	..	\$	+	>	*
32.	Maiun	..	\$	+	>	*
33.	Haiderabad Bala	..	\$	+	>	* %
34.	Haiderabad Paeen	..	\$	+	>	*
35.	Baltit - Diramitting	..	\$			
36.	Roshanabad - Sherabad	..	\$	+	>	*
37.	Ahmadabad	..	\$	+	>	
38.	Dorkhand	..	\$			
39.	Aliabad - Aga Khanabad	..	\$		>	
40.	Aliabad - Baratalling	..	\$			
41.	Aliabad - Diramitting	..	\$			
42.	Aliabad - Khorokutz	..	\$			
43.	Aliabad - Brongshull	..	\$			
44.	Khizirabad	..	\$	+	>	
45.	Khanabad	..		+	>	*
46.	Nasirabad Bala	..		+	>	*
47.	Attaabad Bala	..	\$	+		
48.	Attaabad Paeen	..	\$	+		
49.	Ghame-e-Sarat	..	\$			
50.	Sarat	..	\$			
51.	Ganjish - Giram	..	\$	+		
52.	Ganjish - Garilth	..	\$	+	>	*
53.	Ganjish - Kalan	..	\$	+		
54.	Nasirabad Bala II	..				*
55.	Nasirabad Paeen I	..		+		
56.	Nasirabad Paeen II	..				*
57.	Hassanabad centre	..				
58.	Mominabad	..				
59.	Faizabad	..	\$			
60.	Haiderabad - Brongshal	..				
61.	Baltit - Brongshull	..				*
62.	Baltit - Baratalling	..				*
63.	Baltit - Khorokutz	..				*
	Sub-Division Nagar					
64.	Chayan	..	\$			
65.	Manalokushal	..	\$	+		
66.	Ratal	..	\$	+	>	
67.	Hakalshal	..	\$	+	>	

68.	Holshal	..	\$	+	>	
69.	Brushal	..		+	>	
70.	Lower - Miachar	..	\$	+	>	
71.	Dadimal Bala	..	\$		>	
72.	Fikkar	..	\$		>	
73.	Ghoshoshal	..	\$	+	>	
74.	Sumayr Khai	..	\$	+	>	
75.	Dadimal Paeen	..	\$			
76.	Kazimabad	..				
77.	Chamaling	..			>	
78.	Chatorkhand	..			>	
79.	Hakuchar	..		+		
80.	Shahyar	..				
81.	Shahirabad	..				
82.	Rahbat Paeen	..	\$	+	>	
83.	Chalt Bala	..	\$	+	>	
84.	Sonikote	..	\$	+	>	
85.	Mamishididing	..	\$	+	>	
86.	Boladus	..	\$	+		
87.	Miachar Bala	..	\$		>	
88.	Rahbat Bala	..		+		
89.	Pissan	..	\$	+	>	
90.	Phoghrish	..				
91.	Chalt Paeen	..	\$	+	>	
92.	Chaproat Bala	..			>	
93.	Sadiqabad Bur	..	\$			
94.	Dododass Bur	..	\$			
95.	Muradabad Bur	..	\$			
96.	Ghulmat Bala	..	\$	+	>	
97.	Ghulmat Paeen	..	\$	+	>	
98.	Minapin	..	\$	+	>	%
99.	Masote	..				
100.	Tong Dass	..				
101.	Sikanderabad	..		+	>	*
102.	Jaffarabad	..			>	
103.	Dass Giram	..				
Sub-Division: Gilgit						
104.	Oshikandass	..	\$	+	>	*
105.	Mohammadabad	..	\$	+	>	
106.	Rahimabad I	..	\$	+	>	* %

107.	Sultanabad	..	\$	+	>	*	%
108.	Nomal - Aminabad	..	\$	+	>	*	
109.	Sonikot Bala	..	\$	+		*	
110.	Juglote Sai - Kashmiri Mohallah	..	\$	+	>		
111.	Hanuchal	..	\$	+	>		
112.	Hoopay	..	\$	+	>		
113.	Jutal	..	\$	+	>		
114.	Rahimabad II	..	\$	+		*	
115.	Shahkarim Hostel	..	\$				
116.	Danyore centre	..	\$	+	>	*	
117.	Sakarkoi	..	\$	+	>		
118.	Nomal Batote	..	\$	+			
119.	Datuchi	..	\$	+	>		
120.	Nomal - Juglote Bala	..		+			
121.	Gwachi	..	\$	+			
122.	Danyore - Princeabad	..	\$	+	>	*	%
123.	Jalalabad I	..	\$	+	>		
124.	Shootha	..	\$	+			
125.	Damote Dass	..	\$				
126.	Damote Paidan	..	\$	+			
127.	Damote Shahote	..	\$				
128.	Damote Waziri Mohallah	..	\$				
129.	Damote Kote	..	\$		>		
130.	Furfoo	..	\$	+	>		
131.	Jalalabad II	..	\$				
132.	Nomal Sehgal	..	\$				
133.	Nomal - Madinatul Karim	..	\$			*	
134.	Hussainabad	..					
135.	Bargo Paeen	..	\$	+			
136.	Henzel	..	\$	+			
137.	Shikyote	..	\$	+			
138.	Damote - Manote	..					
139.	Naltar Paeen	..	\$				
140.	Danyore - Syedabad	..		+			
141.	Danyore - Umpharee	..	\$	+	>		
142.	Bulchi	..		+			
143.	Rahimabad Paeen	..					
144.	Bargo Bala	..	\$		>		
145.	Sher Colony	..	\$	+			
146.	Nomal - Sadaruddinabad	..				*	
147.	Naltar Bala I	..	\$	+			

148.	Naltar Bala II	..	\$			
149.	Majukal	..	\$	+		*
150.	Pari I (Old)	..	\$	+		
151.	Pari II (New)	..	\$	+		
152.	Sikwar	..	\$	+	>	
153.	Damote Bargin	..	\$	+		
154.	Balas	..	\$	+	>	
155.	Yarkote Khomer	..	\$			
156.	Oshikhandass	..				
157.	Furfoo Pathi	..				*
158.	Chakarkote Het	..	\$			
159.	Hamaran	..				
160.	Damote Barmas	..	\$		>	
161.	Sharote	..				
162.	Tholedass	..				
163.	Chakarkote Maidan	..		+		
164.	Chakarkote proper					
165.	Zarote	..				
166.	Sagote	..				
167.	Shamrote	..				
168.	Minawar	..				
169.	Soniyar	..				
170.	Sinakar	..				
171.	Shahtote	..	\$			
172.	Dassu	..				
173.	Barchi (Haramosh)	..		+	>	
174.	Jutial	..				*
175.	Mehdiabad	..				
176.	Majinee Mohammad	..				*
177.	Zulfiqarabad	..				
Sub-Division: Punyal-Ishkoman						
178.	Japuka	..	\$	+	>	
179.	Singal	..	\$	+	>	*
180.	Gulmuti Paeen	..	\$	+	>	
181.	Sherqilla centre	..	\$	+	>	* %
182.	Gulapur	..	\$	+		
183.	Grunjar	..	\$	+	>	*
184.	Gich	..	\$	+	>	
185.	Dalnati	..	\$	+	>	
186.	Hatun Bala (Old)	..		+	>	

187.	Buber Shamyote	..	\$	+			
188.	Singal - Thingdass	..	\$	+		*	
189.	Buber - Khutum	..	\$	+	>		
190.	Damass Paeen	..	\$	+	>		
191.	Chilpi Paeen	..	\$		>		
192.	Golodass	..	\$		>	*	
193.	Damass Bala	..			>		
194.	Buber Paeen	..	\$				
195.	Kanchi	..					
196.	Famani	..					
197.	Goharabad	..					
198.	Sherqilla Umpharee	..	\$	+	>	*	%
199.	Sherqilla - Rashmal	..	\$	+	>	*	%
200.	Gulmuti Bala	..					
201.	Aishi Bala	..					
202.	Gahkuch centre	..				*	
203.	Gahkuch Sariyote	..		+	>		
204.	Gahkuch Paeen	..			>		
205.	Hayam Hoper	..					
206.	Hatun Paeen	..					
207.	Silpi Bala	..			>		
208.	Kuchdeh	..	\$	+	>	*	
209.	Phakora	..	\$	+	>		
210.	Shunas	..	\$	+	>		
211.	Chatorkhand	..		+	>	*	
212.	Daheen	..	\$	+	>		
213.	Imit	..	\$	+			
214.	Hassis	..	\$	+	>	*	
215.	Rahimabad	..	\$	+			
216.	Gaon Bala	..	\$	+			
217.	Gaon Paeen	..	\$	+			
218.	Faizabad	..	\$	+			
219.	Mominabad	..	\$	+			
220.	Dalti Thapushkin	..	\$	+			
221.	Bar Jungle	..	\$	+	>		
222.	Balhanz	..		+			
Sub-Division: Gupis-Yasin							
223.	Gupis	..	\$	+	>		
224.	Janrote	..	\$	+	>		
225.	Phander Bala	..	\$	+	>		

226.	Teru	..	\$	+	>	
227.	Khalti	..	\$	+	>	
228.	Hakis	..	\$	+	>	
229.	Roshan	..	\$	+	>	
230.	Sumal	..	\$	+	>	
231.	Yangal	..	\$	+	>	
232.	Dahimal	..	\$	+	>	
233.	Moulaabad	..	\$	+	>	%
234.	Rahimabad	..	\$	+	>	*
235.	Dalomal	..	\$		>	
236.	Sarbal	..	\$	+	>	
237.	Shamara	..	\$			
238.	Karimabad	..	\$		>	
239.	Dar - Barkulti Bala	..	\$		>	
240.	Chashi	..	\$			
241.	Khanakoi	..		+		
242.	Pingal	..				
243.	Barsat	..	\$			
244.	Dar-Barkulti Paeen	..				
245.	Phander Paeen	..			>	
246.	Hamardas	..				
247.	Bujayote	..	\$	+	>	
248.	Nooh	..	\$		>	
249.	Yasin Bala	..	\$	+	>	
250.	Murka	..	\$	+		
251.	Taoos Bala	..		+	>	
252.	Taoos Paeen	..	\$	+	>	
253.	Yasin Paeen	..		+	>	
254.	Barkulti Paeen	..	\$	+	>	* %
255.	Gindai Bala	..	\$	+	>	
256.	Barkulti Bala	..	\$	+	>	
257.	Gujalti	..	\$	+	>	
258.	Sultanabad	..	\$	+	>	* %
259.	Barkulti Par	..	\$	+	>	
260.	Dalsundi	..	\$	+	>	
261.	Sundi Paeen	..	\$	+	>	
262.	Atkash	..	\$	+		
263.	Qorkulti	..		+		
264.	Sundi Bala	..	\$	+	>	
265.	Nazbar	..	\$	+	>	
266.	Manich	..	\$			

267.	Damalgan - Gindai	..	\$ + >	215
268.	Thoi Dass	..	+	217
269.	Thoi Konu Chiret	..	+	218
270.	Hundur Par	..	+	219
271.	Rahimabad Shoth	..	+	220
272.	Omulchit	..	\$ + >	221
273.	Hunder Paeen	..	\$ +	222
274.	Harfu Centre - Thoi	..		223
275.	Thoi - Thalti	..		224
276.	Hunder Bala	..	+	225
277.	Dalgram I - Darkut	..	+	226
278.	Khatgram - Darkut Paeen	..	+	227
279.	Darkut Dass	..	+	228
280.	Harfu Paeen - Thoi	..	\$ +	229
281.	Harfu Bala - Thoi	..		230
282.	Darch	..	\$ +	231
283.	Draskin	..	\$	232
284.	Ishkam Dass - Nalti	..	\$ +	233
285.	Thoi Nalti	..		234
286.	Thoi Karimabad	..		235
287.	Thoi Dalkor - Dapass	..		236
288.	Darkut - Gerthenz	..	+	237
289.	Ghaingsel	..		238

DISTRICT CHITRAL

Sub-division: Bunni

290.	Brep centre	..	\$	239
291.	Rathami Brep	..		240
292.	Mustuj	..	\$	241
293.	Chinar Toque	..	\$	242
294.	Kargin	..	\$ +	243
295.	Chapali	..	\$	244
296.	Shuist	..		245
297.	Dizg	..		246
298.	Parkusap	..	\$	247
299.	Dewseer	..		248
300.	Churun	..	\$	249
301.	Parwak Bala	..		250
302.	Avigole	..	\$	251
303.	Lasht gramtri	..	\$ +	252
304.	Goldesh Bonni	..		253

343.	Shote I	..		
344.	Shote II	..		
345.	Shote III	..		
346.	Bitragram	..		
347.	Danmar	..		
348.	Gram	..	\$	
349.	Dromeel	..	\$	
350.	Shershall	..	\$ +	
351.	Shoghor	..		
352.	Sewakht	..	\$ +	
353.	Tashgar	..		
354.	Sunich	..	\$ +	
355.	Hinjeel	..	+	
356.	Madasheel	..		
357.	Momi	..		
358.	Gistini	..	\$	
359.	Aguti Goh	..	\$	
360.	Kowl	..		
361.	Jator	..	\$	
362.	Ouch Gole	..	\$	
363.	Gujal	..	\$	
364.	Birzeen	..	\$	
365.	Moush	..		
366.	Postaki	..		
367.	Darband	..		
368.	Mizhi Gram	..		
369.	Newest	..		
370.	Gufti	..	\$	
371.	Koji	..	\$ +	
372.	Munoor	..		
373.	Merdin	..	\$	
374.	Irjiak	..	\$	
375.	Parabic	..	\$	
376.	Gulush	..	\$	
377.	Deghari	..	\$	
378.	Moroi P.	..	\$ +	
379.	Gotseh	..	\$	

**WOMEN'S ORGANISATIONS: PARTICIPATION IN AKRSP PROGRAMME
ACTIVITIES AS OF DECEMBER 31, 1984**

+ = Quilt Production

* = Poultry keeping

> = Poultry training

(<)= Nut cracking machine

S.No.	Village Organisations	Activities undertaken
Hunza Sub-Division		
1.	Passu	.. + > <
2.	Morkhon	.. + >
3.	Soust	.. +
4.	Ghulkin	.. + >
5.	Sishkat Centre	..
6.	Gulmit - Gauz	.. + > <
7.	Gulmit	.. + > <
8.	Gulmit - Kamares	.. + >
9.	Ispanj	.. +
10.	Hussaini	.. + >
11.	Khaiber	.. +
12.	Shehrsabz	..
13.	Shishkat Paeen	.. + >
14.	Risht	.. +
15.	Sartez Gircha	..
16.	Khudaabad	.. +
17.	Raminji	.. +
18.	Haiderabad Bala	.. + > <
19.	Haiderabad Paeen	.. + > <
20.	Baltit - Khorukhutz	.. + >
21.	Baltit - Barataling	.. > <
22.	Altit	.. + >
23.	Maiun	.. + >
24.	Altit - Sultanabad	.. <
25.	Ghamesarat	.. +
26.	Nasirabad Bala	.. +
27.	Baltit - Brongshull	..
28.	Barataling (Shanukoshal)	.. + <
29.	Nasirabad Paeen-I	.. +
30.	Aliabad - Fotardar	..

31.	Aliabad - Dalat	..			
32.	Aliabad Centre	..	+		
33.	Aliabad - Sultanabad	..	+		
34.	Nasirabad-II	..			
35.	Maulaabad	..			
36.	Khanabad	..	+		<
37.	Hussainabad Centre	..	+	*	<
38.	Ganish - Garilth	..	+		
39.	Aliabad - Rahimabad	..			
40.	Hussainabad-II	..	+		
41.	Murtazabad Bala	..	+		
42.	Aliabad - Ghulkin	..			
43.	Hussainabad Bala	..	+		
44.	Hussainabad Paeen	..	+		
Sub-Division Gilgit					
45.	Oshikandass Centre	..	+	>	* <
46.	Sultanabad	..	+	>	
47.	Nomal - Aminabad	..	+		*
48.	Nomal - Sadruddinabad	..	+	>	*
49.	Rahimabad Bala	..	+	>	<
50.	Rahimabad Paeen	..	+	>	
51.	Danyore - Princeabad	..	+	>	
52.	Danyore - Mohammadabad	..	+		
53.	Oshikandass Bala	..	+	>	*
54.	Oshikandass Farfoo	..	+	>	*
55.	Sonikot	..	+		
56.	Zulfiqarabad	..	+		
57.	Jutial	..	+		
58.	Danyore - Shireenabad	..	+		
59.	Danyore - Jamaat Khana 4	..	+		
60.	Danyore - Majukal	..	+		
61.	Danyore - Chikaskot	..	+		
62.	Oshikandass - Aminabad	..		>	
Sub-Division: Punyal-Ishkoman					
63.	Sherqilla	..	+	>	<
64.	Thingdass	..			
65.	Hassis	..	+		
66.	Gahkuch	..	+		<
67.	Singal	..	+		<

68.	Golodass	..		
69.	Kuchdeh	..		
70.	Gurunjar	..	+	<

Sub-Division: Yasin-Gupis

71.	Sultanabad	..	+	
72.	Barkulti Paeen	..	+	

PRODUCTIVE PHYSICAL INFRASTRUCTURE
AGGREGATE PHYSICAL INDICATORS AND UNIT COSTS, 1983-84

I. Summary: Physical Indicators of Projects Initiated

	Irrigation Channels (km)		Link Roads (km)	Protective Works(m)	Reservoirs & Tanks (m ³)
	Widening & Extension	All- New			
<u>1983</u>					
Gilgit	130.8	36.3	32.9	2,270	3,809
Chitral	10.8	39.4	0	490	0
Total	141.6	75.7	32.9	2,760	3,809
<u>1984</u>					
Gilgit	78.9	97.3	43.5	472	6,744
Chitral	0	36.0	8.9	1,923	0
Total	78.9	133.3	52.4	2,395	6,744
<u>1983-84</u>					
Gilgit	209.7	133.6	76.4	2,742	10,553
Chitral	10.8	75.4	8.9	2,413	0
Total	220.5	209.0	85.3	5,155	10,553

II. Summary: Total Cost of Projects Initiated (Rs. '000)

<u>1983</u>					
Gilgit	2,976	2,132	1,858	1,463	501
Chitral	634	2,538	0	543	0
Total	3,610	4,670	1,858	2,006	501
<u>1984</u>					
Gilgit	2,333	5,757	3,039	348	880
Chitral	0	1,147	286	1,367	0
Total	2,333	6,904	3,325	1,715	880
<u>1983-84</u>					
Gilgit	5,309	7,889	4,897	1,811	1,381
Chitral	634	3,685	286	1,910	0
Total	5,943	11,574	5,183	3,721	1,381

III. Summary: Unit Costs of Projects Initiated

	Irrigation Channels (Rs. '000 per km)		Link Roads (Rs. '000 per km)	Protective Works (Rs. '000 per 100m)	Reservoirs & Tanks (Rs. '000 per 100m ³)
	Widening & Extension	All- New			
<u>1983</u>					
Gilgit	22.8	58.7	56.5	64.4	13.2
Chitral	58.7	64.4	-	110.8	-
Total	25.5	61.7	56.5	72.7	13.2
<u>1984</u>					
Gilgit	29.5	59.2	69.8	74.0	13.0
Chitral	-	31.9	32.1	71.1	-
Total	29.5	51.8	63.5	71.6	13.0
<u>1983-84</u>					
Gilgit	25.3	59.0	64.1	66.0	13.1
Chitral	58.7	48.9	32.1	79.2	-
Total	30.0	55.4	60.8	72.2	13.1

IV. Irrigation Channels

During 1983-84, 106 irrigation channel projects were initiated in Gilgit District, including 50 all-new channels. In Chitral, funds were committed for 28 projects, including 17 new channels. The typical cross-section for these projects would be trapezoidal, with top 4 feet, bottom 2 feet and depth 2 feet, implying a discharge of 6 cusecs, enough to irrigate at least 300 acres and at most 600 acres. The number, average length and average cost of these projects is given below.

	No. of Channels		Average Length (km)		Average Cost (Rs. '000)	
	Widening & Extension	All-New	Widening & Extension	All-New	Widening & Extension	All-New
1983						
Gilgit	35	13	3.74	2.79	85.0	164.0
Chitral	11	11	0.98	3.58	57.6	230.7
Total	46	24	3.08	3.15	78.5	194.6
1984						
Gilgit	21	37	3.76	2.63	111.1	155.6
Chitral	0	6	-	6.00		191.2
Total	21	43	3.76	3.10	111.1	160.6
1983-84						
Gilgit	56	50	3.74	2.67	94.8	157.8
Chitral	11	17	0.98	4.44	57.6	216.8
Total	67	67	3.29	3.12	88.7	172.7

V. Link Roads

In Gilgit, 30 link road projects were initiated in 1983-84; another 3 were started during the same period in Chitral. The typical link road is 12 feet wide, though villagers increase the width to 14 feet or 16 feet wherever land is available at a low cost to the Village Organisation.

	No. of Roads		Average Length (km)		Average Cost (Rs. '000)	
1983						
Gilgit	15		2.19		123.9	
Chitral	0		-		-	
Total	15		2.19		123.9	
1984						
Gilgit	15		2.90		202.3	
Chitral	3		2.97		95.3	
Total	18		2.91		184.7	
1983-84						
Gilgit	30		2.55		163.2	
Chitral	3		2.97		95.3	
Total	33		2.58		157.1	

VI. Protective Works

Thirteen flood protection works were initiated during 1983-84 in Gilgit, and 14 in Chitral. The typical spur has a base width of 6 feet and a height of 3 feet, in addition to the apron. All the spurs in Gilgit are made from GI wire crates filled with rocks and stones; in Chitral, some villages use wooden crates for the purpose.

	No. of Projects	Average Length (meters)	Average Cost (Rs. '000)
<u>1983</u>			
Gilgit	10	227.0	146.3
Chitral	5	98.0	108.6
Total	15	184.0	133.7
<u>1984</u>			
Gilgit	3	157.3	116.0
Chitral	9	213.7	151.9
Total	12	199.6	142.9
<u>1983-84</u>			
Gilgit	13	210.9	139.3
Chitral	14	172.4	136.4
Total	27	190.9	137.8

VII. Sedimentation Tanks and Storage Reservoirs

During 1983-84, work was started on 9 storage reservoirs and 2 sedimentation tanks in Gilgit. In Chitral, no storage reservoirs or sedimentation tanks have been financed by AKRSP so far.

	No. of Projects	Average Capacity (m ³)	Average Cost (Rs. '000)
1983	4	952.3	125.3
1984	7	963.4	125.7
1983-84	11	959.4	125.5

(Figures pertain to Gilgit only).

VIII. Suspension Bridges

Five suspension bridges were funded in Chitral in 1983, and 2 in Gilgit in 1984. The typical wooden bridge is 6 feet wide and is suspended by 12 steel cables.

	No. of Projects	Average Length (m)	Average Cost (Rs. '000)
1983 (Chitral)	5	12.6	56.2
1984 (Gilgit)	2	27.4	131.0
1983-84	7	16.8	77.6

DONOR FUNDS AND THE PPI PROGRAMME 1983-84

(money amounts in '000 Rs.)

D O N O R	Funds Committed by Donors			PPI Programme			Free Balance for AKRSP to Commit
	Total	Received	Balance to Receive	No. of Ppits	Total Cost	Amount Disbursed	Balance to Disburse
1. ODA	3272.2	1240.3	2031.9	17	2058.2	1343.7	714.5
2. OXFAM	1699.7	1155.0	544.7	17	1518.7	819.6	699.1
3. Ford Foundation	1290.4	794.9	495.5	9	788.0	753.1	34.9
4. CIDA	14713.6	14684.4	29.2	139	18048.3	12528.4	5519.9
5. Alberta Aid	2192.0	2192.0	0	13	2013.9	1859.8	154.1
6. LB & RD	178.0	89.0	89.0	2	214.5	744.0	140.1
7. AKF*	25422.2	24662.7	759.5	37	4757.5	3887.7	870.0
Total:	48768.1	44818.3	3949.8	234	29399.3	21266.7	8132.6
							898.7

* Includes PPI and non-PPI commitments and expenditures on account of AKF (Canada), AKF (USA), AKF (UK) & AKF (Pakistan).

PROJECTED PPI PROJECTS, BY DISTRICT, 1983-1990

District	1983	1984	1985	1986	1987	1988	1989	1990	Total
Gilgit	80	97	100	73	-	-	-	-	350
Chitral	32	20	75	74	88	75	75	61	500
Baltistan	-	2	25	53	75	75	75	64	369
Total:	112	119	200	200	163	150	150	125	1219

PROJECTED PPI PROJECTS, BY TYPE OF PROJECT
AND YEAR, 1983-1990

S.No.	Sector/Year	1983	1984	1985	1986	1987	1988	1989	1990	Total
1.	Irrigation Channels	71	67	124	119	99	91	91	78	739
2.	Syphon Irrigation	1	-	2	2	2	2	2	-	11
3.	Lift Irrigation	1	1	4	4	3	3	3	1	20
4.	Link Roads	15	22	35	34	29	26	26	29	216
5.	Protective Bunds	16	16	21	25	19	17	17	8	139
6.	Storage Reservoirs	3	9	10	9	9	8	8	7	63
7.	Sedimentation Tanks	1	1	2	3	2	2	22	1	14
8.	Bridges	4	3	2	4	1	1	1	2	17
Total:		112	119	200	200	163	150	150	125	1219

End Table 8

PROJECTED PPI PROJECTS, BY TYPE OF PROJECT
AND DISTRICT, 1983-1990

S. No.	Sector/ District	Gilgit	Chitral	Baltistan	Total
1.	Irrigation Channels	216	305	218	739
2.	Syphon Irrigation	1	5	5	11
3.	Lift Irrigation	4	6	10	20
4.	Link Roads	62	89	65	216
5.	Protective Bunds	40	57	42	139
6.	Storage Reservoirs	18	26	19	63
7.	Sedimentation Tanks	4	5	5	14
8.	Bridges	5	7	5	17
Total: ..		350	500	369	1219

COST OF PROJECTED PORTFOLIO, BY DISTRICT, 1983-1990

District	1983	1984	1985	1986	1987	1988	1989	1990	Total
Gilgit	9,586	12,883	16,383	12,038	-	-	-	-	50,890
Chitral	3,418	2,946	11,546	11,391	13,515	11,637	11,637	8,678	74,768
Baltistan	-	213	4,309	8,601	12,052	12,052	12,052	9,906	59,185
Total:	13,004	16,042	32,238	32,030	25,567	23,689	23,689	18,584	184,843

End Table 10

COST OF PROJECTED PORTFOLIO, BY TYPE OF PROJECT
AND YEAR, 1983-1900

S. No.	Sector/Year	1983	1984	1985	1986	1987	1988	1989	1990	Total
1.	Irrigation Channels	7,752	8,631	18,828	18,110	15,058	13,973	11,967	11,967	108,292
2.	Syphon Irrigation	508	-	1,460	1,460	1,460	1,460	1,460	-	7,808
3.	Lift Irrigation	100	142	492	492	369	369	369	123	2,456
4.	Link Roads	1,858	2,977	5,724	5,265	3,881	3,536	3,536	3,797	30,574
5.	Protective Bunds	2,088	2,671	3,743	4,468	3,065	2,767	2,767	1,400	22,969
6.	Storage Reservoir	371	1,168	1,503	1,350	1,350	1,200	1,200	1,050	9,192
7.	Sedimentation Tanks	130	108	274	413	276	276	276	137	1,892
8.	Bridges	197	345	214	472	108	108	108	108	1,660
Total:		13,004	16,042	32,238	32,030	25,567	23,689	23,689	18,584	184,843

COST OF PROJECTED PORTFOLIO, BY TYPE OF PROJECT
AND DISTRICT, 1983-1990 (Rs. '000)

S. No.	Sector/District	Gilgit	Chitral	Baltistan	Total
1.	Irrigation Channels	28,653	46,585	33,054	108,292
2.	Syphon Irrigation	508	4,025	3,275	7,808
3.	Lift Irrigation	488	738	1,230	2,456
4.	Link Roads	10,207	10,176	10,191	30,574
5.	Protective Bunds	7,369	8,250	7,350	22,969
6.	Storage Reservoirs	2,442	3,900	2,850	9,192
7.	Sedimentation Tanks	512	685	695	1,892
8.	Bridges	711	409	540	1,660
Total:		50,890	74,768	59,185	184,843

GILGIT DISTRICT
ESTIMATES OF POPULATION (1985)

A. Urban Population (Gilgit Town)

		<u>Estimate</u>	<u>Remarks</u>
Male	..	20,349	62% of urban population
Female	..	12,405	38% of urban population
Total	..	32,754	13% of District's population

B. Rural Population (Aggregates)

		<u>Estimated</u>	<u>% of Rural Population</u>
Boys (under 15)		51,126	23
Girls (under 15)		48,904	22
Under-15 Total	..	100,030	45
Adult Men	..	64,019	28.8
Adult Women	..	58,240	26.2
Adult Total	..	122,259	55
Total Population	..	222,289	100
- Male	..	115,145	51.8
- Female	..	107,144	48.2
No. of households	..	26,685	
No. of Villages	..	295	

C. Averages per Village (Rural)

Children (under 15)		339
Adult Men	..	217
Adult Women	..	197
Total Population	..	753

- Male	..	390
- Female	..	363
No. of Households	..	90

D. Averages per Household (Rural)

Children (under 15)		3.75
Adult Men	..	2.40
ADULT Women	..	2.18
Size of Household	..	8.33
- Male members	..	4.31
- Female members	..	4.02

Source: AKRSP, "Regional Statistics Note No. 2: Population Estimates, 1985," unpublished mimeo. Based on preliminary statistics from the 1981 Population Census.

**AREA & POPULATION OF GILGIT DISTRICT
SUB-DIVISIONAL ESTIMATES, 1985**

SUB-DIVISION	AREA**		POPULATION*		NO. OF VILLAGES+	POP. PER VILLAGE	POP. PER Sq. Km.
	Sq. Km	%	'000	%			
HUNZA	9,826	34	32	12	52	615	3.3
NAGAR	2,844	10	53	21	73	726	18.6
GILGIT (RURAL)	4,012	14	56	22	40	1,400	14.0
PUNYAL- ISHKOMAN	4,065	14	38	15	47	809	9.4
GUPIS-YASIN	7,711	27	43	17	83	518	5.6
TOTAL RURAL	28,188	99.8	222	87	295	753	7.9
TOTAL URBAN	65	0.2	33	13	11		
GILGIT DISTRICT	28,253	100	255	100	306		9.0

Sources: ** AKRSP Engineering Section Estimates.

* Extrapolated @ 3% per annum from 1981 Census figures

+ 1981 Census

Note:

1. The areas have been estimated from maps, using planimeter.
2. It is quite likely that the urban population has grown faster than the rural population. Thus, 13% may be an under-estimate of the proportion of the population that is urban. This figure is based on the 1981 Census, and no inter-censal figures are available.
3. The number of villages is less than the number of potential Village Organisations that AKRSP might support. Large and clearly divisible villages will often have more than one Village Organisation.

GILGIT DISTRICT
ESTIMATES OF LAND UTILISATION, 1985

A. Aggregates for Individual & Communal Lands

		Area (hectares)	% of Total
Cultivated Area	..	20,392	43%
- Orchards	..	3,874	8%
- Annual Crops	..	16,518	35%
Uncultivated Area	..	26,612	57%
- Culturable Waste	..	6,474	14%
- Unculturable: Forest	..	3,672	8%
- Unculturable: Other	..	16,466	35%
Total Area		47,004	100

B. Individually-Operated Holdings

Number of Farms: 26,685

			Area, in hectares		% of Total
			Total	Per Farm	
Cultivated Area	..		20,392	0.76	70%
- Orchards	..	3,874		0.15	14%
- Annual Crops	..	16,518		0.61	56%
Uncultivated Area	..		8,492	0.32	30%
- Culturable Waste	..	6,474		0.24	22%
- Unculturable Area	..	2,018		0.08	8%
Total Area			28,884	1.08	100

Source:

AKRSP, "Regional Statistics Note No. 3: Estimates of Land Utilisation and Distribution, 1985," unpublished mimeo. Based on 1980 Agricultural Census, and 1978 LB & RD Survey.

GILGIT DISTRICT
DISTRIBUTIONS ON LAND HOLDINGS**

Size of Holding		% Farm	% Area	Average Area (ha)
Acres	Hectares			
Under 1.0*	under 0.40	11	2	0.23
1.0-under 2.5*	0.40-under 1.0	43	22	0.64
2.5-under 5.0	1.0-under 2.0	31	33	1.32
5.0 and above	2.0 and above	16	43	3.33

** Source: Northern Areas Census of Agriculture, 1980.

* The percentage of farms in each of these groups could be different from that reported in the Census. The AKRSP Cropcut Survey of 1983, and the LB & RD Survey of 1978 give the following distribution:

Size of Holding (ha)		% Farms	
		Cropcut	LB & RD
Under 0.5	...	24	43
0.5-under 1.0	...	33	21
1.0-under 2.0	...	31	23
2.0 and above	...	12	13

GILGIT DISTRICT

A. Land Tenure**

Status		% Farms	% Area	Area (ha)
Owner	.. ..	95	94	1.21
Owner-cum-tenant	.. ..	4	5	1.46
Tenant	.. ..	1	1	0.93

B. Fragmentation**

Size of Holding (ha)		% of Farms Fragmented	Fragments per Farm	Average Fragment Area (ha)
Under 0.4	..	56	2.6	0.08
0.4-under 1.0	..	86	3.9	0.16
1.0-under 2.0	..	96	5.3	0.24
2.0 and above	..	97	6.9	0.48
All Farms	..	88	4.8	0.28

** Source: Northern Areas Census of Agriculture, 1980.

GILGIT DISTRICT

A. Livestock Population**

Type of Animal		Numbers
Cattle	..	90,009
Buffaloes	..	177
Goats	..	59,919
Sheep	..	100,496
Horses	..	1,085
Donkeys	..	8,904
Total	..	360,590
Average per farm	..	16
No. of Birds	..	114,177

B. Work Animals**

Size of Holding (Ha)	% farms with Work Animals	Area per work Animal (ha)
under 0.4	33	0.49
0.4 - under 1.0	51	0.73
1.0 - under 2.0	65	0.89
2.0 and above	80	1.34
All Farms	58	0.97

** Source: Northern Areas Census of Agriculture, 1980

LIST OF MEMBERS OF THE BOARD OF DIRECTORS AND
THE STAFF OF AKRSP

BOARD OF DIRECTORS OF THE COMPANY

- Mr. Ramzan Merchant, Chairman
- Mr. Mahomed J. Jaffer, Vice Chairman
- Mr. Riazuddin Ahmed, Member
- Mr. Afzal Ali, Member
- Mr. Hamidullah Baig, Member
- Mr. Iqbal Dossani, Member
- Mr. Akbar Hashwani, Member
- Mr. Nizar Mecklai, Member
- Dr. Amir Mohammad, Member
- Mr. Robert d'Arcy Shaw, Member
- Mr. Guillaume de Spoelberch, Member

STAFF OF THE COMPANY

Management Group (Gilgit-based)

- | | |
|--------------------------|---|
| - Mr. Shoaib Sultan Khan | General Manager |
| - Mr. Hussain Wali Khan | Programme Senior Engineer |
| - Mr. Ijaz Hussain Malik | Sr. Programme Social Organiser |
| - Dr. Zahur Alam | Programme Senior Agriculturist |
| - Mr. Tariq Husain | Programme Economist |
| - Mrs. Khalida Nasir | Field Programme Social Organiser
(Women's Programme) |
| - Mr. Mutabiat Shah | Programme Accountant |
| - Mr. Sultan Shahbuddin | Programme Internal Auditor |
| - Mrs. Asma Khalid | Sr. Programme Officer |
| - Mr. Mutahir Shah | Programme Social Organiser |
| - Mr. Izhar Ali Hunzai | Programme Officer |

Professional Staff, Gilgit based

Engineering

- Mr. Hussain Wali Khan	Programme Senior Engineer
- Mr. Fariad Khan	Assistant Engineer
- Mr. Zahoor Hussain	Assistant Engineer
- Mr. Mohammad Darjat	Assistant Engineer
- Mr. Sahib Khan	Surveyor
- Mr. Saleh Mohammad	Sub-Engineer

Extension, Training and Supplies

- Dr. Zahur Alam	Programme Senior Agriculturalist
- Dr. Farman Ali	Project Veterinarian
- Dr. Mohammad Iqbal	Asstt. Project Veterinarian
- Mr. Gali Khan	Project Agriculturalist
- Mr. Ahmad Jami Sakhi	Training Officer
- Dr. Al-Nasir Babul	Consultant Veterinarian

Monitoring, Evaluation and Research

- Mr. Tariq Husain	Programme Economist
- Ms Asma Khalid	Sr. Programme Officer
- Mr. Nabeel A. Malik	Project Economist
- Mr. Zafar U. Ahmad	Monitoring Manager

On Study Leave:

- Ms. Maliha H. Hussein	Programme Officer
- Mr. Ahsan Tayyab	Project Economist

Marketing

- Mr. Ijaz Hussain Malik	Sr. Programme Social Organiser
- Mr. Mohammad Manzar Zarin	Marketing Officer
- Mr. Tawallud Shah	Marketing Officer

Accounts

- Mr. Mutabiat Shah	Programme Accountant
- Mr. Sultan Shahabuddin	Programme Internal Auditor
- Mr. Suleman Khan	Project Accountant
- Mr. Abdullah Baig	Field Accountant
- Mr. Khalid Nadeem	Cashier

Graphics

- Mr. Mohammad Sadiq
- Mr. Mubarak Hussain

Artist
Intern Artist

Audio-visual

- Mr. Karim Jan
- Mr. Shakoor Ali

Audio-visual Officer
Audio-visual Technician

Women's Programme

- Mrs. Khalida Nasir
- Mr. Arab Khan

Field Programme Social Organiser
Associate Social Organiser

Supporting Staff

- Mr. Abdur Rauf
- Mr. Shah Makeen
- Mr. Mohammad Yaqub
- Mr. Sherullah Baig
- Mr. Zafarullah Baig
- Mr. Ghulam Murtaza
- Mr. Mohammad Hussain
- Mr. Naeem Akhtar
- Mr. Samad Khan
- Mr. Zahir Shah
- Mr. Sher Ali
- Mr. Ahmed Din
- Mr. Naib Khan
- Mr. Mir Ahmad
- Mr. Khairullah Beg
- Mr. Nazar Shah
- Mr. Saifur Rehman
- Mr. Noor Jalil
- Mr. Amanullah
- Mr. Faqir Shah
- Mr. Khuda Dad
- Mr. Gulumar Jan
- Mr. Maqsood Alam
- Mr. Karim

Secretary to General Manager
Secretary to Management Group
Store-Keeper
Stenotypist
Stenotypist
Stenotypist
Stenotypist
Photocopier Operator
Transport Assistant
Transport Assistant
Driver
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- Mr. Suleman Shah
- Mr. Mohammad Baqir
- Mr. Mohammad Hussain
- Mr. Ali Maujood
- Mr. Haji Baig
- Mr. Mirza Khan

Peon
-do-
Cook
Chowkidar
Gardner
Cleaner

Field Staff, Gilgit District

1. Social Organisation Unit, Gilgit

- Mr. Ikramullah Jan
- Mr. Sultan Hamid
- Mr. Essa Khan
- Mr. Dinar Khan

Social Organiser
Social Organiser
Sub-Engineer
Chairman

2. Social Organisation Unit, Hunza

- Mr. Mohammad Iqbal
- Mr. Sher Ghazi
- Mr. Hamidullah Baig
- Mr. Qalb-e-Ali

Social Organiser
Sub-Engineer
Driver
Chainman

3. Social Organisation Unit, Nagar

- Mr. Noor Mohammad
- Mr. Hamza Khan
- Mr. Nadir Shah
- Mr. Issa Khan
- Mr. Ismail

Social Organiser
Sub-Engineer
Driver
Telephone Attendant
Chainman

4. Social Organisation Unit, Punyal-Ishkoman

- Mr. Mohammad Yar Khan
- Mr. Mohammad Sabir
- Mr. Mohammad Saleem Khan
- Mr. Madad Khan
- Mr. Amir Ali

Social Organiser/Agriculturalist
Assistant Engineer
Intern Social Organiser
Driver
Office Attendant

5. Social Organisation Unit, Gupis-Yasin

- Mr. Shah Karez
- Mr. Barkat Ali Khan
- Mr. Hazrat Amin

Social Organiser
Intern Social Organiser
Sub-Engineer

- Mr. Taighoon Shah
- Mr. Gul Sambar Khan

Driver
Chainman

Field Staff, Chitral District

1. Social Organisation Unit, Chitral

- Mr. Mohammad Sartaj Khan
- Mr. Attiqur Rehman
- Mr. Abdul Jalil
- Mr. Habibullah
- Mr. Nabi Shah
- Mr. Subhan Sher

Social Organiser
Intern Social Organiser
Sub-Engineer
Driver
Chainman
Peon

2. Social Organisation Unit, Mastuj

- Mr. Mairaj Khan
- Mr. Sardar Ayub
- Mr. Shabud Din
- Mr. Sultan Ghazi
- Mr. Jan Nabi

Social Organiser
Sub-Engineer
Driver
Chainman
Telephone Attendant

3. Agricultural Nursery

- Mr. Jaffer Khan
- Mr. Nauroz Khan
- Mr. Janan Khan
- Mr. Qayyum Khan

Budder
Gardner
-do-
-do-

VISITORS TO AKRSP

To our great pleasure, on October 11, 1984 His Highness Prince Ameen Mohammad Aga Khan visited AKRSP and held a brief session with the Management Group.

1. The Board of Directors

As part of a familiarisation effort, some members of the Board visited AKRSP and held detailed discussions with members of Village Organisations and the AKRSP staff. The following Directors visited AKRSP during the last quarter of 1984.

Mr. Robert d'Arcy Shaw

Mr. Akbarali Hashwani

Mr. Hamidullah Baig

2. Heads of Institutions

The following heads of, autonomous, international and private institutions visited AKRSP:

Mr. Roy Allen, Director, ICI England
and Mrs. Jennifer Allen,

Mr. Naseem Mirza
Chairman, ICI Pakistan Karachi.

Mr. Khalid Mohtadullah
Principal WAPDA Academy, Tarbela, with a group of course participants.

3. Representatives of Development Agencies

The following representatives of international and AKF institutions visited AKRSP for discussions on AKRSP strategy and the possibilities for further co-operation:

Mr. John Martin
CIDA, Canada.

Mr. Tom Schatzky,
CIDA, Canada.

Mr. Nazeer Landhani
Administrator, AKF, Canada.

Mr. Saleem Valimohamed
Chairman, AKF USA.

Mr. Iqbal Noorali
Executive Officer, AKF USA.

Mr. Bolong Sonko
Under Secretary, Ministry of Water Resources, Banjul, The Gambia.

Mrs. Isobel Shaw accompanied a group of Ismaili ladies led by Mrs. Rozina Rehmatullah, member for women, H. H. The Aga Khan National Ismaili Council for United Kingdom.

4. Representatives of Financial Institutions

Mr. Russell D. Archibald,
Consultant, The World Bank,
Los Angeles, California.

Mr. Ahmad Faud,
Bank of Indonesia,
Jakarta, Indonesia.

Dr. H. W. Quednau,
ILO Consultant, (World Bank Feasibility Study on Rural Women Training and Possibility in Pakistan).

Mr. Patrick M. Blone
World Bank Washington D.C.

Mr. Ali Mohammad Alzumeni
Yemen Arab Republic, Ministry of Agriculture.

Mr. Hossein Manteghi,
Plan and Budget Organisation of Iran (Tehran).

5. Diplomatic Representatives

Mr. Hugh L. Stephens,
Canadian Embassy, Islamabad.

6. Scholars and Scientists

Dr. & Mrs. M. P. Lohani,
President Nepal Council of World Affairs.

7. Gilgit based Friends

Once again AKRSP takes this opportunity to thank its Gilgit-based friends without whose co-operation and help, it would be very difficult to run the Programme. We are especially grateful to:

Major-General Safdar Ali Khan,
Martial Law Administrator Zone 'E' for his patronage and encouragement,
and his personal visits to AKRSP projects.

Mr. Khalid Mahmood Ahmed,
Commissioner, Northern Areas.

Mir Ghazanfar Ali Khan,
Member, Majlis-e-Shoora.

Mr. Latif Hasan,
Member, Northern Areas Council.

Mr. Mirbaz Khan,
Chairman, District Council, Gilgit.

Haji Fida Mohammad Nashad,
Chairman District Council, Baltistan.

Haji Inayat Khan,
Chairman, District Council, Diamer.

Brig. Khalid Rashid,
Director General, NAWO.

Col. M. Aslam Chaudhry,
Colonel Martial Law.

Syed Faisal Saud,
Deputy Commissioner, Gilgit.

Mr. Saadat Wali Khan,
Deputy Director, LB & RD.

Dr. Ahsan Ali,
Assistant Director,
Animal Husbandry Department, Gilgit.

Mr. Saifur Rehman,
Zonal Chief, Habib Bank Ltd,
Gilgit.

Annexure - I

THE AGA KHAN RURAL SUPPORT PROGRAMME

FIFTH PROGRESS REPORT

January 1984 - March 1984

AKRSP

Babar Road, P.O. Box 506
Gilgit, Northern Areas
Pakistan

Phones: 480; 779

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PREFACE

Having passed through the phases of (i) propagation and (ii) expansion, we now enter the phase of (iii) consolidation. In the Gilgit district out of a potential 290 village locations, 245 have been visited by the Programme Staff and 224 organised and PPIs initiated in 127, within fifteen months. The villagers gave a positive response to AKRSP's offer of partnership in terms of organisations formed, PPI's implemented and maintained and equity capital accumulated. The different sections of the Report tell the whole story.

The strategy for consolidation, in the months to come, will concentrate on examination and refinement of the package developed through the diagnostic research in which the villagers, the Social Organisation Unit (SOU's) and the Management Group (MG) were the participants. This continuing collaborative research would concentrate on development of models embracing land reclamation, increased productivity (both through prevention of losses and introduction of innovation) connected with land development, investment of equity capital and cooperative marketing.

Although consolidation will be the main theme of our current work plan, propagation and expansion will continue to receive due attention. Social Organisers will not only address themselves to the fostering of models in potential villages but also extend advanced models already developed in some Village Organisations through the vehicle of case studies, leaflets and profiles.

As usual, this Progress Report is also the handiwork of the Monitoring, Evaluation and Research Unit headed by Tariq Husain, ably assisted by Maliha Husain, Ahsan Tayyab and Zahir Meghji. Obviously the substance for the material of the report has only been made possible by the hard work of the Social Organisers Mutahir Shah, Sartaj Khan, Ikramullah Jan, Mohammad Yar Khan, Miraj Khan, Nur Mohammad and Tawallud Shah; by the innovative and untiring effort of the Engineering Section headed by Hussain Wali Khan assisted by Saleh Mohammad, Sher Ghani, Hazrat Amin, Sahib Khan, Darjat and others and the back-up support provided by the Accounts, Administration, Audio-visual, Extension Training and Women's Sections under Mutabiat Shah, Alidad, Mohammad Sadiq, Farman Ali, Gari Khan and Khalida Nasir respectively.

Shoaib Sultan Khan
General Manager.

SUMMARY OF THE FIFTH PROGRESS REPORT

I. Overview

As AKRSP enters its second year of existence its Management realizes that a different strategy must replace the one which the programme was following initially. The first was designed to meet the requirements of a programme which had to expand rapidly and establish credibility with the villagers. The present phase requires a strategy of consolidation. The consolidation is required both to establish the Village Organisations as vehicles of development and to derive the maximum benefits from investments made in Productive Physical Infrastructure Schemes. The programme staff in partnership with the Village Organisations is called upon to work out innovative concepts in development. This is the only manner in which perplexing issues like the collective development of barren land can be resolved. AKRSP's success as a catalyst of development will be gauged, partly, by its ability to produce innovations.

II. Social Organisation

One of the most significant aspects of the Programme in its second year of operation is its two-pronged strategy to involve the household in income-generating activities; first through the men and then through the women. AKRSP's attempt marks the first, in rural Pakistan, to address women's issues through Women's Organisations.

In the quarter under review, 224 Village Organisations were formed in the Gilgit district. Together, these Organisations represent about 70% of the population in the project area. Their collective savings have rapidly expanded and have reached an extrapolated figure of Rs. 1,755,243. The total number of Women's Organisations has reached 21 with a membership of 1442 and an equity capital of Rs. 66,964.

In Chitral 116 villages were visited by AKRSP upto the end of March, 1984. Exact figures of membership and equity capital have not, as yet, been reported.

III. Productive Physical Infrastructure

A portfolio of 392 schemes with an estimated cost of Rs. 51.8 million has been identified in Gilgit and a total of 214 schemes with an estimated cost of Rs. 19.9 million in Chitral district. To date, 127 PPI projects worth Rs. 15.4 million have been initiated in Gilgit district and 36 of these projects have been fully completed. The overall physical progress of the PPI projects in Gilgit district is 54%. For Chitral, data is available till end of December 1983. 56 PPI projects at a cost of Rs. 6.4 million had been initiated. The overall physical progress of the PPI projects in Chitral district is 12%. On average, the cost of a project in Gilgit district is Rs. 121,164 while in Chitral district it is Rs. 114,261. In both the districts, irrigation channels form the bulk of the PPI schemes; 63% of the total initiated PPI projects in Gilgit district and

59% in Chitral district.

IV. Extension Training and Supplies

After the change in its extension training system AKRSP has organised two courses in plant protection and production, two courses in livestock diseases and management and one course in poultry management for the women. Altogether, 62 Village Organisations were represented in these courses. Each trainee was given a supply of medicines and essential equipment at the end of each course.

Four Managers and Presidents Conferences have been held at Gilgit. The sessions have been most awarding and have provided the Programme Staff and the office-bearers of Village Organisations the opportunity to share their views very frankly.

Under the agricultural credit programme about 8,400 (including multiple loans) farmers have been helped in obtaining fertilizer for their land.

V. Marketing Research

The next phase in the marketing programme is to share the results of the pilot project with as many organisations as possible. Once this is done, the Social Organisers will help identify village entrepreneurs who are willing to undertake marketing ventures for the Organisation. The activities of these village specialists will, initially, be closely supervised by the Social Organisers.

VI. Budget and Accounts

The Budget and Accounts Section is currently engaged in two major projects. Firstly, it is computerising its General Ledger and the advances to Village Organisations, so that expenditures on each activity and from each donor account might be aggregated promptly. Secondly, AKRSP is in the process of separating Village Organisation accounting from its other accounting, in order to lay the basis of financially-sound expansion of its credit programme. A Programme Business Manager is to be hired in the near future to manage the credit and marketing operations.

Although no new donor funds were committed during the quarter under review, monies carried over from 1983 enabled AKRSP to make a remarkable start for 1984. Between January and March, 47 PPI projects were initiated in Gilgit, and 25 in Chitral.

VII. Monitoring, Evaluation and Research

The highlight of the quarter was the arrival of the Radio Shack TRS-80 Model 12 microcomputer. Once project records on engineering, credit, extension and other activities are put on the micro, the first benefits will materialise in the form of savings in time spent calculating a variety of data every month.

In documentation, the video copy of "Valleys in Transition", a film on AKRSP and its project area, was received at AKRSP with great admiration for the work of the producers. In the library, the process of cataloguing was initiated, and the number of holdings increased substantially. In monitoring, increased attention is being paid to making monitoring data more useful for the management and the villagers. Finally, internal discussions were initiated on how best to organise social science research at AKRSP.

QUARTERLY STATISTICAL ABSTRACT GILGIT DISTRICT

This abstract covers the period December, 1982 - March, 1984:

I. Project Area

1. Area (sq. km.)	..	..	31,100
2. Population	..	..	227,000
3. No. of households (approx)	..	..	27,250
4. No. of village (approx)	..	..	290

II. Overall Coverage

1. Projects identified in so many villages	..	..	245
2. as % of total in I.4	..	..	84%
3. No. of villages surveyed	..	..	163
4. as % of II.1	..	..	67%

III. Social Organisation

1. No. of Village Organisations	..	..	224
2. Membership of all VOs (estimated)	..	..	19,557
3. Savings of all VOs (million Rs. estimated)	..	..	1.75
4. % pop. of project area covered by VOs (approx)	..	..	70%

IV. Productive Physical Infrastructure

1. Total number of projects identified	..	..	392
2. Estimated cost of these projects (million rupees)	..	..	51.84
3. No. of projects initiated	..	..	127
4. No. of beneficiary households (approx)	..	..	11,150
5. Cost of projects initiated (million)	..	..	15.4
6. Physical progress of these projects (%)	..	..	54%
7. No. of projects completed	..	..	36

V. Agricultural Credit

1. Amount of loans advanced (million Rs.)	..	..	1.49
2. No. of borrowing VOs (includes multiple loans)	..	..	103
3. No. of beneficiary farmers (including multiple loans)	..	..	8,400

VI. Extension Training & Supplies

1. No. of courses for village specialists	..	..	5
2. No. of refresher course	..	..	1
3. No. of Village Organisations represented	..	..	62
4. No. of Conferences for VO representatives	..	..	4
5. with number of VOs represented	..	..	130

VII. Women's Organisations

1. No. of Village Organisations	..	..	21
2. Membership of all VOs	..	..	1,442
3. Savings of VOs	..	..	Rs. 66,964

SOCIAL ORGANISATION

I. Introduction

The Aga Khan Rural Support Programme's capacity to create self-sustaining Village Organisations is liable to be severely tested in the second year of its operations. The Programme's belief that concrete economic benefits can motivate the people towards collective action proved tenable but the Organisation needs to be sustained once the Productive Physical Infrastructure has been completed. Moreover, an Organisation which is structured around a PPI will in some ways be limited by the nature and duration of that project. It is, viewed in this context, not always to the advantage of the nascent Organisation that a project is completed in record time. This is so because the time afforded to the new institution may not be enough for it to take root. Thus supplementary efforts will need to be made to encourage collective decision making and establish the Organisation as an institution of development. The challenge that is before the Programme is to innovate and exert the Village Organisations to evolve strategies for their development. However, this will not be immediately possible in all the villages due to the diversity in perception about collective development. AKRSP will concentrate on those Organisations which have imbibed the vision of future development. It will then share the experience with other Organisations which have learnt by the demonstration effect.

In its second year, AKRSP also intends to conduct in depth case studies of Village Organisations. It is expected that such studies will help the Programme to sharpen its policy and pinpoint effective techniques in Village development. In particular, it will enable the management to understand the wide divergence in the village's efforts to organise. Moreover, these studies will help generate useful data for social and economic research in an area for which no data base exists.

II. Performance of Village Organisations

II. A General

By the end of March, 224 Village Organisations had been formed in the Gilgit district. In Chitral 116 villages had been visited. From among these, 127 in Gilgit and 56 in Chitral are presently associated with a PPI scheme. The rest have been formed around the provision of credit for agricultural inputs, extension training and the expectation of future collaboration with AKRSP. There is a great deal of disparity in the quality of these Organisations. It is, therefore, too early to judge the Programme on the basis of this quantitative measure.

II. B Membership and Attendance

Extrapolating from reported figures the membership of Organisations in Gilgit has gone upto 19,557. After a PPI project has been completed the Organisation increase the interval between meetings. The programme does not insist on weekly meetings but leaves the decision to the organisation. In certain villages, (Mohammadabad, Sultanabad) the Organisations decided to meet fortnightly but changed this back to weekly meetings due to the drop in savings. Attendance at meetings continues to be erratic. It has been observed that Organisations

develop and enforce their own norms about granting new membership and punishing absenteeism.

II. C Equity Capital

The total reported equity capital of 180 Village Organisations in the Gilgit district was Rs. 1,412,000 by the end of March, 1984. Extrapolating for all the 224 organisations of Gilgit takes this total upto Rs. 1,755,243. The extrapolated equity per member is Rs. 87 and equity per Village Organisation is Rs. 7,801. The most significant aspect of the savings figure is the capacity of the village organisations to generate it. It was an unharnessed potential and its discovery promises the people a measure of financial independence which they did not realize they possessed.

A more detailed look at the savings figure of the 36 villages where PPI have been completed does not reveal any significant pattern of savings. Equity capital as a percentage of labour cost disbursements for completed projects varies from 2% to 526%. In-depth economic analysis is required to interpret this divergence in a meaningful manner.

III. Aspects of Organisation

III. A The Programmes model of development

One of the major advantages of the Rural Support Programme is the flexibility of the model it is advocating. Each village is initiated in collective decision making by its choice of the PPI and the manner of its implementation. It is allowed to promote its influence through its capacity for decision-making. It has also been using this mechanism to strengthen its skills of management. The crucial question is how to make this experience a continuous one, thereby, encouraging a permanent institution at the village-level.

III. B Advocating the Co-operative Principle

The term "Co-operative" has been defined by development experts to mean the pooling of collective effort while retaining the concept of private ownership. Villagers undertake collective action in areas where individual efforts is not sufficient for the objective on hand. The village Organisations in the Northern Areas are ideally suited to follow the co-operative principle in such areas as land development, afforestation and construction of productive physical schemes. Since these projects are of great importance to the villages it is hoped that the necessity of an Organisation becomes self-evident. Some of the far-sighted villages (Passu, Sherquilla, Mohammadabad) are beginning to realise this important aspect.

III. C The Socio-economic context

An assessment of the performance of Village Organisations will have to be made keeping in mind the socio-economic environment in which they are operating. Certain aspects of the pattern of landholding and agricultural management in the area have helped the creation of Organisations. Institutions like that of the moneylender and the landlord were never allowed to develop in these parts. This helped to preserve the egalitarian base of the society and

prevented vested interests from developing. This has made co-operative endeavour possible in the Northern Areas as a whole. In villages (Sultanabad) where the egalitarian structure has started to erode organisations are finding it difficult to undertake collective ventures. This is because of the development of vested interests which are liable to work against the spirit of co-operative action. This is presently true only of a limited number of villages and is not of major concern for the future development of organisations.

III. D The Organisation's capacity for Peer Pressure

The Village Organisation has a capacity for exerting peer pressure to secure compliance on issues of importance to it. In Rahimabad, the manager of the Village Organisation had squandered away the money which the people had collected to repay their fertilizer loan. When the members of the organisation heard about this misdemeanour they called the manager and insisted that he repay the money to AKRSP immediately. They even offered to give him a loan from the Organisation's equity capital for the purpose. The manager refused the loan but repaid AKRSP by selling his trees.

In Skarkui, the members have expelled the President from the Organisation due to his high-handedness.

IV. Problems of Organisation

AKRSP has structured a model of development which, it thinks, is suitable for the conditions prevailing in the Northern Areas. However, this model has to be applied to the people with diverse ethnic and religious backgrounds. The people also vary in their past experiences with development agencies. As such, each village responds to the Programme in a particular manner. It is too early to analyse the precise reaction of each village but it will be important to an understanding of the village and assisting it in its path towards development.

In the Nagar Villages, the different social pressures and levels of education call for a much greater effort at Organisation. In Oshikandas, the Organisation is on the verge of collapse, although, surrounding villages have strong institutions. All these point to the need for indepth sociological research. The Programme hopes to introduce this shortly.

VILLAGE ORGANISATIONS FORMED BY MARCH 31, 1984
GILGIT DISTRICT

SUB-DIVISION	VILLAGE ORGANISATIONS	
GILGIT	<ol style="list-style-type: none"> 1. Oshikandas 3. Rahimabad 5. Aminabad 7. Kashmiri Mohalla 9. Hoopay 11. Rahimabad-II 13. Skarkui 15. Datuchi 17. Gawachi 19. Jalalabad-I 21. Das 23. Shahoe 25. Kote 27. Jalalabad-II 29. Madinatul Karim 31. Bargo Paeen 33. Shikyote 35. Walden Naltar Paeen 37. Aampari 39. Rahimabad Paeen 41. Sadruddin Abad 43. Danyore 	<ol style="list-style-type: none"> 2. Mohammad Abad 4. Sultanabad 6. Sonikot Bala 8. Hanuchal 10. Jutal 12. Central Danyore 14. Batote 16. Jaglote Bala 18. Prince Abad 20. Shooth 22. Paiden 24. Waziri Mohalla 26. Farfoo 28. Sehgal 30. Danyore Bala 32. Henzel 34. Damote Kote 36. Syed Abad 38. Bulchi 40. Bargo Bala 42. Sher Colony (Eidgah)
HUNZA	<ol style="list-style-type: none"> 1. Passu 3. Misgar 5. Soust 7. Shishkat Bala 9. Morkhan 11. Yarzirich 13. Aspanji 15. Risht 17. Raminji 19. Zakirabad 21. Jamalabad 23. Shimshal Centre 25. Khuda Abad 27. Imamabad 29. Hussainabad 31. Maiun 33. Haiderabad Paeen 35. Roshanabad 37. Dorkhand 39. Brongshull 41. Deramitting 	<ol style="list-style-type: none"> 2. Gulmit 4. Ghulkin 6. Gircha 8. Khyber 10. Kill 12. Zodokhon 14. Shutmerk 16. Kirman 18. Shersabz 20. Shimshal 22. Sholalaksh 24. Chokarth 26. Shishkat Centre 28. Altit 30. Murtazabad Paeen 32. Haiderabad Bala 34. Baltit 36. Ahmadabad 38. Agakhan Abad 40. Baratalling 42. Khurkuz

	43. Khizarabad	44. Khanabad
	45. Nasirabad	46. Ata Abad Bala
	47. Ata Abad Paeen	48. Chame Sarat
	49. Sarat	
NAGAR	1. Chayan	2. Manalokushal
	3. Ratal	4. Hakalshal
	5. Holshal	6. Brushal
	7. Lower Miacher	8. Dadimal
	9. Fikkar	10. Ghoshoshal
	11. Rahbat	12. Chalt Bala
	13. Sonikot	14. Mamosh Diding
	15. Bodalus	16. Miachar Bala
	17. Thole	18. Pissan
	19. Sikanderabad	20. Chalt Paeen
	21. Chaprote	22. Rahbat Bala
	23. Pughrote	24. Masote
	25. Ghulmit Bala	26. Ghulmit Paeen
	27. Minapin	
PUNYAL-ISHKOMAN	1. Japuka	2. Singal
	3. Gulmuti	4. Shergilla
	5. Gulapur	6. Grunjar
	7. Gich	8. Dalnati
	9. Hatun	10. Shamyote
	11. Thingdas	12. Khotum
	13. DamasPaeen	14. Selpi Paeen
	15. Golodass	16. Damas Bala
	17. Bubar Paeen	18. Kanchi
	19. Famani	20. Goherabad
	21. Umphri	22. Rashmal
	23. Gahkuch Bala	24. Aishi Bala
	25. Aishi Paeen	26. Kuchdeh
	27. Phakora	28. Shunas
	29. Chatorkhand	30. Daheen
	31. Immit	32. Hassis
	33. Rahimabad	34. BalaGaoon
	35. Paeen Gaoon	36. Faisabad
	37. Mominabad	38. Thapushkin
	39. Barjungle	40. Balhanz
GUPIS-YASIN	1. Gupis	2. Janrote
	3. Phander	4. Terru
	5. Khalti	6. Hakis
	7. Roshan	8. Sumal
	9. Yangal	10. Dahimal
	11. Moula Abad	12. Rahimabad
	13. Dolomal	14. Serbal
	15. Shamaran	16. Karimabad
	17. Dar Barkulti	18. Chashi
	19. Khonakoi	20. Gologhmali

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|----------------------|---------------------|
| 21. Handarap | 22. Bujayote |
| 23. Nooh | 24. Yasin Bala |
| 25. Morka | 26. Taoos Bala |
| 27. Taoos Paeen | 28. Yasin Paeen |
| 29. Barkulti Paeen | 30. Gindai Bala |
| 31. Barkulti Bala | 32. Gujalti |
| 33. Sultanabad | 34. Barkulti Par |
| 35. Dalsundi | 36. Sundi Paeen |
| 37. Atkash | 38. Qurkulti |
| 39. Sundi Bala | 40. Nazbar |
| 41. Manich | 42. Damalgan |
| 43. Thoi Dass | 44. Chiret Keno |
| 45. Hundur Par | 46. Rahimabad Shoot |
| 47. Omulchit | 48. Handur Paeen |
| 49. Harfu Centre | 50. Thalti |
| 51. Hundur Bala | 52. Dalgram Darkut |
| 53. Khatgram | 54. Darkut Dass |
| 55. Harfu Paeen Thoi | 56. Harfu Bala |
| 57. Drach | 58. Draskindas |
| 59. Ishkam Das | 60. Mahshar |
| 61. Gamulti Darkut | 62. Nalti |
| 63. Thoi Karimabad | 64. Dalkotdapas |
| 65. Darkut Dramtanz | |

**GILGIT DISTRICT
VILLAGE ORGANISATIONS
MEMBERSHIP & EQUITY CAPITAL BY SUB-DIVISION.**

A. FIGURES IN MARCH

Sub-Division	No. of VO's	Membr.	Equity (Rs.)	Equity per Member	Members per VO
1. Hunza	31	2,109	246,289	117	68
2. Nagar	15	1,559	62,934	40	104
3. Gilgit	38	3,197	328,986	103	84
4. Punyal-Ishkoman	40	3,981	307,398	77	100
5. Gupis-Yasin	56	4,883	466,393	96	87
TOTAL	180	15,729	1,412,000	90	87

B. PERCENT INCREASE FROM PREVIOUS QUARTER*

Sub-Division		Members	Equity (Rs.)	Equity per Member (Rs.)
1. Hunza	..	31	58	22
2. Nagar		+	17	21
3. Gilgit	..	75	115	23
4. Punyal - Ishkoman	..	38	166	92
5. Gupis-Yasin	..	45	219	123
TOTAL	..	39	226	64

* The total number of Organisations formed by the end of March, 1984 was 224. The figures given above are for the 180 Organisations for which records were available on that date.

+ No basis for comparison is available from reported information.

WOMEN'S PROGRAMMES

I. Introduction

The Aga Khan Rural Support Programme has undertaken an exploratory project for the women of the Northern Areas. The purpose of the project is to investigate and implement programmes which will help increase the income level of the farm household by concentrating on women's activities. Although women's integration into wage labour is non-existent they play a vital role in the agricultural sector. The sexual division of labour in agriculture dictates that there are certain specific activities in which the women engage. These include care of livestock and poultry, vegetable gardens, fruit processing, gathering fuel wood, weeding, etc. In the first phase AKRSP intends to concentrate on these activities in which the women have traditionally engaged.

The need for a separate programme for the women was felt due to the recognition of the fact that women are playing a very active part in the agricultural sector and particularly so in households where male migration has forced additional responsibility on them. Moreover, due to the manner in which the society is structured in these areas the women could not directly participate in AKRSP sponsored activities which included the men.

In developing a programme for women's development AKRSP is following the same principles which have been adopted in organising the men. The women are instructed in the efficacy of collective action, of generating their own equity capital and developing their skills in order to exploit potential income generating activities. The response of the women has been remarkable, in that, following the example of the men, women have begun to organise themselves spontaneously. By the end of March 1984, 21 Women's Organisations had formed on their own with a total membership of 1442 and an equity capital of Rs. 66,964. A series of Diagnostic Survey's have been held with these organisations in an effort to help them identify income-generating opportunities. Some of the projects which have been identified are walled vegetable gardens, fruit processing, poultry development, improved methods of spinning yarn from wool, production of fodder and better access to markets for handicrafts and agricultural produce. The framework within which each of these programme components is implemented will largely depend on negotiations between the AKRSP staff and the Women's Organisations.

II. Proposed Programmes

II. A Productive Physical Infrastructure

A scheme which is particularly popular with the women is walled vegetable gardens. This scheme was identified by the women themselves in discussions with the AKRSP management. Such walled gardens will enable the women to grow vegetables on a scale which was not previously possible due to the system of free grazing practised in the area. Six Women's Organisations have identified this scheme. Surveys are being conducted in three of them to determine cost estimates. AKRSP intends to try out this scheme on an experimental basis and replicate it only once its benefits have been clearly demonstrated.

II. B Development of Livestock and Dairy

Women share the responsibility for the care of livestock and dairy production. The central problem connected with both these issues is the shortage of fodder in the area. AKRSP hopes to address this problem by investigating the possibility of increasing the fodder production. In collaboration with a UNDP/FAO project AKRSP hopes to introduce new varieties and techniques to the Women's Organisations.

II. C Extension Training Programme

AKRSP is organising a number of extension training courses for women. These extension courses will cover one or two of the several agricultural activities in which the rural women in Gilgit participate actively, like poultry, plant protection and fruit processing. A three week poultry course was held in January-February, 1984. Eighteen women representatives from nine different villages participated in this course. Each participant was given a medicine kit and two units of chicks after the training. The ability of the trainees to care for the chicks will be a practical demonstration of the appropriateness of the course content and the performance of the trainees. Regular follow-up visits will be held to monitor performance. Future collaboration with these villages in the field of poultry will be conditional on their performance. Two more courses on poultry are planned in 1984.

II. D Agricultural Inputs

AKRSP has also undertaken to supply improved varieties of seeds and other agricultural inputs to the Women's Organisations. Technical expertise is also provided to the Women on aspects of plant protection and growth on request. Ten Village Organisations have, so far, availed of these facilities.

II. E Marketing & Fruit Processing Programme

In the last fruit season AKRSP successfully completed a marketing experiment in collaboration with the Village Organisations. AKRSP acted as an intermediary in transporting dried fruit from various villages in the Yasin valley to the Gilgit and Rawalpindi markets. In the next season AKRSP expects to involve Women's Organisations in this experiment. Fruit processing and drying falls within the domain of female activity and they can be much more effective in organising its collection and preparation for sale by the Village Organisations.

In collaboration with the Pakistan Council for Scientific and Industrial Research (PCSIR), AKRSP is informing Village Organisations of improved techniques of fruit dehydration. This improvement would mean a substantial increase in market price.

II. F Introduction of New Crops

In collaboration with the Agriculture University of Faisalabad and the Northern Areas Fisheries Department, AKRSP is propagating the introduction of new crops in the area. These include the cultivation of mushrooms, saffron and fish. These programmes will only be introduced in those villages which are suitable for the purpose and which are interested in these new crops. Experts from the various institutions will demonstrate the techniques of production.

WOMEN'S ORGANISATIONS
FORMED BY 31 MARCH, 1984
GILGIT DISTRICT

SUB-DIVISION (No. of Beneficiary Households)	VILLAGE ORGANISATIONS	
GILGIT (423)	1. Oshikandas 3. Sultanabad 5. Sadrudinabad 7. Rahimabad-II	2. Danyore 4. Aminabad 6. Rahimabad-I
HUNZA (776)	8. Passu 10. Ghulkin 12. Shishkat 14. Hyderabad Pain 16. Ispanj	9. Morkhan 11. Soust 13. Hyderabad Bala 15. Altit 17. Baltit
NAGAR (22)	18. Sikandarabad	
PUNYAL-ISHKOMAN (109)	19. Sherquilla	
GUPIS-YASIN (112)	20. Sultabad	21. Barkulti Bala

WOMEN'S ORGANISATIONS

S. No.	Village Organisation	Membership	Equity Capital (Rs.)	Equity per Member (Rs.)
1.	Sherqilla ..	109	14,528	133
2.	Oshikandas ..	70	7,910	113
3.	Sultanabad ..	106	8,694	82
4.	Danyore (Princeabad).	38	2,451	65
5.	Rahimabad-I Pain ..	48	1,063	22
6.	Rahimabad-I Bala ..	49	1,500	31
7.	Nomal Aminabad ..	56	2,938	52
8.	Nomal Sadrudinabad ..	56	3,558	64
9.	Passu ..	81	7,597	94
10.	Morkhan ..	63	1,434	23
11.	Ghulkin ..	74	1,000	14
12.	Soust ..	59	2,269	38
13.	Shishkat ..	55	650	12
14.	Ispanj ..	30	1,200	40
15.	Hyderabad Bala ..	171	2,440	14
16.	Hyderabad Pain ..	70	1,120	16
17.	Altit ..	53	1,112	21
18.	Baltit ..	120	3,000	25
19.	Sultanabad Yasin ..	60	900	15
20.	Barkulti Bala ..	52	1,100	21
21.	Sikandarabad ..	22	500	23
	Total ..	1442	66,964	46

THE PRODUCTIVE PHYSICAL INFRASTRUCTURE

I. The Portfolio of Engineering Projects

By the end of march 1984, a total of 392 schemes had been identified in Gilgit district with an estimated cost of Rs. 51.8 million. Tables 1 and 2, illustrate the schemes as well as cost breakdowns tehsil-wise. In Chitral, a total of 214 schemes had been identified by end of December, 1983, with an estimated cost of Rs. 19.9 million. Tables 3 and 4, illustrate the schemes as well as give cost breakdowns tehsil-wise.

To date, 127 PPI projects have been initiated in Gilgit district at a cost of Rs. 15.4 million, of which Rs. 8.8 million have been disbursed to Village Organisations, that is 57% of the total cost. By the end of March, 36 projects had been fully completed and the overall physical progress of the PPI projects in Gilgit was 54%. Table 5A shows commitment, disbursement and number of completed projects by type of project and Table 5B by sub-division; while Table 6 illustrates sub-division-wise distribution of schemes and costs in Gilgit district. The average cost of a project in Gilgit district is Rs. 121,164. Out of a total of 127 PPI schemes in Gilgit district, 80 are irrigation channels, which indicates the high priority given by villagers to the supply of adequate water.

In Chitral district, 56 PPI projects have been initiated of which 5 had been completed by end of December, 1983. The total cost of these projects is Rs. 6.4 million of which Rs. 2.4 million, that is, 37% have been disbursed to the Village Organisations. The overall physical progress of the PPI projects in Chitral district is 12%. The average cost of a project in Chitral district is Rs. 114,261. Table 7A shows commitment, disbursement and number of completed projects by type of project and Table 7B by sub-division. Table 8 illustrates the distribution of schemes and cost breakdowns in Chitral district by sub-division. In Chitral district again, irrigation channels are the main priority of villagers, comprising 33 out of 56 schemes by the end of December, 1983.

II. Village Planning

PPI continues to be the thrust of the AKRSP programme now well into its second year. The problems and prospects of PPI were discussed in detail in the *Annual Review* and need not be repeated again. There have been no major policy changes but this is not to say that AKRSP is not meditating on the feedback. PPI was not only a physical entry point per se, rather it had two fold aims:

- (i) Economically, it was designed to make the first strike towards improving the agrarian economy;
- (ii) Socially, by working through the Village Organisation, it enhanced the organisational set up, giving it legitimacy, especially since cooperative effort was needed by the villagers to construct the physical project.

When seen from this perspective, then, the role of PPI as the re-activating socio-economic mechanism is realised.

AKRSP's approach, an "integrated approach" to rural development as the jargon goes, lies in its village plans. Basically, the village plan is divided into four factors of development:

1. Reconstruction of physical infrastructure, land development and land reclamation.
2. Increased productivity.
3. Credit and banking.
4. Cooperative marketing.

While each of these factors seem independent, they are as much dependent upon each other, pulling together the social and economic forces in a village that lay till now in a state of dormancy.

The first objective is realised through the completion of the PPI. AKRSP will then make the physical plan and subsequently help implementation through the Village Organisation, providing the necessary technical guidance and material support. The village plan envisages a systematic and a cooperative effort towards rural development.

The Engineering Section has succeeded in preparing detailed physical plans for a number of villages. The physical map indicates the residential area, water channels, orchards, crop fields, pasture land and woodlands etc. Then with the consultation of villagers and other members of the AKRSP team, the engineer prepares a development layout indicating construction of new channels, extension of cultivated land, pasture, woods, orchards and so on. This is basically a long range plan which is to be implemented gradually. While the principle of family ownership and cultivation will be respected, joint management of certain activities will be encouraged, for example, in the case of nurseries, timber trees and pasture land. The management of water channels, roads etc., will also be a joint effort.

Productivity is inextricably tied with land development. Productivity will be increased via improvement of the irrigation system and reclamation of more land and by prevention of losses. To introduce improved methods and prevent losses, AKRSP has been creating village "barefoot specialists" in the area of plant and livestock protection as part of its extension training programme. Specialists in future will be trained according to the needs of the village. AKRSP also ensures the continuity of supplies to these specialists.

It must be borne in mind, that infusion of capital, at least initially, is crucial if productivity is to be increased. AKRSP is currently in consultation with Habib Bank Limited and the National Development Finance Corporation (NDFC) trying to negotiate a reasonable interest loan package for both long and short term loans, to be utilised for land development, reclamation etc. It is hoped that once the process of increased productivity sets in, the AKRSP promotion of saving-investment-saving cycle will lead to the accumulation of more equity capital through increased incomes, leading to a self-sustaining process. Savings to date have been increasing steadily and the Village Organisations performance in repaying back the production loans extended by AKRSP has been heartening.

Given the capital needs to implement the village plans, AKRSP is currently devising a village based credit system.

Increased productivity will eventually mean marketing of surplus produce, small producers can only achieve economies of scale by cooperative marketing. AKRSP is also seriously thinking of training a village marketing specialist in line with its other extension training programmes. This specialist will eventually handle the village based marketing operations. The AKRSP marketing specialist together with the village based marketing specialist and the Social Organiser will form a team to conduct action research to formulate a "package" for marketing.

AKRSP comprehends the fact that at this stage there are more questions than answers to its village plan. Some basic research will be needed, trial efforts will be made to determine crop rotation or the nature of walled plots, and if land is developed, then what proportion should be allocated to crops, forest, horticulture or pasture land? Every village will have its own individual development needs.

To date, AKRSP has approached two villages on village planning - Passu and Jutal. The response in both has been different. In Passu for instance, the savings rate is high indicative of a sound Village Organisation and Passu readily accepted the long-term planning. They have planted a forest on collective basis and a vast tract of land is in the process of being reclaimed. In Jutal, the initial response was a mixed one. Some villagers were under the impression that AKRSP had some ulterior motives, that it would ultimately appropriate the "new lands". Historical and social factors may explain the attitude and behaviour of the Jutal villagers. Taking these factors in account, AKRSP conducted a series of dialogues and succeeded in dispelling the fears of the residents of Jutal.

As part of the village plan implementation, the Engineering Section concluded that increasing the engineering capacity of the Village Organisation was crucial in order to accelerate the pace of land development. It is known that poorer members in a village cannot afford to buy expensive items and generally resort to borrowing from their well-to-do fellow villagers at a cost. A list of simple implements was worked out by holding a series of dialogues with Village Organisations. All villagers were unanimous in identifying the wheel barrow as the most important item. A number of discussions were held regarding acceptability of the Chinese wheel barrow with small wheels. The villagers opted for a wider wheel type which conforms to a Pakistani model being manufactured nowadays. The selected items were approved by the Engineering Section keeping in mind the needs of the villages and the region. The following is a list of the set of implements:

Item	Number
Wheel barrow	2
Crowbar	2
Hammers (20-25 lbs)	2
Mason hammer	2
Pick axes	3
Showels	3

The above items will be given to a group comprising a minimum of 14 members by the Village Organisations. These items will be the property of the Village Organisation which will be responsible to show proper accounting, maintenance and replacement of the equipment.

The condition for giving the Village Organisation the implements will be that each member of the Village Organisation will have to increase his savings by Rs. 200 to qualify for this scheme. In other words, while on the one hand it may well be termed as a subsidy from AKRSP, on the other hand it will add to the Village Organisation's savings.

To conclude, AKRSP's role is two fold - to promote and support, that is, to sustain the development process through its infancy stage. AKRSP fully understands that research is needed and a trial and error approach will have to be made to define the packages and methods of intervention and implementation of its village plan components. However, each step will be tested in practice and the results closely monitored to define the following steps.

GILGIT DISTRICT
SECTORWISE/TEHSILWISE IDENTIFICATION AND DISTRIBUTION OF SCHEMES
ENDING MARCH 1984

S.No.	SECTOR		GILGIT	HUNZA	NAGAR	PUNYAL/ ISHKOMAN	GUPIS	YASIN	TOTAL
1.	Irrigation	..	32	47	28	25	32	37	201
2.	Protective Bunds	..	3	6	4	12	3	35	63
3.	Storage Reservoir	..	2	4	5	3	11	4	29
4.	Lift Irrigation	..	5	-	-	-	-	-	5
5.	Sedimentation Tank	..	1	1	1	1	-	-	4
6.	Land Development	..	4	1	1	2	2	-	10
7.	Link Roads	..	18	22	12	6	3	13	74
8.	Bridges	..	1	3	-	-	-	2	6
Total:		..	66	84	51	49	51	91	392

GILGIT DISTRICT
TEHSILWISE/SECTORWISE SUMMARY OF COST OF SCHEMES IDENTIFIED
ENDING MARCH 1984

(Rs. '000)

S.No.	SECTOR	GILGIT	HUNZA	NAGAR	PUNYAL/ ISHKOMAN	GUPIS	YASIN	TOTAL	% OF TOTAL
1.	Irrigation	6083	5539	3087	2387	5354	4666	27116	52.3
2.	Protective Bunds	420	1007	546	1501	950	5387	9811	18.9
3.	Storage Reservoir	336	419	475	394	1291	524	3439	6.6
4.	Lift Irrigation	1050	-	-	-	-	-	1050	2.0
5.	Sedimentation Tank	131	131	88	180	-	-	530	1.0
6.	Land Development	340	100	100	200	98	-	838	1.6
7.	Link Roads	1957	2509	1085	872	261	1828	8512	16.4
8.	Bridges	100	362	-	-	-	80	542	1.1
	Total:	10417	10067	5381	5534	7954	12485	51838	100
	% of total:	20.1	19.4	10.4	10.7	15.3	24.1	100	

CHITRAL DISTRICT
SECTORWISE/SUB-DIVISION-WISE IDENTIFICATION AND DISTRIBUTION OF SCHEMES
ENDING DECEMBER, 1983

S.No.	SECTOR		SUB-DIVISION CHITRAL NO. OF SCHEMES	SUB-DIVISION MASTUJ NO. OF SCHEMES	TOTAL
1.	Irrigation	..	85	42	127
2.	Protective Bunds	..	45	5	50
3.	Storage Reservoir	..	2	2	4
4.	Sedimentation Tank	..	-	-	-
5.	Link Roads	..	10	3	13
6.	Bridges	..	18	-	18
7.	Hydel Power	..	-	2	2
Total:		..	160	54	214

NOTE: Data for Chitral district is reported till end of December, 1983.

CHITRAL DISTRICT
SECTORWISE/SUB-DIVISION-WISE SUMMARY OF COSTS OF SCHEMES IDENTIFIED
ENDING DECEMBER, 1983

(Rs. '000)

S. No.	SECTOR		SUB-DIVN. CHITRAL	SUB-DIVN. MASTUJ	TOTAL	%AGE
1.	Irrigation	..	6515	6526	13401	65.50
2.	Protective Bunds	..	3390	540	3930	19.75
3.	Storage Reservoir	..	150	140	290	1.46
4.	Sedimentation Tank	..	-	-	-	-
5.	Link Roads	..	790	370	1160	5.82
6.	Bridges	..	887	-	887	4.46
7.	Hydel Power	..	-	600	600	3.01
Total:		..	11732	8176	19908	
% of total:		..	58.03	41.07		

NOTE: Data for Chitral District is reported till end of December, 1983.

GILGIT DISTRICT
PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT & COMPLETED PROJECTS AS ON
31ST MARCH, 1984

A: BY TYPE OF PROJECT

Type of Project	No. of Projects	Commitment (Rs. '000)	Disbursement (Rs. '000)	As % of cost	Completed Projects
1. Irrigation Channel	.. 80	8,765	4,562	52	25
2. Syphon Irrigation	.. 1	442	330	72	-
3. Lift Irrigation	.. 1	100	75	75	-
4. Link Roads	.. 22	2,681	1,716	64	9
5. Protective Works	.. 14	2,358	1,624	69	2
6. Storage Reservoir	.. 4	514	237	46	-
7. Sedimentation Tank	.. 2	219	119	54	-
8. Mud-flow Control	.. 1	48	10	21	-
9. Bridges	.. 2	262	131	50	-
Total:	.. 127	15,389	8,804	57	36

B: BY SUB-DIVISION

Sub-Division	No. of Projects	Commitment (Rs. '000)	Disbursement (Rs. '000)	As % of cost	Completed Projects
1. Hunza	.. 34	4,252	2,114	50	7
2. Nagar	.. 14	1,713	1,101	64	5
3. Gilgit	.. 26	3,585	1,934	54	7
4. Punyal/Ishkoman	.. 23	2,148	1,268	59	10
5. Gupis-Yasin	.. 30	3,691	2,388	65	7
Total:	.. 127	14,389	8,805	57	36

GILGIT DISTRICT
SUB-DIVISION WISE DISTRIBUTION OF SCHEMES AND COSTS AS ON
MARCH 31, 1984

SECTOR		HUNZA	NAGAR	GILGIT	PUNYAL/ ISHKOMAN	GUPIS/YASIN	TOTAL
1. Irrigation Channel	..	2,750 (23)	678 (8)	2,214 (14)	1,419 (17)	1,704 (18)	8,765 (80)
2. Syphon Irrigation	..	-	442 (1)	-	-	-	442 (1)
3. Lift Irrigation	..	-	-	100 (1)	-	-	100 (1)
4. Link Roads	..	1,142 (8)	279 (3)	1,141 (10)	118 (1)	-	2,680 (22)
5. Protective Works	..	97 (1)	225 (1)	-	479 (4)	1,556 (8)	2,357 (14)
6. Storage Reservoir	..	-	-	-	132 (1)	382 (3)	514 (4)
7. Sedimentation Tank	..	-	88 (1)	130 (1)	-	-	218 (2)
8. Mud-flow Control	..	-	-	-	-	47 (1)	47 (1)
9. Bridges	..	262 (2)	-	-	-	-	262 (2)
Total:	..	4,251 (34)	1,712 (14)	3,585 (26)	2,148 (23)	3,689 (30)	15,385 (127)

NOTE: The upper figure denotes the cost in Rs. '000.
The lower figures in parentheses denote the number of schemes.

CHITRAL DISTRICT
PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT AND COMPLETED PROJECTS AS ON
DECEMBER, 31, 1983

A: BY TYPE OF PROJECT

Type of Project	No. of Projects	Commitment (Rs. '000)	Disbursement (Rs. '000)	As % of cost	Completed Projects
1. Irrigation Channel ..	33	4,170	1,380	33	2
2. Link Roads ..	3	249	78	31	-
3. Protective Works ..	14	1,660	757	46	-
4. Bridges ..	5	245	120	49	2
5. Hydel Scheme ..	1	76	59	78	1
Total: ..	56	6,400	2,394	37	5

B: BY TYPE OF SUB-DIVISION

Sub-Division	No. of Projects	Commitment (Rs. '000)	Disbursement (Rs. '000)	As % of cost	Completed Projects
1. Mastuj ..	21	3,759	1,073	29	2
2. Chitral ..	35	2,640	1,321	50	3
Total: ..	56	6,399	2,394	37	5

NOTE: Data for Chitral district is reported till end of December, 1983.

CHITRAL DISTRICT
SUB-DIVISION WISE DISTRIBUTION OF SCHEMES AND COSTS AS ON
DECEMBER 31, 1983

SECTOR				MASTUJ	CHITRAL	TOTAL
1.	Irrigation Channel	..	..	2,806 (15)	1,364 (18)	4,170 (33)
2.	Link Roads	..	..	148 (1)	101 (2)	249 (3)
3.	Protective Works	..	..	805 (5)	855 (9)	1,660 (14)
4.	Bridges	..	..	-	245 (5)	245 (5)
5.	Hudel Scheme	..	..	-	76 (1)	76 (1)
Total:				3,759 (21)	2,641 (35)	6,400 (56)

NOTE: Data for Chitral district is reported till end of December, 1983.
The upper figure denotes the cost in Rs. '000.
The lower figures in parentheses denote the number of figures.

EXTENSION AND SUPPLIES

I. Review

Over the past years AKRSP has evolved a system of extension training which suits its status as an NGO and the difficult area of its operations. The method and approach embodied in the Programme are such that will allow AKRSP to cover a wide area with the limited resources at its disposal. The concerned Government departments in the Gilgit district are fully associated with the training, and help in the preparation of courses and their instruction. The main fields in which AKRSP is helping to create specialists at the village level are livestock, plant protection and production and poultry. These fields were chosen in response to the needs which the villagers had articulated. At present, the livestock and plant protection courses are organised for the men and the poultry course for the women. However, in keeping with the sexual division of labour in the area AKRSP hopes to organise plant protection and livestock courses for the women as well in the near future.

II. The Task at Hand

The next crucial stage in the Programme is to conduct intensive follow-ups to determine the performance of the village specialists and their utility at the village level. This will help the implementors of the Programme to make course corrections and strengthen the weaker aspects of the Programme. A preliminary follow-up has been conducted and a more thorough follow-up is under-way. An important finding of the preliminary exercise was that the Village Organisation played a vital role in helping to establish the Village Specialist. In villages where the trainee had the support of the Organisation was much more effective. In order to elicit the support of the Organisations and inform them of the necessity of such cooperation AKRSP discussed the issue threadbare with the office-bearers during the Manager's Conference held at the end of March, 1984. It seemed that the problem arose due to a misunderstanding of the terms on which the trainees would work once they had returned to their village. After the second follow-up a more comprehensive report would be available on the working of the specialists. This would then enable the extension staff to make the requisite corrections and make the training more effective.

Another way in which the extension staff hopes to make the programme more meaningful is by arranging refresher courses for those who have participated in a full course. Such continued contact will focus the training on the specific problems being faced by the specialists once in the field and give a practical orientation to the training.

III. Future Plans

III. A Training Calendar for 1984

The programme Senior Agriculturalist has prepared a Training Calendar in association with the government departments of Agriculture and Livestock. The emphasis of the training will be on the three fields of plant protection, livestock and poultry interspersed with refresher courses and follow-up visits. Apart

from formalised sessions AKRSP is introducing new varieties of seeds, fodder, apple trees and new techniques of growing and processing fruit in informal practical demonstrations in the field. Institutions like the Pakistan Council for Scientific and Industrial Research (PCSIR) and the UNDP/FAO have extended their assistance in this field and the Programme expects to work with them more closely in the future.

III. B Women's Extension Training

Women's Extension Training will be an area of special focus in the future. This decision is in recognition of the fact that the women are equal partners with the men in the agriculture sector. Women's training is somewhat complicated by the fact that their exposure to formal training is extremely limited. For most women the extension class is the first experience with a formal method of instruction. Moreover, there are problems of language which are overcome only by having interpreters in the three main local dialects on hand. Such training has enormous pay-offs, in that, it increases the women's capacity to deal with situations outside the village and encourages other women to respond similarly to opportunities outside the village. In response to the women's demand, courses in plant protection and livestock will also be extended to them. EXT Table 1 lists the villages from which women participated in the First Poultry Course.

III. C Farming Systems Research

There is an understanding among the staff of AKRSP that a farming systems research approach could have a high pay off for the area. This is so because very little research has been carried out in the region. Although, the villagers have developed very intensive cropping methods, due to the scarcity of land, there could still be a potential for further increases in productivity. The need for such research has been communicated to the Pakistan Agricultural Research Council and it is hoped that a team comprising a soil scientist, an entomologist and an agronomist will set up camp in the Gilgit district for the purpose.

IV. Inputs and Machinery

One of the basic tenets of AKRSP is that extension training must be backed by the provision of supplies. As such, AKRSP has undertaken to ensure that supply lines are kept open. In addition to the provision of medicine kits and basic implements to each trainee the Programme replenishes depleted stocks on payment as the need arises. Stocks of Insecticides and pesticides are maintained at the Gilgit office and distributed together with the appropriate advice on their use.

Women take an active interest in the protection of vegetables and treatment of seed. Technical services have been extended to several Women's Organisations on request. Improved varieties of vegetable seeds were distributed to women from ten different Village Organisations.

The credit programme which AKRSP had initiated, to enable farmers in need of fertilizer to purchase it on loan, has rapidly expanded. In the first quarter of 1984, 51 Village Organisations took advantage of this scheme. About 3,452 members from these Organisations took loans of Rs. 782,672 for the Rabi Crop.

**POULTRY COURSES FOR
Representatives from Women's Organisations***

- | | |
|-------------------|--------------------|
| 1. Oshikandas | 2. Sultanabad |
| 3. Aminabad | 4. Sadruddin Abad |
| 5. Rahimabad Bala | 6. Rahimabad Paeen |
| 7. Passu | 8. Morkhan |
| 9. Sherqilla | |

* Two women from each Organisation participated in the course.

MARKETING RESEARCH

I. Review

The process of collective Agricultural marketing research was initiated by conducting a preliminary analysis of problems being faced by the farmers pertaining to the marketability of their surplus produce in Gilgit and other major urban centres. In order to demonstrate economies of scale which can be derived through collective efforts in marketing of the surplus produce, eight villages were selected and a few successful experiments, on a small scale, with bulking and selling on collective basis were made. The findings which came to light through these small experiments have been restricted to the eight villages, and an effective extension system has to be developed to convey the results to others.

II. Course to be Followed

In order to induce a wider participation on the part of the Village Organisations, efforts are to be geared towards the formulation of a more intensive research and extension network in the district. The first important step in the provision of extension advice to the Village Organisation would be to capitalise on the findings made in Sherquilla and Yasin by printing it on leaflets in simple Urdu language and distributing it to our primary audience; the members of the Village Organisations. The leaflets would serve as vehicles for apprising the farmers about the latest developments made in marketing research and would help in creating better understanding and early adoption of the suggestions outlined. The primary responsibility of providing the extension advice would rest with the Social Organisers for the purpose of developing models for collective agricultural marketing, social organisers would select a few villages in the respective units and will closely supervise the activities involved in the establishment of a village-based collectively managed institution for agricultural marketing.

One of the functions of the Social Organisers in these selected villages would be to identify village entrepreneurs, who could be trained in different, but well defined disciplines, associated with the marketing process. Training for these specialists would be financed by AKRSP. The potential village specialists would only be trained if the members agree that these specialists would be adequately compensated for the services rendered by them. It is envisaged that the core of the village specialists to be trained over a period of time would play a key role in promoting the cause of collective agricultural marketing in the village.

III. Nature and Focus of Research

On-going research on various aspects of marketing would continue, and every effort will be made to make it closely coordinated and participatory. Essentially three parties would be responsible for conducting it i.e. the village specialists, social organisers and the marketing manager. The village specialists, would be encouraged to take initiative and conduct research on various aspects and the Social Organisers would closely monitor the Village responsiveness to various packages which would be presented from time to time, and provide feedback

to the central office.

As far as the focus of the research is concerned, the initial concentration would be placed on the prevention of losses as substantial proportion of fruit is wasted due to which the farmer is deprived of a considerable percentage of his already meagre earnings. There is a dire need for research to be undertaken on improved methods of picking, grading and packaging of the fruit. It is hoped that in the coming fruit season AKRSP would be able to provide a reasonably comprehensive package in this respect to the Village Organisations in the district.

BUDGET AND ACCOUNTS

1. AKRSP Donors

During the quarter under review, no new donor funds were committed to AKRSP. However, the availability of donor monies carried forward from 1983 proved extremely useful in carrying AKRSP's PPI programme to 136 Village Organisations in Gilgit and 56 in Chitral. From 80 projects in Gilgit at the end of 1983, the PPI programme had expanded to cover 127 projects by the end of March 1984. This rapid expansion was undertaken by AKRSP management in order to commit funds to all those projects on which construction could commence by the beginning of the working season in February. Projects initiated by February or March stand a very good chance of being completed before winter sets in. Projects started late in the year have a lower probability of being completed within the calendar year. Because of the carry-over of donor funds from last year, AKRSP was in the fortunate position of being able to initiate 47 projects in Gilgit and 25 projects in Chitral during January-March, 1984.

Some present and potential donors have expressed an interest in considering multi-year funding for AKRSP. Should such an eventuality materialise, it would prove invaluable to AKRSP management in planning its various activities with greater confidence. Multi-year funding would save many of our colleagues in the AKF network the time they currently spend on fund-raising every year, it would also tend to eliminate the sharp peaks and troughs in AKRSP's pace of work that are related to the supply of donor funds.

2. Financial Reporting

Our quarterly Progress Reports cover Programme activities in general and seem to provide a satisfactory medium for reporting and the dissemination of information. However, we are as yet unable to provide timely financial information that reports on each of the activities financed during a month or a quarter. The Budget and Accounts Section had started a process of integrating financial reporting with activity reporting in the quarter under review. With the arrival of the microcomputer, all General Ledger entries are being computerised. The next step will be to computerise all entries pertaining to payments to Village Organisations; this phase would involve, in particular, the PPI and credit programmes. It would then become possible for accounts personnel to provide upto date trial balances at a moment's notice, together with the details of expenditures on account of different donors and different activities.

3. Village Organisation Accounts

In addition to normal office accounting, AKRSP's Budget and Accounts Section is currently handling the credit transactions of about 130 Village Organisations. Realising that the rapidly-expanding credit programme needed the attention of a full-time manager, the Board of Directors have approved the position of Programme Business Manager as an addition to the existing Management Group.

The Programme Business Manager will be responsible for AKRSP's credit

and marketing operations. There is an urgent need, in particular, to separate VO accounting from other office accounting, not only because of the volume of work it entails, but also because it is necessary for a financially-sound expansion of AKRSP's credit programme.

It has been decided that Habib Bank Limited (HBL) will keep separate accounts for each Village Organisation's savings. Over time, all VO's borrowing from AKRSP will maintain savings accounts from which withdrawals will be subject to AKRSP's consent. It might also become necessary, in the near future, to hold training classes in Gilgit for VO Managers, so that they could begin to perform some basic banking functions in their villages on behalf of AKRSP. At present, some rudimentary instruction in accounting is imparted by the Field Accountant during his visits to the villages.

4. Programme Expenditure

The following is a summary of expenditures incurred in Gilgit district during January - March 1984 as part of the Programme Budget:

1. Agricultural & Rural Development	..	Rs. 3,562,500
2. Extension Training	..	Rs. 124,851
3. Research and Survey	..	Rs. 442,000
4. Credit Programme (amount outstanding)	..	Rs. 507,912
5. Survey Equipment	..	Rs. 25,273
Total:	..	Rs. 4,662,536

5. Annual Audit

The first annual audit of AKRSP accounts commenced in March 1984 at AKRSP's head office in Karachi. The auditor's report, which is expected in May, will form part of the Annual Report of the company.

MONITORING, EVALUATION AND RESEARCH

1. Documentation

The first (video) copy of the film "Valleys in Transition" was delivered to AKRSP by the film's Executive Producer, Mr. Robert Shaw of the Aga Khan Foundation. The 40-minute film is a visual rendition of how AKRSP was functioning five months after its inception. The remarkable photography and sensitive editing were just two of the difficult functions performed by East-West Productions of Canada in giving us this film. In the second phase, the East-West team is expected to return to the project area later this year to update the first film, which has already attracted the generous admiration of AKRSP staff and friends of the company.

AKRSP's own audio-visual section also produced a number of short video films on general and specific aspects of the Programme. These films were greatly appreciated by village representatives, as well as by those attending the recent Local Bodies convention in Gilgit. In addition to its still and motion photography, the AV Section has been shouldering the responsibility of maintaining AKRSP's seminar library. A short-term consultant was hired to catalogue the growing number of books, pamphlets and archival records in the library. He managed to do a good job of cataloguing almost two-thirds of the books in 20 days. Since his departure, however, the size of the library has increased by about 50%.

Finally, a modernised documentation and data management system came to AKRSP in the form of a Radio Shack TRS-80 Model 12 microcomputer. Saigol Computers Limited, the Radio Shack dealers in Pakistan, have been instrumental in getting the system going at our premises in Gilgit, and in providing invaluable expertise during the first weeks of operation.

2. Monitoring

The monitoring of Village Organisations and village-level projects continued to demonstrate the difficulties of monitoring a rapidly increasing number of villages and activities in a large geographical area. As a result, our efforts are now being directed at economising even more on the monitoring and reporting requirements. Certainly, the availability of the microcomputer will relieve the pressure of routine work on skilled managers whose time is better spent as engineers, organisers and economists, rather than as calculators. Nevertheless, monitoring and reporting requirements need to be defined more precisely in terms of the needs of the audiences who use such information.

The monitors data collected at AKRSP can be addressed to at least three types of audience — villagers, management and donors. We feel that our reporting to donors, while far from perfect, has remained at a satisfactory level since our operations first came to be co-founded by donors. However, we still need to sharpen the analyses that we would like to provide to management for its ongoing evaluation and possible course-corrections. Finally, we have so far totally ignored data processing and analysis that could be of benefit to villagers. In the coming quarter, therefore, we will devote greater attention to monitoring

and reporting for the benefit of management and the villagers.

3. Evaluation

No significant evaluation activity took place in the quarter under review. With the beginning of spring, however, it will be possible to initiate necessary field work for evaluation. There will be particular emphasis on case studies and on small sample surveys. The selection of cases and samples will be on the basis of the activities that are to be evaluated.

4. Research

It became possible, in the last few months, to start defining the functions of social science research at AKRSP. It is still too early to present a definitive policy at this stage, for the issues are under discussion within AKRSP. However, four comments are in order even now:

- (i) There is a need, fully recognised by project staff, to protect villagers from an excess of enquiries and questionnaires;
- (ii) The funding and institutional placing of a significant social science research programme should not entail an expansion of the staff and funding of AKRSP's Gilgit office. It should depend upon research fully funded by new donors;
- (iii) The nature of the research should be clearly related to AKRSP's approach to rural development;
- (iv) It would be useful for AKRSP to gradually widen their international as well as Pakistan contacts, as time and opportunity may allow.

VISITORS TO AKRSP

1. THE BOARD OF DIRECTORS

The Board of Directors of the Aga Khan Rural Support Programme keep in touch with Programme activities through the quarterly Board meeting and by internal reports which are periodically supplied to them. In certain cases, the Directors also visit the project area. In the first three months of 1984, the following Directors visited project sites and held discussions with members of the Management Group and the staff of AKRSP:

- Mr. Robert d'Arcy Shaw,
Director of Special Programmes,
Aga Khan Foundation, Geneva
- Mr. Hamidullah Baig,
Director, AKRSP Board of Directors
- Mr. Afzal Ali,
Director, AKRSP Board of Directors

2. HEAD OF INSTITUTIONS

The following heads of government, autonomous, international and private institutions/organisations visited AKRSP:

- Mr. Nusrat Ali Shah,
Member, Majlis - e - Shura
- Mr. Aslam Bajwa,
Incharge Secretary,
Ministry of Local Government
and Rural Development, Islamabad
- Mr. M.A.K. Beg,
Director, PARD,
Peshawar
- Mr. Sikandar Jamali,
Joint Secretary,
Establishment Division,
Rawalpindi
- Mr. Zafar Iqbal,
Chairman,
National Development Finance Corporation,
Islamabad
- Mr. & Mrs. Quarles von Ufford,
Director,
Unilever London

- Mr. & Mrs. Habibur Rehman,
Chairman,
Lever Brothers Limited,
Karachi
- Mr. & Mrs. Abid Marvi,
Chairman,
Liptons (Pak) Limited,
Karachi
- Mr. Hasan Zaheer,
Secretary,
Production Division Govt. of Pakistan, Islamabad

3. REPRESENTATIVES OF DEVELOPMENT AGENCIES

The following representatives of International and AKF institutions visited AKRSP for discussions on AKRSP strategy and the possibilities for cooperation:

- Mr. John Blackton,
Director,
USAID, Islamabad
- Mr. B.J.J. Stubbings,
Manal Management Limited,
London
- Mr. Ward Hanevald,
programme Education Officer,
AKF Geneva
- Mr. Hakeem Feerasta,
Executive Officer,
AKF (P), Karachi
- Mr. Abdul Karim,
Programme Officer,
AKF (P), Karachi

4. SCHOLARS & SCIENTISTS

- Professor Guy Hunter,
Suffolk, U.K.

5. GILGIT-BASED FRIENDS

Once again AKRSP takes this opportunity to thank its Gilgit-based friends without whose cooperation and help it would be very difficult to run the Programme. We are especially grateful to:

- Major General Pirdad Khan, S.J.,
Martial Law Administrator,
Zone 'E', Gilgit for his patronage and encouragement.

- Mr. Jamil Haider Shah,
Commissioner,
Northern Areas
- Brig. Anwar Muniruddin,
Deputy Martial Law Administrator
- Mr. Zahoor Anwar Malik,
Additional Commissioner (Development),
Northern Areas
- Mr. S. Faisal Saud,
Deputy Commissioner,
Gilgit
- Brig. Safdar Ali,
Director-General NAWO
- Col. M. Aslam Chaudhry,
Colonel Martial Law
- Mr. Mahmud Akhter,
Assistant Commissioner, Hunza
- Mr. Ali Ahmad Jan,
Superintendent of Police
- Mr. Saadat Wali Khan,
Deputy Director,
LB & RD
- Dr. Ghulam Sarwar,
Deputy Director,
Animal Husbandry Department
- Mr. Abdul Karim Balghari,
Assistant Director,
Agriculture Department
- Mr. Mohammad Alam Khan,
Conservator of Forests,
Northern Areas
- Mr. Saifur Rehman,
Zonal Chief,
Habib Bank Limited

Annexure - II

THE AGA KHAN RURAL SUPPORT PROGRAMME

SIXTH PROGRESS REPORT

April 1984 - June 1984

AKRSP

Babar Road, P.O. Box 506
Gilgit, Northern Areas
Pakistan

Phones: 480; 779

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PREFACE

The Sixth Progress Report is the first AKRSP document produced completely on our word processor. Several pages of it were initially lost in the process of learning the use of the microcomputer. However, corrections were easy to perform, and the end result is a neater and more accurate report than would have been possible on a typewriter.

Another new feature of our Progress Report is the addition of a section on special reports. The present document contains two village studies on our credit programme, the trip report of the Regional Economist of CIMMYT, and a note on the villages of the isolated Shimshal valley. Such special-interest reports will be a regular feature of the Progress Report.

It has also been suggested that the Progress Report contain a section devoted to answering questions from our readers. We have decided to introduce a one-page section on questions-and-answers, on an experimental basis, from the next quarter. Interested readers are welcome to send their questions at the address given on the title page. We look forward to sharing our experiences with our donors and other friends as much as possible.

The preparation of this report was made possible by enthusiastic efforts on the part of the MER, Engineering, Social Organisation, Extension Training and Supplies, Budget and Accounts and Women's Sections. Able support was provided by the Administrative Section.

Shoaib Sultan Khan
General Manager.

SUMMARY OF THE SIXTH PROGRESS REPORT

I. Overview

On his third visit to AKRSP in April, Dr. Akhter Hameed Khan reviewed the five models for equitable development that AKRSP has identified so far. The models of the Village Organisation and PPI projects can now be considered successful. The models of land reclamation and cooperative credit and banking are as yet incomplete. The marketing model is in a nascent stage. In the next six months, consolidation will stress the development of land reclamation and marketing models through intensive efforts directed at selected VOs.

II. Social Organisation

By the end of June 1984, there were 235 Village Organisations in Gilgit district and 53 in Chitral. Together, the Gilgit VOs represent about 70% of the district's population; their membership is estimated at 19,579. VO savings continue to demonstrate remarkable increases. The practice of community discussion and action has begun to prevail, and village planning appears to be within the grasp of many VOs even now.

III. Women's Programme

The spontaneous formation of Women's Organisations continues to outpace the growth of AKRSP programmes for women. By June, 37 Women's Organisations had been formed, with a membership of 2,111, and an accumulated equity capital of more than Rs. 142,000. At present, the enthusiasm of women's groups is being channelled into training for poultry development. Moreover, an experienced administrator of women's programmes will be visiting AKRSP shortly to outline the programmes and staffing requirements for AKRSP. A senior Programme Officer for the Women's Section is also being recruited.

IV. Productive Physical Infrastructure

The most remarkable feature of the quarter under review is the completion of a total of 71 PPI projects out of the 131 started in Gilgit; 14 of the 53 projects in Chitral have also been completed. The high completion rate gives added urgency to second-phase development activities. Basic research on land reclamation has already been undertaken by the Engineering Section. With the assistance of subject specialists, there is now the need to develop successful models for land development in selected villages.

The projects initiated in Gilgit have a cost of Rs. 16 million, out of which 74% has been disbursed. Chitral projects cost Rs. 5.7 million, of which 56% has been disbursed.

V. Extension Training and Supplies

A total of 7 courses for village specialists have been held so far, including 2 for women poultry specialists. In Gilgit district, 114 VOs and 21 Women's Organisations have sent 163 representatives for training at AKRSP's Extension Centre.

A senior agriculturalist has now been recruited to head AKRSP's research

and extension efforts in agricultural activities.

IV. Savings and Credit

VO savings have increased to an estimated total of Rs. 2.88 million — an increase of Rs. 1.2 million in just three months (with virtually no increase in VO membership). There are now several VOs with savings of Rs. 40,000 — Rs. 80,000.

Short-term credit to the amount of Rs. 2.61 million had been disbursed by June 1984 to 162 VOs. By June, the recovery rate on loans due was 93% and rising.

VII. Marketing Research

Two villages were selected from each sub-division for an intensive marketing experiment involving both fresh and dried fruit. Professional demonstrations were given to these VOs in picking, grading and packing. The importance of these practices to the value received by the farmer will also be illustrated through widely-distributed leaflets. Efforts are also underway to develop economical ways of fruit dehydration.

A Programme Business Manager has now been recruited to head the marketing and credit operations of AKRSP.

VIII. Budget and Accounts

No new funds were committed by donors during the quarter under review. By June 1984, Rs. 20.42 million were available for 1984 activities, against which applications were projected for Rs. 23.32 million. The projected deficit of nearly Rs. 3 million will not stop any programme activities, but no expansion is possible during the rest of 1984 unless new funds are donated. Discussions are now proceeding between AKRSP and interested donors on multi-year funding.

IX. Monitoring, Evaluation and Research

A reorganisation of the MER Section is being effected at the time of departure of three of its four veterans. MER will now have a Project Economist and a Monitoring Officer working with the Programme Economist.

The MER Section worked with Social Organisers on a number of village studies, three of which are reproduced in this report. It is going to move closer to AKRSP's research and extension efforts in the coming months. Sample surveys for evaluation have been postponed to the last quarter of 1984.

QUARTERLY STATISTICAL ABSTRACT
GILGIT DISTRICT

This abstract covers the period December, 1982 - June, 1984.

I. Project area

1. Area (sq. km.)	..	31,100
2. Population	..	227,000
3. No. of households (approx)	..	27,250
4. No. of villages (approx)	..	290

II. Overall Coverage

1. Projects identified in so many villages	..	289
2. ....as % of total in 1.4	..	100%
3. No. of villages surveyed	..	186
4. ....as % of 11.1	..	64%

III. Social Organisation

1. No. of Village Organisations	..	235
2. Membership of all VOs (estimated)	..	19,579
3. Savings of all VOs (million Rs... estimated)	..	2.88
4. % pop. of project area covered by VOs (approx)	..	70%

IV. Productive Physical Infrastructure

1. Total number of projects identified	..	392
2. Estimated cost of these projects (million rupees)	..	51.84
3. No. of projects initiated	..	131
4. No. of beneficiary households (approx)	..	11,500
5. Cost of projects initiated (million Rs.)	..	16.0
6. Physical progress of these projects (%)	..	70%
7. No. of projects completed	..	71

V. Agricultural Credit

1. Amount of loans advanced (million Rs)	..	2.61
2. No. of borrowing VOs	..	162
3. No. of beneficiary farmers (including multiple loans)		13,926

4. Loan amount due (million Rs.) ..	..	0.70
5. Recovery Rate ..	..	93%

VI. Extension Training and Supplies

1. No. of courses for village specialists	..	7
2. No. of refresher courses ..	..	3
3. No. of Village Organisations represented	..	135
4. No. of Conferences for VO representatives	..	4
5. with number of VOs represented	..	235

VII. Women's Organisations

1. No. of Village Organisations ..	..	37
2. Membership of all VOs ..	..	2,111
3. Savings of VOs (Rs.) ..	..	142,000
4. No. of courses for poultry specialists	..	2
5. No. of Women's Organisations represented	..	21

OVERVIEW: FIVE MODELS FOR EQUITABLE DEVELOPMENT

Dr. Akhter Hameed Khan paid his third visit to AKRSP during 17-30 April, 1984. The following overview is based on discussions between him and AKRSP staff.

I. The Methodology of Research and Development

AKRSP is not a routine department; it has no manual or book of rules to help it identify and implement innovations. Its success depends on discovering workable innovations and assisting villagers in making innovations work.

The discovery of an innovation requires research. AKRSP's Diagnostic Survey is its method of research. A problem is analysed jointly by a team consisting of Social Organisers, subject specialists and village development activists. Several visits are made to a village until the technical and sociological aspects of the problem become clear to all three research partners. After this, a package of advice is prepared that identifies the components of the solution and the responsibility for each component. In the extension phase, the package is explained to villagers until they understand the implications of the package. The Social Organiser is AKRSP's chief extension officer for his region. He explains the terms under which AKRSP could collaborate with a Village Organisation on a particular project. If the villagers are willing to accept the terms of partnership, AKRSP undertakes to provide the necessary technical and financial (grant or loan) assistance.

Finally, in the implementation phase, AKRSP works with the Village Organisation to provide the services and supplies necessary for the successful realisation of the project. As much as possible, AKRSP acts as an intermediary between the Village Organisation and prospective sources of supplies and services. (This role is illustrated by the training, marketing and credit programmes).

Once the processes of research, extension and implementation have been completed in selected villages, AKRSP prepares to replicate the successful model more widely. However, replication depends on accommodating village-level variations, and the process of research continues even as replication is undertaken on a large scale.

II. Models for Equitable Agrarian Development

The result of AKRSP's local experiences with research, extension and implementation has been the identification of five models that could be replicated widely within the project area. The common characteristic of these models is that they require and reward the cooperative management of village resources. This feature is likely to help in a more equitable development of smallholder agriculture than is possible with haphazard and individualistic growth.

To date, it has been possible to identify five models for the project area. These models are outlined in this section and reviewed briefly in Section III in the light of Dr. Akhter Hameed Khan's observations.

1. Village Organisation

This involves institution-building at the village level for the purposes of planning, mobilisation of manpower, and cooperative accumulation and management of resources. The role of the Village Organisation in AKRSP's strategy and programmes is an evolving one, and is discussed regularly in the Progress Report.

2. Productive Physical Infrastructure

PPI is the entry point for development activities, and also serves to help reverse the stagnation of the region's rural economy. The PPI model itself can be said to consist of several sub-models – irrigation channels, link roads, land development, etc.

3. Increased Productivity

There are two objectives: to reduce the losses suffered by villagers due to the diseases and insects and pests that afflict their livestock, trees and crops; and to improve the technologies through which villagers produce incomes from their assets.

4. Cooperative Credit and Banking

The pooled savings of small farmers can be used to secure credit on a group basis. Credit can be made available by AKRSP and collaborating institutions for a wide variety of investments.

5. Cooperative Marketing

This is needed to transform the region's marketable surpluses in several commodities into higher incomes. Cooperative marketing includes the cooperative ownership of transport, storage, processing and packaging units.

Though each of these models needs to be developed separately, "each is essential for rapid and equitable agrarian growth and is interlinked with the other" (Dr. Akhter Hameed Khan).

III. A Review of the Five Models

1. Successful Model: Village Organisation

There are now more than 300 men's and women's organisations in Gilgit and Chitral. In an overwhelming number of VOs, meetings are held regularly, good development activists have been chosen as office-bearers, and savings are regularly collected from members. Excellent infrastructure projects are under implementation by 184 VOs, whereas 85 PPI projects have already been completed. Most importantly, the practice of community discussion and action is beginning to prevail. In such an environment, "it can now be hoped that the concept of Village plans will gradually gain acceptance." (Dr. Akhter Hameed Khan).

2. Successful Model: PPI Projects

In the words of Dr. Akhter Hameed Khan, PPI projects have proved to be spectacularly popular and successful. As is illustrated in this document's section on PPI, village-level projects have already started benefitting the villagers.

Dr. Khan enumerated the following innovative aspects of the PPI programme:

- it is a joint effort by the Village Organisation and AKRSP's engineers and Social Organisers;
- expert guidance has ensured that the projects are technically sound;
- popular participation has reduced the cost and speeded up the construction;
- Village Organisations have assumed the responsibility of maintenance;
- the VOs have also assumed the responsibility of management, settlement of disputes, and realisation of maintenance costs;
- the presence of an effective organisation further ensures that the subsequent steps for land reclamation may also be organised cooperatively.

Within the PPI programme, land reclamation is still an incomplete model. Basic research by engineers and Social Organisers has already been completed in 12 villages. Furthermore, the VOs of Passu and some other villages in upper Hunza have started implementing village plans on their own. In these villages, some land was developed for crops immediately after the completion of irrigation channels. In Passu, the villagers have planted an orchard with 4,000 trees. With more research by subject specialists, and with the benefit of the experience in Hunza, land development can evolve rapidly into another successful model. AKRSP is already arranging medium-term credit for land development projects.

3. Increased Productivity: Incomplete Model

Compared with the VO and PPI models, the extension package for increased productivity is very weak. It is based solely on imparting training and providing supplies to prevent losses in the livestock and crop sectors. With the recruitment of a senior agriculturalist, it should now become possible to explore other avenues for improved productivity.

4. Credit and Banking

The concept of collective savings has firmly taken root in a vast majority of villages. The VOs increased their savings from Rs. 1.76 million to Rs. 2.88 million in the three months ending June 1984 — an increase of 64%. The proportionate increases continue to be impressive month after month. The procedure for disbursing and recovering short-term credit has been worked out satisfactorily. It now remains to work out similar procedures for medium — and long-term loans. It is encouraging to note that local banks are now willing to issue some loans to VOs without requiring a guarantee from AKRSP. Finally, procedures also need to be worked out for the utilisation of the equity capital of VOs.

5. Cooperative Marketing

This model is in a nascent stage. Experimental efforts to date have been reported in the section on marketing. Two villages have been selected in each sub-division for further research and extension. Credit and the training of village specialists need to be offered as parts of the marketing package. The training has to be specific to the needs of different villages, and has to be focussed on entrepreneurial abilities that would prove useful in marketing.

IV. The Strategy of Consolidation

IV. A Intensive Efforts in Selected Villages

In order to develop successful models with widespread replicability, AKRSP will concentrate its resources both geographically and functionally. In the next six months, special attention will be given to land reclamation and cooperative marketing. Initially, these activities will be studied and supported in a limited number of VOs, perhaps no more than 10 in all of Gilgit. The endeavour will be to work in good Village Organisations with dynamic leaders. If successful in such villages, the models can be introduced more widely.

IV. B Selection of Subject Specialists

Not all the specialised skills required in rural development are represented in AKRSP staff. The Management Group will be responsible for recruitment of consultants who could visit the project area periodically to assist in the preparation of appropriate models. In the first instance, there is a need to engage experts in forestry and pastures, and animal husbandry and dairying. Research institutes in Pakistan might be involved particularly in the research and extension processes, and in imparting training to various village specialists.

IV. C Improving Extension Methods

Most of the office-bearers of the VOs are literate; leaflets should be written on successful models, VOs and leaders and distributed widely. More generally, the first steps in improving extension efforts involve:

- preparation of numerous instruction leaflets;
- dissemination of case histories and profiles;
- publication of a quarterly magazine for VOs.

Next, a mobile audio-visual unit will be employed in the field, so that villagers all over the project area have access to the common records of a set of remarkable achievements.

V. CONCLUSION

In the third Progress Report, we had given an overview of the kinds of activities that could form part of the consolidation phase of AKRSP. We had also enumerated possible elements of village perspective planning. The efforts of AKRSP staff, and the response of villagers in the last nine months, have made it possible to translate some of our earlier hopes into complete or nascent models for equitable development. Even the small progress that has been made since October 1983 in conceptualising new programmes provides us an opportunity to quote from the conclusion of the Third Progress Report's overview section: "...the management of AKRSP have always maintained that investments in village-level productive physical infrastructure projects provide vital and tangible returns in the form of their economic and behavioural impact, and by inducing villagers into forming multi-purpose Village Organisations; and that the creation and support of these village-based development institutions is the missing link between the mere availability of resources and their effective deployment in aid of rural development."

The importance of the "missing link" will become even more clear when we succeed in developing some of the incomplete models discussed above; and Village Organisations will begin to thrive as a genuine and effective multi-purpose development institution for small farmers.

SOCIAL ORGANISATION

I. Introduction

By the end of June 1984, AKRSP had encouraged the formation of 235 Village Organisations (VOs) in Gilgit district. This proliferation of Village Organisations, in diverse areas, has made it unrealistic to measure them against any single criterion. The sheer number of organisations is indicative of the rapidity with which the programme is being expanded but it does not give much insight into the quality of these institutions. It is the long term sustaining capacity of these organisations which is of more interest to the Programme; this chapter will attempt to evaluate this aspect. This study will also attempt to highlight some of the typical questions that come to the mind of those interested in these institutions. After giving the general performance of the villages in terms of membership, attendance and equity capital the issues will be presented in the context of case studies. The cases chosen for the purpose are those which have a capacity to illustrate social dynamics at the village level. Most of these studies will incorporate questions on the pattern of landholdings and on the functioning of the VOs in a social context.

A study on the Gujal village of Shimshal is included separately in this report. This study is different from the rest in that it presents a historical account of the village. This has been added in the report in order to illustrate the experiences of other isolated villages and to put the functioning of the organisation in a better perspective.

II. Performance of Village Organisations

II. A General

The number of Village Organisations has gone up to 235 as compared to the previous quarter's 224. However, the number of VOs reporting on membership, attendance and savings remained low at 211. For the rest of VOs, figures for membership and equity were extrapolated on the basis of reported equity and membership per VO. A lot of effort is still required to improve the efficiency and quality of reporting without over-burdening the VO members, and the field staff.

II. B Membership and Attendance

Extrapolating for all of 235 VOs, membership stands at 19,579 as compared to last quarter's 19,557, i.e., only about 0.11% increase. On the other hand, membership per VO has declined by 4.6%. This downward trend was mainly due to splitting of VOs into smaller but, nevertheless, more homogeneous groups after PPI completion. As far as the attendance figures are concerned, a very wide dispersion is observed (0-100%) even in VOs within the same sub-division.

II. C Equity Capital

Again, on the basis of extrapolations for all of the VOs, it appears that the equity capital increased by 64% and stood at Rs. 2,879,053 as compared to last quarter's Rs. 1,755,243. Equity per member also showed an increase at a rate more or less same as that in previous quarter i.e. 69%. It rose from Rs. 87 to Rs. 147 during this quarter. Equity per VO also rose to a level of Rs. 12,251 as compared to Rs. 7,801 in previous quarter i.e. an increase of the about 57%.

III. Issues in Organisation

III. A The Village Organisation as a Sanctioning Authority

In its capacity as an institution which is able to secure the compliance of its members the Village Organisation has had mixed results. The members of Rahimabad I provide an instructive insight into the manner in which the villagers use this institution in problem solving. About 62 members had taken a fertiliser loan under the AKRSP credit programme. Mr. Ali Hurmat was entrusted with collecting the loan from members. On his sudden death, his nephew Mansur Khan assumed the responsibility to preserve the family honour. He managed to recover some of the money but was under pressure from those members who had worked on the PPI scheme and insisted that the estimates for labour payments had been understated. Consequently, he used part of the money to make labour payments. Having spent the money in this manner, the village elders, most of whom are also members of the Village Organisation, had a meeting to decide how to repay the AKRSP loan. Their decision was that the loan should be repaid immediately. The better-off contributed and made the payment on behalf of those who could not afford to repay immediately. It should be added that this decision was influenced by the mistaken impression that AKRSP would sponsor a second scheme and that payments from that would be used to reimburse those who helped to repay the loan. Most of the contributors have been paid back and only a part of the debt is outstanding.

III. B The Village Organisation as an Institution for Credit

The Village Organisation of Mohammadabad is laying down the framework for a credit institution at the village level. There are a total of 160 households in Mohammadabad and from among these 150 are members of the VO. The VO was formed in February, 1983 and its present equity capital is Rs. 30,600. Several of the members have applied for and obtained short term loans from the VO. One villager borrowed Rs. 2,000 for 20 days and even volunteered to pay the Organisation a lump sum interest of Rs. 20. Another borrowed Rs. 1,000 for four months and gave a monthly interest of Rs. 10. When a villager got sick and needed hospitalisation and medicines, the VO offered him an interest free loan of Rs. 500 for two months. Moreover, the Mohammadabad Village Organisation is one of the few VOs which have given their members loans for the purchase of fertiliser. Most of the others are obtaining loans available under the AKRSP credit scheme.

The Village Organisation of Sultanabad secured a Rs. 21,000 loan for a thresher which they gave to a member of their VO. He has undertaken to offer the villagers easier terms than those available elsewhere for threshing. He has paid Rs. 12,000 and has another Rs. 9,000 to repay.

III. C The Village Organisation: An Attempt to Bring a Diverse People Together

The village of Sultanabad was first settled in 1928 by the Gujars. They helped to dig an irrigation channel in an area which was the pasture land for Danyore. In the early 1930's some families from Hunza, driven by the increasing pressure on land, moved to Sultanabad. Most of the Gujars began selling their land and this encouraged additional Hunza families to move into the area. In fact, until 1970, Sultanabad was called "Gujardas". Although, there is no tradition of inter-marriage between the two communities they did have some contact within the context of the Village Organisation. Out of a total membership of 114, at least, 40 were Gujars. However, during the recent local elections 20 Gujars left the VO as a protest against the Hunzakuts' unanimous vote in favour of their own candidate for the Union Council. This was despite the fact that the Gujars had supported a Hunzakut in the District Council elections and put forward a Gujar candidate for the Union Council who was reputed to be the brighter of the two candidates for that body. The Gujars are now demanding a separate organisation.

WOMEN'S PROGRAMME

I. Introduction

The Women's Programme of AKRSP in the Northern Areas has a very flexible strategy because organising women and, thus, mobilising 50% of the human resources, is a new experience in this region. The purpose of the project is to investigate and implement programmes which will increase the income levels of village households. Considering that women are already doing more than their share, we have to plan and devise appropriate technologies to minimise drudgery to rural women. According to a survey on random sampling basis, it was found that women work about four hours per day more than men do on average. They participate in more than 80% of the agricultural activities. These include tending livestock, poultry, fruit processing, drying vegetable, providing help during the harvesting and sowing season.

Before AKRSP formally articulated the principles according to which it could collaborate with women, spontaneous Women's Organisations (WOs) started forming in most parts of the project area. At the end of June 1984, there existed 37 WOs. Their collective membership was 2,111 and their equity capital stood at Rs. 142,000.

A number of Diagnostic Surveys have been undertaken with these organisations in order to help identify income-generating schemes. One of the main problems with a women's programme is that the element of individual subsidy is more pronounced in the schemes which women have been able to identify so far. This may not be easily reconcilable with AKRSP's attempt to induce collective management. Moreover, women's exclusion from wage labour inhibits their motivation to pool their labour for financial benefits. Given these constraints, AKRSP is repeatedly returning to the villages and discussing with women the possibility of circumventing these limitations. The schemes so far proposed by them include small units of poultry farms on household basis, fruit processing, production of vinegar, fruit preservation and dehydration, improved methods of making yarn from wool, production of fodder, better breed of livestock and an access to the market for their tomato-powder, apple powder and handicrafts.

II. Proposed Programmes

II. A Walled Vegetable Gardens, Winter Fodder and Apple Trees

Most of the women have proposed walled vegetable gardens where they intend to grow winter fodder besides a new variety of apple trees. We hope to be able to collaborate with the UNDP/FAO agronomist, who has already experimented with growing winter fodder with apple trees and potatoes. The scheme is in a state of stalemate as in all but two of the organisations these gardens belong to individual households. However, land is being surveyed in three organisations where some possibility exists for collective gardening.

II. B Livestock & Dairy Production

Tending livestock and dairy production are also among the responsibilities of the women. They go out twice a day to graze their animals. During the summer season, in some villages, Gujar families take the responsibility of looking after

the livestock and take the animals to Naltar area. Women of Gulkin, Galmit, Soust, Passu and Hyderabad Bala feel that their livestock is of an inferior breed. A cow usually produce about three litres of milk a day. In areas like Chapurson, where there is a possibility of producing butter and qurut, AKRSP has purchased two cream separators for WOs of Chapurson on experimental basis. There is a market for qurut and butter in NWFP because of the heavy influx of Afghan refugees. So the Peshawar market is also being explored in this connection.

II. C Appropriate Technologies

(i) Fuel Conserving Stoves:

Considering the strenuous exercise of fuelwood collection from far off places, a Polish expert from UNHCR/Bellerive Foundation's stove project, Kacha Ghari, Peshawar, was invited by AKRSP to give demonstrations of his fuel conserving smokeless stove. This demonstration proved that it could substantially reduce the amount of fuel if it is used with hay boxes. In these hay boxes, half-cooked food is placed with a pillow of hay. The food gets cooked by the heat retained in the pot. Ten male members from different VOs were trained to construct these stoves. The clay used to make this stove is not easily available; therefore, the project still remains in the experimental stage. However, the trainees are quite optimistic about finding the clay in their villages. The trainees are also planning to improvise new fuel conservation techniques with stoves made of easily available materials. Regular follow-up visits will be arranged to monitor the performance and success of these trainees.

(ii) Nut Crackers:

Apricot kernel is marketed in large quantities and women spend quite a lot of time in cracking the apricot kernel. According to a rough estimate, women have to spend about fifteen days to crack 40 kg of apricot kernel by spending two hours a day. A research officer from PCSIR Lahore, has designed hand-operated as well as power-cum-hand-operated machines to crack these kernels, the former having the capacity of 10-12 kg of kernels an hour. After the successful demonstration of these machines at three Women's Organisations, these organisations have already planned to use these machines during the current season. There is also a plan to buy 50 more hand-operated machines for the use of Women's Organisations.

II. D Marketing

The tradition of drying vegetables for the winter season is a very old one in the Northern Areas. Women produce a variety of dried vegetables such as onion, garlic, spinach and maithi. They also make tomato powder and apple powder for their own use and also for selling in the Gilgit market.

A few sample of dried vegetables and tomato powder were sent to Lahore and Islamabad to ascertain their market potential. Vinegar from apricots, peaches and grapes is produced in large quantities in almost all the villages. This year the women of Sherqilla have produced about 400 liters for marketing. If this venture proves to be successful, then women's activities may be geared towards the production of vinegar in other VOs as well.

III. Channeling Developmental Activities

Health, sanitation and potable water etc., do not lie directly within the activities of AKRSP, but as these are related to the women, we may co-ordinate with the Community Basic Services (CBS) Programme working in the three districts of the Northern Areas for the development of women. The main implementing and monitoring agency of CBS activities has been the village project committee which is an all male body. So the village based Women's Organisations can serve as the basic forums for the CBS programme. In a co-ordination meeting, government representatives also stressed the need to involve village women. So, there is great scope for co-ordinating the activities of Women's Organisations with the other developmental agencies.

PRODUCTIVE PHYSICAL INFRASTRUCTURE

I. Introduction

As planned, this quarter provided a breath of relief for AKRSP staff and provided time for the consolidation of existing productive physical infrastructure rather than its expansion. This quarter did not witness too much of extension in terms of PPI as compared to the previous quarter; that is why the number of second dialogues was also considerably reduced. However, it can well be categorised as a quarter of consolidation. This might be better appreciated if it is kept in mind that the implementation of PPI projects is not the end in itself, rather, they are merely entry points, with a long-term objective of nurturing and consolidating of Village Organisations. Viewed from this angle, some significant developments are easily observed. It was found that various VOs have started functioning as independent bodies, and there is also a kind of cooperative interaction emerging within them. For some of the recently completed projects, it was also noted that the projects were completed with the collaborative efforts of more than one VO. In such cases, members of the outsider VOs did not even charge for their labour input.

II. The Portfolio of Engineering Projects

There has been no change in the portfolio of identified schemes for Gilgit district since those reported in the last Progress Report. By the end of June 1984, the total number of identified schemes in Gilgit district was 392, with an estimated cost of Rs. 51.8 million. PPI Tables 1 and 2 illustrate the schemes as well as give cost breakdowns by sub-division. In Chitral district, to date, a total of 274 schemes had been identified with an estimated cost of Rs. 13.8 million.

To date, 131 PPI projects have been initiated in Gilgit district at a cost of Rs. 15.9 million, of which Rs. 11.8 million have been disbursed to Village Organisations, that is, 74% of the total cost. By the end of June, 71 projects had been fully completed in Gilgit district and the overall physical progress of PPI projects in the district was 74%. PPI Table 3A shows commitment, disbursement and number of completed schemes by type of project and PPI Table 3B illustrates the same by sub-division. PPI Table 4, on the other hand, illustrates sub-division wise distribution of schemes and costs in Gilgit district. The average cost of a project in Gilgit district stands at a level of Rs. 122,072, i.e., an increase of Rs. 908 in the average cost since the last report.

In Chitral district, 53 PPI schemes have been initiated of which 14 are now completed. The total cost of these 53 schemes stands at Rs. 5.7 million of which Rs. 3.2 million, that is, 56% have been duly disbursed to the Village Organisations. The overall physical progress of the PPI projects in Chitral district is 55%. The average cost of a PPI scheme in Chitral district stands at Rs. 107,755. PPI Table 5A shows commitment, disbursement and the number of completed schemes by type of project and, PPI Table 5B by sub-division. PPI Table 6 illustrates the distribution of schemes and cost breakdowns sub-division wise.

AKRSP's consolidation phase has nowhere been more felt than in its PPI

programme:

- (i) since the last reported quarter, no new schemes have been identified in Gilgit district;
- (ii) in Gilgit district, only 4 PPI schemes were initiated during this period from the identified portfolio of schemes;
- (iii) to date, 54% of the total initiated PPI schemes in Gilgit district are now fully completed. The number of completed schemes have doubled since the last reported quarter, from 36 completed schemes in March to 71 by the end of June.

In both the districts, the overall rate of financial disbursement of the total commitment to Village Organisation is 69%, whereas the overall physical progress of the PPI programme is 66%.

III. Cost Estimation and the Physical Self-help Component

This section begins with a certain premise that needs to be clarified from the onset, namely the concept of self-help. Self-help has conventionally come to mean "voluntary labour", but this is not necessarily self-help *per se*. In any case, voluntary labour is not necessarily participatory labour. To quote from U.S AID Programme Evaluation Discussion Paper # 12 (April 1982):

In many cases, then, the use of voluntary labour is better characterised as a regressive or exploitative system of project financing rather than as participatory (p. 42).

.....It may be inaccurate, in sum, to describe voluntary labour as participatory, let alone to call it voluntary. (p. 44).

AKRSP's definition of self-help is not limited to the physical labour component or the provision of free labour as such. In AKRSP's view, self-help translates into the willingness on the part of the villagers to organise themselves and embrace the responsibility of collective management - the participatory factor. From this perspective then, AKRSP's concept of self-help encompasses its entire programme, the programme itself becomes a self-help programme. In the context of our programme, several myths have to be dispelled at the very outset: we do not consider voluntary labour as "free". It may be free from point of view of agencies involved in undertaking a development project, but in a real economic sense, farmer's time cannot be considered free. Nor does "free labour" ensure the viability of a development process, even if it helps in the implementation of a specific project. The purpose of this discussion is only to re-assert that, in order to initiate a development process with a perpetual momentum, the foremost pre-requisite is the establishment of an institution, village by village, which enables individual farmers to function as a single unified entity with an adequate capacity to raise equity capital, identify priorities and then, accordingly, implement and maintain that infrastructure, accept innovations by whole-heartedly participating in extension and training programmes made available to them. This is what our concept of self-help is, and VOs are the realisation of this concept. AKRSP's point of departure from

other developmental agencies is that it considers the provision of necessary initial capital and technical assistance as its foremost responsibility.

In the First Annual Review, the complexities involved in cost estimation were discussed in detail. In the last few months, the Engineering Section has been involved in devising a cost-estimation system which could be adopted for planning purposes. Cost values are now determined per item, per tehsil, because conditions vary from tehsil to tehsil. Average costs are worked out for the labour and material components tehsil wise for every PPI sector, that is, irrigation channels, link roads, etc. Determination of average costs per tehsil has become a priority issue for the Engineering Section as it is indispensable for planning purposes.

One of the important features of this quarter is a slight but, nevertheless, purposive improvement upon the previous format of cost estimation. For this purpose, a number of schemes were picked up randomly and post-completion audit exercises were carried out for them. The Engineering Section has carried out resurveys on the completed PPI schemes to determine the actual degree of physical self-help. Audit was made to determine the actual mandays and expenditures incurred. Resurvey figures on completed PPI schemes, when compared with estimated cost figures before initiating PPI schemes, showed a high level of physical self-help. In the following schemes, cited below, after completion of PPI, the Engineering Section in collaboration with the Accounting Section carried out an audit of accounts and a detailed investigation to determine actual mandays.

ACTUAL AND ESTIMATED MANDAYS; FIVE VILLAGES

VO			Estimated Mandays	Actual Mandays	Excess of Actual over Estimated
1. Sultanabad	..	..	3,450	4,277	24%
2. Aminabad	..	..	900	1,625	81%
3. Mohammadabad	..	..	2,992	3,391	13%
4. Rahbat	..	..	634	1,115	76%
5. Rahimabad I	..	..	4,000	8,172	104%
Total			11,976	18,580	55%

In all case, the actual mandays worked were far higher than those estimated in the PPI cost. Recent studies conducted on three villages, namely Sakarkui, Lower Miachar and Khizerabad, also indicated higher actual mandays - 112% more in the case of unskilled labour and 61% among the skilled. The following tables give the details:

ACTUAL AND ESTIMATED MANDAYS; THREE VILLAGES

Comparison of Actual Versus Estimated Mandays

Village Organisation	Unskilled Labour			Skilled Labour		
	Est	Actual	% Excs	Est	Actual	% Excs
1. Lower Miachar (Irrig. Chnl.)	658	841	28	113	441	290
2. Sakarkui (Irrig. Chnl.)	1,709	4,627	171	397	699	76
3. Khizarabad (Link Road)	1,064	1,608	70	321	194	-40
Total:	3,431	7,274	112	831	1,334	61

On the one hand, it gave a clearer estimate of the amount of actual mandays that were put in, and on the other, for the purpose of further planning and forecasting, figures for the average cost per scheme and average value of commitment per tehsil were arrived at. This improvement was also in line with the suggestions from MER Section which has been stressing upon the need to modify the package of statistics in such a way that not only the relevant information keeps passing on to the donor agencies but also it could be utilised for planning and managerial purposes. Besides, the figures support AKRSP's fundamental hypothesis that if the necessary initial capital is provided, the element of self-help, as already defined in the context of AKRSP, will keep on multiplying itself. So, a retrospective glance at the quarter under consideration provides us with evidence that the accomplishment of this goal has already started taking place.

It would also be worthwhile to mention the rationale of AKRSP's cost estimation procedure in comparison with that of other organisations. In Gilgit district, two government bodies are engaged in rural development, namely NAWO (Northern Areas Works Organisation) and LB & RD (Local Bodies & Rural Development). Both of them have different approaches towards rural development.

NAWO covers both the material cost of the project as well as the labour charges. It employs a contractor to build the project and thus pays contractor fees and commission. It also pays land compensation and covers the maintenance cost of the project. LB & RD, on the other hand, makes guess estimation of the project and covers only part of the material cost of the project. It makes no labour payment and if at all it is made, it is a small amount. No land compensation is paid and no contractor commissions are involved. Its "contractors" - any Union Council member or a project manager - mostly have supervisory responsibilities. It does not provide for maintenance once the project is complete.

AKRSP's approach essentially lies between these two approaches. First and foremost, AKRSP enters into a partnership with the village through the creation of a Village Organisation. For the PPI scheme, AKRSP provides the material cost as well as labour payments, the latter being on a negotiated scale based upon two conditions. First, that the work (employment) is provided within the village and second, that the scheme directly results in a permanent increase in the village's income. AKRSP also establishes a mechanism through the VO for maintenance of the project. The maintenance performance, too, of the completed PPI schemes has been very encouraging. AKRSP does not pay any land compensation and involves no contractors to construct the project. People must be able to implement and maintain the project themselves with the technical aid provided by AKRSP.

Thus, cost estimation is essentially based on the above factors, which in essence are the pillars of the AKRSP programme. These factors present the necessary basic conditions needed to implement a project, without which the villages could not initiate one.

It should be noted, however, that AKRSP does not in any way engage in

a discussion on land compensation either with the Village Organisation or with individual villagers. In all cases, it is left upto the Village Organisation to determine whether compensation should be paid or not and in what amount. In one village in Hunza, for instance, 11.6 kanals of land (0.58 ha) was lost in constructing 1.6 km of link road. The current price of land in Hunza is between Rs. 20,000 - 30,000 per kanal of land. The average cost of a link road in Gilgit district is Rs. 126,000 and Rs. 82,859 in Chitral district. This means that if compensation for land is paid by the VO, the labour for constructing the link road is entirely upon self-help basis. In the case of Aliabad (an Irrigation Channel Scheme), six different Village Organisations in Hunza area have joined forces to help one particular Village Organisation to construct the channel. The Aliabad scheme illustrates two facts, one of collective effort and even volunteer work and secondly an example of coordination between different Village Organisations as indicated previously.

In the First Annual Review, we mentioned that in a technical sense labour efficiency in the Northern Areas was lower in comparison to textbook figures for other countries. However, it is important to note that the Northern Areas comprise of some of the most difficult terrain in the world. In many instances, irrigation channels have to be constructed from almost inaccessible terrain. In the case of Hanuchal, for instance, villagers are constructing a channel through a cliff rock. The work ethic of the people is remarkably strong and their working performance has by far outpaced the expectations of the Engineering Section.

The effectiveness of PPI, in particular of the protective works was judged this year as several parts of Gilgit district faced heavy floods. The protective works constructed by AKRSP VOs withstood the added water pressure except at two villages, Dalnati and Damas where the protective works became launched due to lower erosion caused by the swelled river. However, the protective works in both the cases did not collapse and in fact did withstand the rising water pressure. An investigation was subsequently carried out by the Engineering Section. In the case of Dalnati, the village could have been flooded in the absence of protective works. According to the villagers, for almost a week, they deserted the village as the river swelled and took refuge on the higher plain. But the protective spurs were effective in halting the water and the village escaped flooding. To quote the Dalnati Village Organisation President - "The protective works saved our village and crop fields. We have rarely faced such a rising river. Had it not been for the protective spurs, Dalnati would have vanished."

III. Village Planning

In the consolidation phase, the Engineering Section is concentrating its resources towards village planning. In the Fifth Progress Report, a general framework of the village plan was discussed. Some facets of the village plan will be briefly discussed here.

In the first dialogue, the concept of village planning is explained in detail to the villagers. The second dialogue comprises the physical survey of the village, conducted by the sub-engineers. Three copies of the Physical survey

map are then issued to the Village Organisation. For an example, see the copy of the map of the physical survey of Passu village (PPI Map 1). A basic key chart for Passu village is also annexed. To date, the Engineering Section has conducted physical survey in 12 villages, namely, Passu, Jutal, Rahimabad I, Aminabad, Shonus, Mohammadabad, Barkulti Paeen, Zodkhun, Shutmerg, Ispanji, Rishit and Murkha.

The village plan will take into account the individual socio-economic needs of each of these villages and its resources base. Upon land reclamation, parcelling of land will be worked out according to the needs of the village for farming, terracing, afforestation, orchards, pasture, etc. On the extension side, fertiliser and insecticide supply channels will be laid and training components for livestock and plant protection will be integrated. Proposals on these issues from the concerned Village Organisations are taken into account and analysis is made of these studies with the help of specialists knowledgeable on the particular issues at hand. Ultimately, there is the intricate task of estimation and phasing of various schemes. On the financial side, terms and conditions of the loan have to be settled before the plan enters the finalisation phase.

Given the importance of VO savings and skills for the implementation of village planning, AKRSP now insists, during the course of the 3rd dialogue, that at least one fourth of labour payments must be saved as VO equity. So far, the savings performance has been very heartening. Greater emphasis is also placed on skills training. Even before the implementation of PPI, AKRSP engages the villagers on the subject of collective land development, parcelling of land etc., in order to set the villagers perception towards the final objective of village planning. Some VOs have already started land reclamation on their own after consultations with AKRSP staff. Given the strength of the many VOs, their levels of savings, and the growing practice of community discussion and action, there is hope that a successful model of land reclamation will evolve sooner than we anticipated six months ago.

GILGIT DISTRICT
SECTORWISE/TEHSILWISE IDENTIFICATION
AND DISTRIBUTION OF SCHEMES ENDING JUNE 1984

S. No.	SECTOR			GILGIT	HUNZA	NAGAR	PUNYAL- ISHKOMAN	GUPIS- YASIN	GILGIT DISTRICT
1.	Irrigation	..	..	32	47	28	25	69	201
2.	Protective Bunds	..	..	3	6	4	12	38	63
3.	Storage Reservoir	..	..	2	4	5	3	15	29
4.	Lift Irrigation	..	..	5	-	-	-	-	5
5.	Sedimentation Tank	..	..	1	1	1	1	-	4
6.	Land Development	..	..	4	1	1	2	2	10
7.	Link Roads	..	..	18	22	12	6	16	74
8.	Bridges	..	..	1	3	-	-	2	16
Total				66	84	51	49	142	392

GILGIT DISTRICT
TEHSILWISE/SECTORWISE SUMMARY OF COST OF SCHEMES IDENTIFIED
ENDING JUNE 1984

S. No.	SECTOR	GILGIT	HUNZA	NAGAR	PUNYAL- ISHKOMAN	GUPIS- YASIN	GILGIT DISTRICT	% OF TOTAL
1.	Irrigation ...	6,083	5,539	3,087	2,387	10,020	27,116	52
2.	Protective Bunds ...	420	1,007	546	1,501	6,337	9,811	19
3.	Storage Reservoir ...	336	419	475	394	1,815	3,439	7
4.	Lift Irrigation ...	1,050	-	-	-	-	1,050	2
5.	Sedimentation Tank	131	131	88	180	-	530	1
6.	Land Development ...	340	100	100	200	98	838	2
7.	Link Roads ...	1,957	2,509	1,085	872	2,089	8,512	16
8.	Bridges ...	100	362	-	-	80	542	1
Total ...		10,417	10,067	5,381	5,534	20,439	51,838	100
% of Total ...		20	19	10	11	39	100	

GILGIT DISTRICT
PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT AND COMPLETED PROJECTS AS ON JUNE 30TH 1984

A. By Type of Project

S. No.	TYPE OF PROJECT	NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Irrigation Channel	82	8,940	6,180	69%	43
2.	Syphon Irrigation	1	442	336	75%	
3.	Lift Irrigation	1	100	75	75%	
4.	Link Roads	23	2,908	2,329	80%	12
5.	Protective Works	15	2,582	2,313	90%	12
6.	Storage Reservoir	4	490	296	60%	1
7.	Sedimentation Tank	2	219	163	75%	2
8.	Mud-flow Control	1	47	20	42%	
9.	Bridges	2	262	159	61%	1
	Total	131	15,991	11,865	74%	71

B. By Sub-Division

S. No.	SUB-DIVISION	NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Hunza	34	4,252	2,648	62%	11
2.	Nagar	14	1,749	1,237	71%	8
3.	Gilgit	29	3,952	2,902	73%	10
4.	Punyal-Ishkoman	23	2,218	1,899	86%	19
5.	Gupis-Yasin	31	3,821	3,179	83%	23
	Total	131	15,991	11,865	74%	71

GILGIT DISTRICT
SUB-DIVISION WISE DISTRIBUTION OF SCHEMES AND COSTS AS ON
30TH JUNE, 1984

S. No.	SECTION		GILGIT	HUNZA	NAGAR	PUNYAL- ISHKOMAN	GUPIS- YASIN	GILGIT DISTRICT
1.	Irrigation	...	2,389 (16)	2,750 (23)	678 (8)	1,419 (17)	1,704 (18)	8,940 (82)
2.	Syphon Irrigation	...			442 (1)			442 (1)
3.	Lift Irrigation	...	100 (1)					100 (1)
4.	Link Roads	...	1,333 (11)	1,142 (8)	315 (3)	118 (1)		2,908 (23)
5.	Protective Works	...		96 (1)	225 (1)	550 (4)	1,711 (9)	2,582 (15)
6.	Storage Reservoir	...				132 (1)	359 (3)	490 (4)
7.	Sedimentation tank	...	131 (1)		88 (1)			219 (2)
8.	Mud-flow Control	...					48 (1)	48 (1)
9.	Bridges	...		262 (2)				262 (2)
Total		...	3,952 (29)	4,252 (34)	1,749 (14)	2,218 (23)	3,821 (31)	15,991 (131)

NOTE: The upper figure denotes the cost in Rs. '000'.
The lower figure in parantheses denote the number of schemes.

CHITRAL DISTRICT
PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT AND COMPLETED PROJECTS AS ON JUNE 30TH 1984

A. By Type of Project

S. No.	TYPE OF PROJECT		NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Irrigation Channel	...	31	3,579	1,796	50%	6
2.	Link Roads	...	3	249	159	64%	1
3.	Protective Works	...	13	1,563	1,067	68%	4
4.	Bridges	...	5	245	130	53%	2
5.	Hydel Scheme	...	1	76	59	77%	1
Total			53	5,712	3,211	56%	14

B. By Sub-Division

S. No.	SUB-DIVISION		NUMBER OF PROJECTS	COST Rs. '000	DISBURSEMENT Rs. '000	AS % OF COST	COMPLETED PROJECTS
1.	Mastuj	...	19	3,168	1,441	45%	2
2.	Chitral	...	34	2,543	1,771	70%	12
Total			53	5,711	3,212	56%	14

CHITRAL DISTRICT

SUB-DIVISION WISE DISTRIBUTION OF SCHEMES AND COSTS AS ON 30TH JUNE, 1984

S. No.	SECTOR			MASTUJ	CHITRAL	TOTAL
1.	Irrigation Channels	...	...	2,216 (13)	1,363 (18)	3,579 (31)
2.	Link Roads	...	...	174 (1)	101 (2)	249 (3)
3.	Protective Bunds	...	...	805 (5)	758 (8)	1,563 (13)
4.	Bridges	...	...	-	245 (5)	245 (5)
5.	Hydel Scheme	...	...		76 (1)	76 (1)
	Total	...	...	3,169 (19)	2,543 (34)	5,712 (53)

NOTE: The upper figure denotes the cost in Rs. '000.

The lower figures in parentheses denote the number of schemes.

PASSU LAND DEVELOPMENT

1. Total Land

- Portion A = 514.5 kanals
- Portion B = 1722.5 kanals
- Portion C = 750.0 kanals
- Portion D = 1855.0 kanals
- Portion E = 624.0 kanals

Total = 5466.0 kanals

2. Phasing

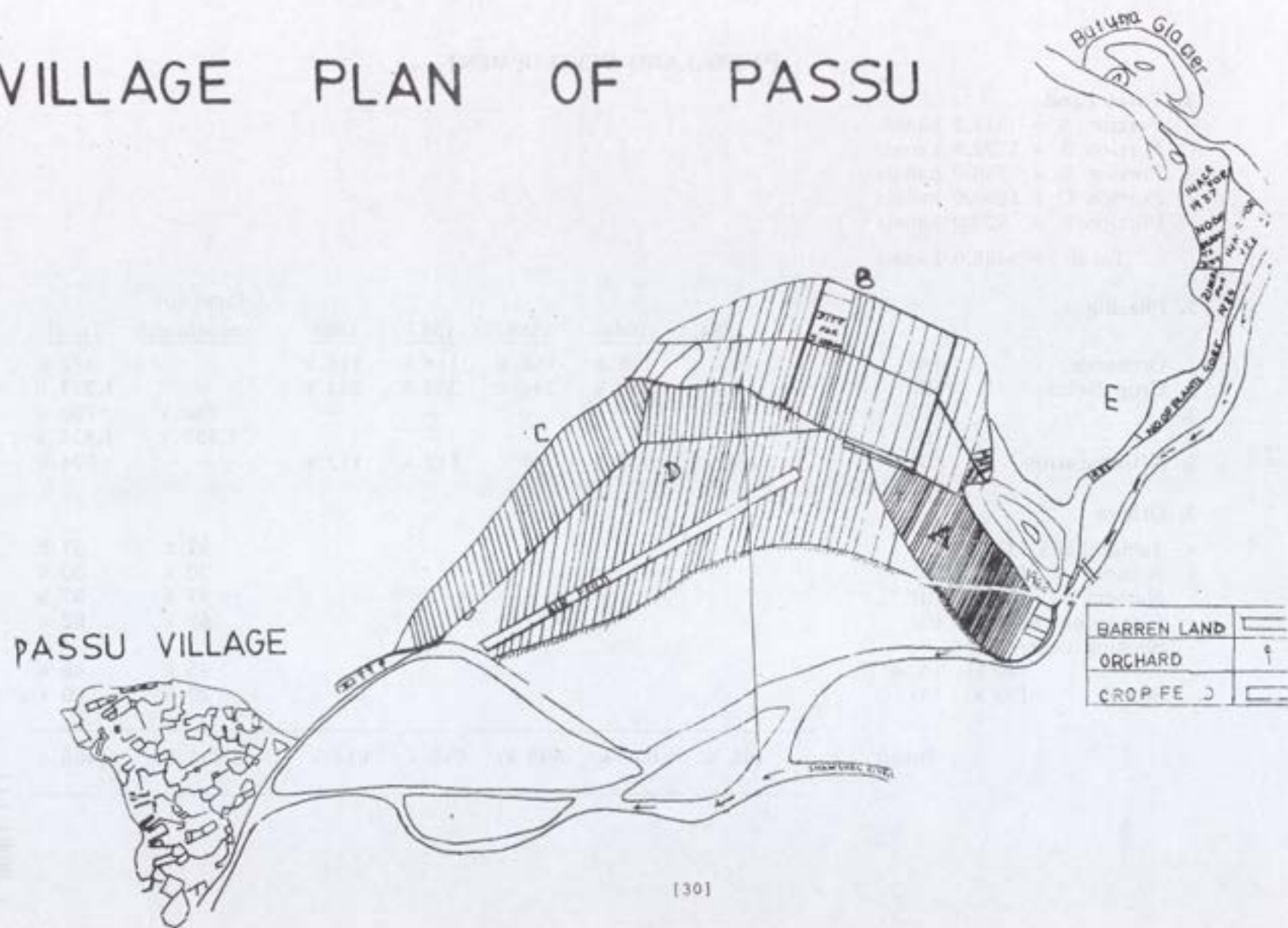
		<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Time not mentioned</u>	<u>Total</u>
1. Orchards	(A)	-	118 k	118 k	118 k	118 k	-	472 k
2. Crop fields	(B)	-	383 k	384 k	383 k	384 k	-	1,534 k
3. - -	(C)	-	-	-	-	-	750 k	750 k
4. - -	(D)	-	-	-	-	-	1,855 k	1,855 k
5. Afforestation	(D)	168 k	136 k	96 k	112 k	112 k	-	624 k

3. Others

- Jamatkhana	(37 k)	(B)					37 k	37 k
- School	(30 k)	(B)					30 k	30 k
- Nursery	(37 k)	(B)					37 k	37 k
- Civic centre	(62 k)	(B)					62 k	62 k
- Shoping centre	(45 k)	(A & B)					45 k	45 k
- Store	(20 k)	(A)					20 k	20 k

Total:	168 k	637 k	598 k	613 k	614 k	2,836 k	5,466 k
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VILLAGE PLAN OF PASSU



EXTENSION TRAINING AND SUPPLIES

I. Introduction

The absence of a senior agriculturalist in the Management Group during 1984 has seriously affected extension training and the introduction of innovations in the sphere of small-farm development. Dr. Akhter Hameed Khan expressed concern, during his visit to AKRSP in April, at the dearth of good extension material in the form of leaflets, for disseminating research findings to the Village Organisations (VOs). He advised production of leaflets, profiles of good managers and village leaders, case studies and a quarterly magazine with the objective of spreading successful aspects of the programme. He also urged the use of charts, plans, tapes and video to put across to the villagers new ideas and models being developed by different VOs.

II. Review

The strategy to create village level specialists in different disciplines received full affirmation by VOs, but the requirement of VOs paying these specialists for their services and medicines was nagging. To rectify the situation, Social Organisers were urged to select trainees only from those VOs which fully accepted this responsibility, and the award of kits to qualified specialists was channelled through the VOs concerned.

The coordination and cooperation received from the government departments of Animal Husbandry and Agriculture continued to be available for organising courses for village specialists in livestock development, plant protection and production and for poultry development (the last course being for representatives of Women's Organisations).

The task taken in hand during the last quarter was to conduct intensive follow-ups to determine the performance of the village specialists and their utility at the village level, and also to arrange refresher courses for those who had participated in a full course about six months earlier.

III. Training of Village Specialists

The update of progress in this regard is indicated below:

Field of Training		Number of Courses	Number of Trainees	Number of VOs
Livestock Development	...	3	68	68
Plant Protection and Production		2	46	46
Poultry Development	...	2	49	21
Total	...	7	163	135

IV. Follow-Up

A training calendar with a detailed schedule of follow-up visits, training courses and provision of various kits has been prepared for 1984. Some of the results of follow-up visits are noted below:

IV. A Agriculture

During this quarter one follow-up visit was conducted to monitor the performance of villagers to whom training was imparted during 1983. These trainees came from eleven VOs representing approximately 1,838 farmers. The findings of this visit are summarised as under:

- (i) Only 157 farmers, i.e., 8% of the sample population, were found to have started sowing improved seed, e.g., Mexi-Pak, Saneem and LY73. Rest of them were sowing desi (indigenous) varieties.
- (ii) Cultivation of improved variety of potato was reported by only one village, Hyderabad.
- (iii) As many as 65% of wheat growers and 82% of potato growers were found to be using chemicals fertiliser.
- (iv) Fertiliser use before potato seed bedding was reported in villages Hyderabad and Taous Paen. The number of farmers in Hyderabad and Taous Paen practicing this technique was 210 and 10, respectively.
- (v) Although 82 farmers were found to be using organic fertiliser for orchards, no use of chemical fertiliser was reported.
- (vi) The technique of cultivation of potato crop in ridges was adopted on a wider scale, i.e., 77% of all potato farmers in this sample were practicing this technique. However, in case of cabbage, only one farmer reported the use of this technique.
- (vii) Plantation of fruit plants in rows was reported by 225 farmers and pruning of fruit trees by 189 farmers.
- (viii) Throughout the follow-up visits, it was generally observed that, among the various media used for disseminating improved agricultural practices through village specialists, VOs have proved to be the most effective extension medium.
- (ix) Plant production and protection specialists from eight VOs stressed the necessity of easy and timely availability of some necessary agricultural inputs, e.g., seed, fertiliser and pesticide.

In addition to the follow-up visits, a refresher course was also arranged for plant production and protection specialists. The course was attended by 44 trainees.

IV. B Livestock

Only one follow-up visit was conducted during this quarter, extending over the period June 14-30, 1984. A total of 16 VOs benefitted from it and specialists representing these VOs reported that 1,888 animals were treated so far, including 904 cases of vaccination. Demand for medicines was also found to

be growing and it was reported that medicine worth Rs. 1,163 had been purchased by various specialists.

IV. C Poultry

Exclusively for Women's Organisations, one course on poultry production and disease prevention was conducted during this quarter. This course was given over a period of three weeks and a total of 31 women representatives from twelve organisations participated in it. Besides, a kit containing nine types of medicines and four necessary instruments was also provided to them.

Eight VOs benefitted from the follow-up visits during this quarter. It was observed that a total of 1,457 cases of poultry diseases were treated by village women experts. A break-up of these cases is given below:

Coccidiosis	..	..	250
Pullorum	..	..	340
C.R.D.	..	..	212
Fowl typhoid	..	..	203
Worm diseases	..	..	200
Fowl Cholera/N.D.V.	..	..	252

V. Manager's Conferences

Manager's Conferences provide an opportunity for the exchange of views with and amongst the representatives of VOs to discuss issues, share each other's experiences and find solutions, besides learning policies and programmes planned by AKRSP for implementation.

So far, our Manager's Conferences have been convened and attended by 478 village representatives belonging to 235 VOs.

VI. Fertiliser and Other Supplies

The extension system provided by this programme has been very helpful in meeting the demand for agricultural inputs. This year, credit has been arranged for the purchase of fertiliser to the tune of Rs. 2.61 million utilised by 162 VOs comprising about 13,926 small loanees. During this quarter alone, 59 VOs were provided agricultural credit for the same purpose to the tune of Rs. 1.12 million.

SAVINGS AND CREDIT

I. Introduction

In this chapter we will provide a preliminary overview of the process of cooperative management of loan and equity capital being fostered by AKRSP, through its village-based institutions. Loan and equity capital and the case studies on loan repayment will be discussed in this section.

II. Loan Capital

II.A Agricultural Production Loan

In the sixth tranche corresponding to the current quarter, AKRSP disbursed an amount of Rs. 1.12 million to 5,526 members of 59 Village Organisations. By the end of June the total quantum of agricultural production loan amounting to Rs. 2.6 million was disbursed to 13,926 members of 162 Village Organisations. The loan amount repayable to date is Rs. 0.704 million out of which Rs. 0.625 million was repaid within the required time period, which is to say that the overall recovery rate by the end of the second quarter stands at 93%. In the present quarter there was a 75% increase in lending over the previous quarter and a 211% increase in the number of borrowing Village Organisations. Credit operations are summarised in S & C Table 2.

II.B Medium-term and Long-term Loans

For major capital expenditures by the Village Organisations, AKRSP is encouraging the Village Organisations to take out medium- and long term loans. Through the assistance of AKRSP these loans would be provided by the banks and other financial institutions and would be utilised for land development and for the purchase of farm machinery. In the case of medium- and long term loans, AKRSP would not underwrite the loan, and the Village Organisation would stand as guarantor and would furnish as collateral one-third of the loan as cash security and joint ownership of the equipment.

III. Accumulation of Village Capital

The process of capitalisation being promoted by AKRSP through its village-based institutions continued to show a positive and sustained rate of growth in the current quarter. There was a 64% increase over the previous quarter in the savings of the VOs, whereas the equity per member and per VO increased by 65% and 56% respectively. The total equity capital of the Village Organisations increased from Rs. 1.76 million to Rs. 2.88 million. The details of VO savings are given in S & C Table 1.

IV. Ratio of Loan per Equity in the 5 Sub-Divisions

In Tables S & C 3 the loan-to-equity ratios have been listed for the five sub-divisions. The overall position is indicative of the fact that the total Credit disbursed by AKRSP is nearly 100% secured by the collateral offered by the Village Organisations. It is interesting to note that in Sub-divisions where loan per equity ratio is in the vicinity of one, the recovery rate is 100%, apart from Gilgit. In Gilgit sub-division there has only been a case

of single default which was from the Oshikandass Village Organisations on which a separate case study has been included in this chapter. The consistency in the rate of growth of the village-based banking singles out the fact that the Village Organisations have geared themselves towards the achievement of the ultimate objective of cooperative management and optimal utilisation of rural resources through the accumulation of an effective collateral for financing their developmental needs.

**GILGIT DISTRICT
VILLAGE ORGANISATION
MEMBERSHIP AND EQUITY CAPITAL BY SUB-DIVISION**

A. Figures in June*

Sub-Division		Number of VOs	Memb.	Equity (000' Rs)	Equity per member	Members per VO	Equity per VO (Rs)
1. Hunza	...	39	2,450	571	233	63	14,638
2. Nagar	...	19	1,789	133	74	94	7,003
3. Gilgit	...	47	3,837	635	165	82	13,510
4. Punyal-Ishkoman	...	41	4,003	503	126	98	12,278
5. Gupis-Yasin	...	65	5,464	771	141	84	11,862
		211	17,543	2,613	149	83	12,386

B. Percentage Increase from Previous Quarter*

Sub-Division		Memb.	Equity	Equity per member	Equity per VO
1. Hunza	...	16	132	99	84
2. Nagar	...	15	111	85	67
3. Gilgit	...	20	93	60	56
4. Punyal-Ishkoman	...	1	64	63	60
5. Gupis-Yasin	...	12	65	47	42
		12	85	66	58

* Information is missing for 24 VOs. Extrapolating for all 235 VOs, the membership would be 19,579, equity capital Rs. 2,879,053, and equity per member Rs. 147. Percentage increase over the last quarter would be 0.11% for membership, 64% for equity, and 69% for equity per member.

GILGIT DISTRICT
FERTILISER CREDIT PERFORMANCE BY SUB-DIVISION JUNE 1984

S. No.	SUB-DIVISION			NO. OF LOANEE VOs	NO. OF LOANEE MEMB.*	AMOUNT BORRO- WED	AMOUNT REPAY- ABLE	AMOUNT OUT- STANDING	RECOVE- RY RATE
1.	Hunza	..	..	27	1,703	317,098	45,786	6,586	86%
2.	Nagar	..	..	14	777	128,681	57,642	15,727	73%
3.	Gilgit	..	..	41	3,078	722,501	120,133	29,618	75%
4.	Punyal-Ishkoman	..	..	30	3,322	601,127	220,411	0	100%
5.	Gupis-Yasin	..	..	50	5,046	837,886	260,143	0	100%
	Total	..	..	162	13,926	2,607,293	704,115	51,931	93%

* Includes multiple loans.

LOAN-TO-EQUITY RATIOS*

S. No.	Sub-Division		Loan	Equity	Loan/ Equity	Rate of Recovery
1.	Hunza	...	317,098	614,812	0.51	86%
2.	Nagar	...	128,681	189,086	0.68	73%
3.	Gilgit	...	722,501	729,555	0.99	75%
4.	Punyal-Ishkoman	...	601,127	503,387	1.19	100%
5.	Gupis-Yasin	...	837,886	842,213	0.99	100%
Aggregates			2,607,293	2,879,053	0.91	93%

* Equity figures are estimates.

MARKETING RESEARCH

I. Introduction

This chapter will attempt to review the recent initiatives taken by AKRSP and its VOs to accelerate the process of collective agricultural marketing in the district. The modus operandi of AKRSP, the responsiveness of the VOs, marketing potential within the region and the role of consultants in the marketing programme will be discussed in the following sections.

II. Modus Operandi: Fresh Fruit Marketing

In the case of dried nuts and fruits, AKRSP, through its experiments in Sherqilla and Yasin, has already demonstrated that farmers could benefit substantially if they collectively manage and organise the whole marketing process.

In the second quarter of 1984, efforts were geared towards the acceleration of the programme and ascertainment of the potential of fresh fruit marketing in other parts of the district. In order to induce a wider participation on behalf of the VOs, the Social Organisers were asked to select such VOs in their respective areas which seemed to have the desire and the required potential for undertaking successful business ventures. Leaflets, outlining the details of the experiments conducted in Sherqilla and Yasin, were distributed in the selected VOs. AKRSP provided them with a package that encompassed the demonstration of picking, grading and packing of fresh fruit, provision of credit for financing the working capital and market intelligence.

Professional personnel for the demonstration of picking, grading and packing were invited from Peshawar and demonstrations were given in the selected villages. Through this useful exercise a cadre of specialists is emerging, which in turn would act as master-trainers for others. Our efforts to enhance the technical skills of the members were supplemented in certain villages by the visits of fruit contractors from down-country. As a rule, these contractors buy off orchards with slightly under-ripe fruit. Besides, the exercise of picking, grading and packing is performed in the village with the required degree of professional competence. In most of the cases these visits have provided the required impetus to the marketing collectives.

III. Response of Village Organisations and the Associated Problems

The following Village Organisations were selected for the acceleration of the programme:

- | | |
|--------------------------|-------------------|
| 1. Nomal-Madinatul Karim | 2. Rahimabad Bala |
| 3. Raheemabad Paeen | 4. Raheemabad II |
| 5. Hundur Paeen | 6. Taoos Bala |
| 7. Taoos Paeen | 8. Barkulti Bala |
| 9. Barkulti Paeen | 10. Barkulti Par |

- | | |
|-----------------|----------------------|
| 11. Hussainabad | 12. Haiderabad |
| 13. Pissan | 14. Minapin |
| 15. Gulmuti | 16. Sultanabad-Yasin |
| 17. Taoos | 18. Barkulti |

In the demonstrations carried out in the above mentioned villages, it was made sure that the majority of the members participated, because team effort is a necessary pre-requisite for the accomplishment of the programme.

III.A Performance of Selected VOs

Rahimabad Village Organisation approached AKRSP for a short-term loan of Rs. 16,000 to finance its working capital needs for marketing. The loan was granted and the VO is planning to ship truck load of apples to the Rawalpindi market.

Gulmuti Village Organisation marketed a few crates of apples down-country. Hyderabad Village Organisation has applied for a short-term loan to finance its marketing operations.

III.B Marketing In Yasin: A Case Study

(i) Background

In one of the remotest parts of the district, the village based micro-commercial institutions have developed a model of co-operative marketing for the entire region. AKRSP had one of its first experiments in the marketing of dried nuts and fruits in Yasin. When the programme for fresh fruit marketing was launched this year, these institutions in Yasin were the first to take initiative in this regard. With a view towards furthering the cause of institutionalisation of marketing in the area, Mr. Hazir Shah, manager Barkulti Paeen VO was appointed as the village-cum-marketing supervisor with the overall responsibility of initiating and monitoring the process. In order to establish a link between the demonstration of picking, packing, grading and the availability of the packing material, Mr. Hazir Shah, after securing the demand for the packing material of 3000 crates, proceeded to Peshawar for its procurement. A short-term loan of Rs. 20,000 was provided by AKRSP for financing the operations. Within a week, the packing material was transported to Yasin and was distributed to the VOs. Demonstrations of picking, grading and packing were arranged in Sultanabad, all of Taoos and Barkulti villages and they continue in the Thoi Valley. Members of the Sultanabad VO packed 400 crates of fresh apricots and branded them by names and categories of quality. They were transported on 4 tractors to Gilgit and from there onwards on a truck to Rawalpindi. Within five days the next truck load of 546 crates from Taoos and Sultanabad was packed off for Rawalpindi. The operations still continue and it is expected that a total of 10 truck loads of fresh fruit will be transported to down-country markets. It is interesting to note that the cost of transportation of the crates from Yasin to Gilgit on a tractor and from Gilgit to Rawalpindi a truck is almost identical (Rs. 4/crate). Octroi charges levied by the Municipality amount to Rs. 5/md. The cost of a wooden crate and allied packing material amounts Rs. 8 in Yasin. Details of the first truck load sold

in Rawalpindi are as follows:

Number of crates:	..	386
Total Receipts	..	Rs. 14,910
Transportation and octroi charges	..	Rs. 5,179
Cost of packing material	..	Rs. 3,088
Total expenses as %age of receipts	..	Rs. 55
Total Net receipts	..	Rs. 6,643

The truck load was auctioned within four hours in the Rawalpindi market. Price fetched by the crates ranged from Re. 1 to Rs. 100 per crate. The following table gives the details of categories with their respective price ranges:

Grades	Number of Crates	%age of total	Market value in Rawalpindi
1	3	0.78	90-100
2	5	1.30	80-90
3	20	5.18	70-80
4	34	8.81	60-70
5	48	12.44	50-60
6	89	23.06	40-50
7	87	22.54	30-40
8	65	16.84	20-30
9	30	7.77	10-20
10	5	1.30	1-10
Total ..	386	100	

It can be seen that the majority of the crates fall in the Rs. 30-60 range, and that the spread in the sale value is extremely large.

(ii) Mechanics of the Marketing Operations

The village-cum-marketing supervisor is responsible for the establishment of contacts and provision of the required market feedback to the VOs in his domain. Nominated members from these VOs are responsible for the distribution of the packing material, supervision of picking, grading and packing, branding the crates according to names and categories of quality, arrangement of transportation and issuance of challan slips to the respective tractor drivers. It has

also been decided in the general body meeting that one of the members would accompany the load to the down-country markets and would be responsible for the sale and distribution of proceeds to the members.

(iii) Difficulties Experienced

Major problems experienced by the farmers pertain to organisation and management of the whole operation and a lot needs to be improved in the area of coordination amongst the members. For instance, in Sultanabad it could not be ascertained in advance that how many crates a tractor could carry, with the result that 60 crates of one farmer had to be left behind. In the second instance, the members of Taoos and Sultanabad VOs, after overstacking the tractors packed them off for Gilgit, where the road was blocked for two days. Consequently, by the time the over-loaded truck reached Rawalpindi, 50 crates of fresh apricots had completely been squashed. It is expected that lessons learnt from these experiences could contribute towards achieving better results.

IV. Marketing Potentials within the Region

During the course of our research, it was established that there is a tremendous marketing potential within the region, primarily in lucerne, maize and fire-wood. Our first major effort will be to identify the deficit and the surplus areas within the region and facilitate the inter-district movement of the produce. A number of VOs have approached us for assistance in the planning of these operations which would entail the collection and storage of the produce and its disposal over a period of time. It is expected that the commercial viability of these ventures will be determined in the near future.

V. Role of Consultants in Marketing Research

V.A Fruit Dehydration Plant

Haji Sher Ahmed Khan, working in the capacity of a short-term consultant with AKRSP, has more than 40 years of experience in the field of processing. He was assigned to commission a fruit dehydration process for the Northern Areas which would be capable of processing at least 1,000 kg of apricots per day. Design for the construction of a sulphur house and a drying chamber was submitted to the Programme Senior Engineer and, on his approval, the consulting architect worked out the technical details, prepared its drawings and has also been assigned to supervise the construction. Site chosen for its construction is Chamalling Paeen, Nagar. The plan involves construction of 4 sulphur chambers measuring 4'x8' and 2 drying chambers measuring 5'x5' made of stone. Next to the drying chamber, there will be a drying yard with a tarpaulin cover to guard against dust, insects and rain. Each sulphur chamber can accommodate a wooden trolley, 6'x3'x5', containing 10 trays, each with a capacity of 16 kg of destoned apricots, giving a total capacity of 160 kg per sulphur treatment per chamber. The total capacity of the 4 chambers will be 640 kg. The sulphuring process takes three hours to complete and it is estimated that the drying process will also take 3 hours. Assuming that the plant operates for 12 hours a day, a total of 2,500 kg can be processed per day; therefore, the plant can process 100,000 kg per season. The cost of construction of the sulphur house, drying chambers, the trolleys and other miscellaneous expenses has been estimated to be Rs. 32,000 and the cost of operating the plant for

one season has been estimated to be Rs. 5,000. Construction of the plant has begun and it is expected to be ready for operation by mid-August. The ultimate success of the venture will depend upon a favourable cost-benefit ratio of the whole operation, right from picking the fruit to its processing and marketing.

V.B Solar Drying

AKRSP has recently invited Mr. Mohammad Jumani, a food technologist, on a short-term consultancy to work on aspects of solar drying and other associated problems in fruit production in the area. He has previously worked on the design of solar dryers which would be suitable for drying at the household level.

He has conducted a preliminary survey to establish the problems faced by the villagers in the fruit production, preservation and processing. In the near future, he hopes to carry out trials on solar drying at the village level, as well as introduce the technique of drying of grapes to raisins in the villages. He has already established a rapport with the FAO/UNDP project and it is hoped that a collaborative effort on solar drying will be established between the two agencies, both of which are working towards the production of an improved dried fruit product.

BUDGET AND ACCOUNTS

I. AKRSP Donors

Owing to the late receipt of donor funds in 1983, considerable donor monies were carried forward to 1984. This enabled the management of AKRSP to extend its PPI projects to 51 additional Village Organisations in Gilgit and 25 in Chitral, thus bringing the total PPI's to 184 (131 in Gilgit and 53 in Chitral) by the end of the period under report. The total funds committed on PPI's amount to Rs. 21.71 million.

However, as indicated in B & A Table 1, there still exists a substantial gap between funds committed on PPI's and grants received so far. A guillotine had, therefore, to be applied on initiation of new PPI's until our request for multi-year funding pending before donors is approved. PPI projects play a vital role in the galvanising Village Organisations and also in sustaining them on a continuing basis. The availability of funds for undertaking PPI's is, therefore, critical for the health and vitality of the Programme.

We are grateful to all our donors for the assistance they have given us so far, and especially to CIDA, Alberta AID and AKF (Canada) for the bridge funding provided during the quarter under review. We are hopeful that our donors would continue their assistance to the Programme. The balance of aid pledged by ODA in 1983 and received in 1984 is also gratefully acknowledged. Without the core funding provided by AKF the Programme would have come to a grinding halt, and everyone in AKRSP fully appreciate this.

II. Financial Reporting

Our quarterly Progress Report covers Programme activities in general and seems to provide a satisfactory medium for reporting and dissemination of information. However, apart from the financial accounts statement being sent to AKF(P), Karachi on a monthly basis, we also report on Programme activities from quarter to quarter. Due to the expansion of Programme activities, specially PPI's and the credit programme, the work load necessitated some expansion in the Budget and Accounts Section. Accordingly, Mr. Sultan Shahabuddin, a chartered accountant, has been appointed as Consultants Accountant, and is responsible mainly for looking after donor funding, credit and internal auditing. This arrangement, together with the micro-computer when fully in operation for accounting purposes, would ease the burden of the Budget and Accounts Section and the difficulty now being faced in connection with integrating financial reporting would be overcome.

III. Village Organisation Accounts

AKRSP has only recently been able to recruit a Programme Business Manager. The credit programme is on the increase day by day, and this expanding programme needs the attention of a full time manager who will also be responsible for AKRSP's marketing operations. Meanwhile, the management of AKRSP is in the process of finalising the modalities of arranging loans and their recovery from VO's directly by Habib Bank Limited. The separation of the savings of each Village Organisation from its other funds kept with Habib Bank Limited, is now under implementation. The credit and marketing programmes require

higher proficiency in accounting by the Managers of the Village Organisations which entails a comprehensive training programme with the collaboration of the bank. In Gilgit district, basic training in book-keeping was imparted by the Field Accountant to the Managers, but at present no such arrangement has been made in Chitral.

IV. Programme Expenditure

A summary of the expenditures incurred in Gilgit and Chitral by June 1984 is given in B & A Table 1. In addition, a sum of Rs. 1.95 million, extended as group loans to VOs by Habib Bank, was outstanding on June 30, 1984.

V. Audit of Accounts

The first annual audit of AKRSP accounts ending December 31, 1983 was finalised by May 1984 by M/s Ford, Rhodes, Robson, Morrow, Chartered Accountants. The auditor's report will form part of the Annual Report of the Company.

SOURCES AND APPLICATIONS OF FUNDS, 1984

('000 Rs.)

Sources	..	..	20,418
Balance Brought Forward from 1983	..	..	6,939
Donor Receipts in 1984	..	..	7,230
CIDA	..	..	2,580
Alberta Aid	..	..	2,192
ODA	..	..	273
AKF (Pakistan)	..	..	2,185
Funds Expected in 1984	..	..	6,219
CIDA	..	..	27
AKFC	..	..	1,204
AKF (Pakistan)	..	..	5,018
Applications	..	..	23,317
Applications, June 1984	..	..	12,198
Recurrent Budget	..	..	1,636
Training Programme	..	..	334
Research and Survey	..	..	1,427
Survey Equipment	..	..	127
PPI Grants	..	..	8,298
Fixed Assets	..	..	376
Project Applications, Rest of 1984	..	..	11,119
Projected Deficit, 1984	..	..	2,899

MONITORING, EVALUATION AND RESEARCH

I. Staffing

Three of the four individuals working with the MER Section are scheduled to leave AKRSP by the middle of August. A replacement has already been found for the Project Economist. Instead of the Research Associate, whose stay at AKRSP was co-sponsored by Aga Khan Foundation Canada, we are recruiting a Monitoring Officer who will also take over the monitoring functions of the departing Programme Officer. The new Monitoring Officer is expected to join us in August. The next Programme Officer will devote herself entirely to women's programmes; the search is still on for the new Programme Officer. So the reorganised MER Section will consist of the Programme Economist and two new staff members. An effort is also underway to recruit an operator for the microcomputer.

II. Documenting Case Studies

Following the suggestions of Dr. Akhter Hameed Khan in his third report on AKRSP, the MER Section's Research Associate undertook a number of case studies of Villages, two of which are reproduced elsewhere in this report. These two cases involved some of the problems faced by villagers in repaying their loans to AKRSP. In another vein, the MER Section is working to prepare a short video film on the development of two villages. In all instances, case studies are prepared with the assistance of Social Organisers.

In this way, we are gradually beginning to contribute to AKRSP's extension efforts. The next quarter should move us closer towards the capability of disseminating extension information through leaflets and a mobile audio-visual unit.

III. Monitoring and Reporting

The monitoring of Village Organisations by the Social Organisers and engineers continued in a satisfactory way throughout the quarter. We are now in the process of devising procedures for the prompt and accurate aggregation of monitoring indicators. In view of the existence now of over 300 VOs in Gilgit and Chitral, the task of extracting information from available figures has become more laborious than ever before.

Likewise, reporting on Programme activities to AKRSP's several donors has become a much more time-consuming activity than was anticipated six months earlier. With apologies for any delays, we will continue to fulfil the specific reporting requirements as best as we can. We would also request our donors to provide us with any feedback that they might think appropriate to our general and donor-specific reporting. In response to an OXFAM request for studies on village dynamics and social institutions, we are including two village studies in this report. More such studies will be forthcoming over time, including one on land use and landholding patterns.

IV. Evaluation

Due to the demands of monitoring and reporting, we failed to undertake the

small sample surveys that we had hoped to complete during April-June. The last quarter of 1984 should be suitable for these exercises. By then, we also plan to install statistical software on the microcomputer to help speed up the tabulation and analysis of sample data.

V. Social Science Research

The proposal for a Social Science Research Programme (SSRP), to be attached to AKRSP has been approved by the Board of Directors. The proposal is now being discussed with potential donors. Meanwhile, work is to be initiated shortly on at least two major lines of research. Social scientists from AKRSP and other institutions will be collaborating on two studies, one on agricultural innovations in a transitional rural economy, and the other on capital markets and rural savings.

VISITORS TO AKRSP

I. Heads of Institutions

The following heads of government, autonomous, international and private institutions visited AKRSP:

- Mr. Zafar Iqbal,
Chairman, National Development Finance Corporation,
Islamabad
- Mr. & Mrs. Quarles Von Ufford,
Unilever Ltd., London
- Mr. & Mrs. Habibur Rehman,
Chairman, Lever Brothers Ltd., Pakistan
- Mr. Hasan Zaheer,
Secretary, Ministry of Production, Islamabad
- Mr. G. M. Khattak,
Chairman, University Grants Commission, Islamabad
- Mr. M. Siddique,
Director General, Agricultural Research Institute, Tarnab

II. Representatives of Development Agencies

The following representatives of international and AKF institutions visited AKRSP for discussion on the AKRSP strategy or the possibilities for co-operation:

- Mr. David Stillman,
Deputy Resident Representative, UNDP, Islamabad
- Mr. Ronald J. Clark,
Rural Development Officer, FAO, Rome, Italy
- Mr. N. S. Peabody, III
UNDP/FAO Consultant, U.S.A.
- Mr. Joel Montague,
Secretariat of His Highness the Aga Khan,
Aiglemont, France
- Mr. Patrie Cronin,
Secretariat of His Highness the Aga Khan,
Aiglemont, France
- Mr. A. R. Shad,
Deputy Managing Director, NDFC, Islamabad

- Mr. Akbar Basaria,
President, NA Health Council AKF
- Mr. N. C. Bhamani,
Executive Officer, AKCHB, Karachi

III. Scholars and Scientists

- Prof. Robert D. Stevens,
Professor of Agricultural Economics,
Michigan State University, U.S.A.
- Mr. Habibur Rehman,
Soil Chemist, A.R.I., Tarnab
- Mr. Habibullah,
Horticulturalist, A.R.I., Tarnab
- Mr. Ajab Khan,
Asstt. Food Technologist,
A.R.I., Tarnab

IV. Participants in NIPA Course

26 participants of the Advanced Course of the National Institute of Public Administration, Lahore.

V. Gilgit Based Friends

Once again AKRSP takes this opportunity to thank its Gilgit-based friends without whose co-operation and help it would be very difficult to run the Programme. We are especially grateful to:

- Maj. Gen. Safdar Ali Khan,
Martial Law Administrator, Zone 'E', for his patronage and encouragement.
- Mr. Jamil Haider Shah,
Commissioner, Northern Areas
- Mr. Zahoor Anwar Malik,
Additional Commissioner (Development),
Northern Areas
- Col. M. Aslam Chaudhry,
Colonel Martial Law, HQ Martial Law
- Col. Mohammad Ali,
Director, of Education, Northern Areas, Gilgit
- Syed Faisal Saud,
Deputy Commissioner, Gilgit District

- Mr. Ali Ahmad Jan,
AIG Police
- Mr. Amir Hamza Khan,
Superintendent of Police, Gilgit District
- Mr. Saadat Wali Khan,
Deputy Director, LB & RD, Northern Areas
- Dr. Ghulam Sarwar,
Deputy Director, Animal Husbandry Department
- Mr. Abdul Karim Bulghari,
Assistant Director, Agriculture Department
- Mr. Mohammad Alam Khan,
Conservator of Forests, Northern Areas
- Mr. Saifur Rehman,
Zonal Chief, Habib Bank Limited
- Mr. Wajid Ali,
Manager, Habib Bank, Gilgit Branch

TRIP REPORT OF DR DEREK BYERLEE
REGIONAL ECONOMIST FOR SOUTH ASIA
CIMMYT, ISLAMABAD

June 6, 1984

Mr. Tariq Hussain
Programme Economist
Aga Khan Rural Support Programme
Babar Road, Gilgit, Northern Areas

Dear Tariq,

Thank you for your time and hospitality during my recent trip to Gilgit. I believe the AKRSP has the potential to make a substantial difference to the lives of many of the people of the Northern Areas.

As promised, I am sending you some impressions about what I saw and what AKRSP might do in the agricultural area. Given my very short visit, these should be treated as working hypotheses. In particular, I would want to talk to the staff of the AFO project about their work before offering specific recommendations to AKRSP. Unfortunately, Peter Whiteman was away at the time.

General

AKRSP has established itself through projects which are largely oriented toward developing infrastructure and expanding the resources base of farmers through bringing additional land under cultivation. Given the number of projects completed this has no doubt enabled AKRSP to have an immediate impact and at the same time has established viable village organisations. In the next stage, AKRSP will need to consolidate its position. Finding ways to bring new land under cultivation will be increasingly difficult. AKRSP must turn to increasing the productivity of existing resources. On the crops sector, this means (a) obtaining higher yields of existing crops; (b) increasing the cropping intensity; and (c) introducing higher value crops, particularly cash crops.

I think we are now at a stage where we can have confidence that the Farming System Approach to research and extension, if imaginatively implemented, is an appropriate model to promote increases in productivity. This approach is also entirely consistent with the AKRSP philosophy of bottom-up development, since it involves research and extension and farmers in partnership at each stage. In fact we use the same terminology of a "diagnostic survey" to help establish an understanding of the existing system (especially the underlying constraints) and identify promising opportunities. Emphasis should be placed on obtaining a few technological improvements which can have an immediate impact. Fortunately, I think that these will not be hard to identify (see my comments on wheat below).

At present much of the AKRSP agricultural program appears to be

focussed on credit and fertiliser. However, I believe that experience tells us that this will only have a short run impact, if any, without the applied research and extension that is needed to identify promising technologies and provide information and skills to farmers to employ these technologies.

The immediate priority is, of course, to recruit a senior agriculturist. If the FAO project continues, this person should work closely with the FAO people on the research side with AKRSP taking up the extension side. If the FAO project is discontinued then AKRSP should establish its own applied on-farm research and extension effort. I also strongly favour the establishment of specialised extension agents whose role is to pass information to and from farmers. In most cases, extension is ineffective in this role, not only because they do not have viable technologies and information to pass to farmers, but also because of their involvement in input distribution, credit, etc.

Opportunities in Wheat Production

Given my interest and the importance of wheat as the main rabi crop, I focussed most of my time on field observations and farmer interviews to ascertain opportunities for increasing productivity in wheat especially in the lower elevations. I estimate that average yields in the 26 fields that I inspected are around 2t/ha. Of course, this is by no means a random sample but I suspect that we saw a better than average cross-section of fields. This, of course, raises the question of why the yield survey in 1983 estimated a yield 50% higher. Sampling bias is one possibility, but outside of the villages of Gilgit-Sultanabad and Henzel - I saw few fields that would yield even close to 3t/ha. I suspect some other factor is responsible for the discrepancy but I cannot say what it is without talking to Mr. Shibli.

The yield potential of local varieties is about 3 to 3.5t/ha of grain (the yield of bhusa is also important). The yield potential of improved semi-dwarf varieties is double this and it is not unreasonable to expect an average yield of 3.5t/ha with modest doses of fertiliser. In fact, average yields in villages such as Henzel and Sultanabad, where improved varieties are already widely used, would be close to this.

Semi-dwarf varieties released many years ago are now slowly diffusing up the valleys but are still largely confined to the area around Gilgit. The main factors slowing adoption have been (a) lack of information (many farmers believe that bhusa yields are lower with the semi-dwarfs), and (b) lack of use of fertiliser on wheat until the last two or three years. A change in variety without effective use of fertiliser would have little impact on grain yields and might well decrease bhusa yields. However, with modest fertiliser doses evidence from other areas is that both grain and bhusa yields are higher in improved varieties, although less dramatic in the case of bhusa.

AKRSP has now provided the infrastructure for distribution of fertiliser and, in fact, many farmers use fertiliser on wheat. Unfortunately, this is often not used effectively because (a) it is applied to local varieties that show little response, and (b) often only Nitrophos is applied when I would guess that there is a sharp response to additional Nitrogen. (A number of other factors may also be responsible including poor seed, early drought stress due to water short-

ages, cold weather, etc.)

I feel optimistic that the process of adoption of semi-dwarfs can be greatly accelerated by (a) provision of good seed of an appropriate variety(ies), and use of an appropriate fertiliser dose. There is strong supporting evidence of this from the success of those farmers who have already adopted these practices. There may be some factors such as lack of early season water or soil problems in some villages which need further investigation.

As a first step, I recommend that a survey of wheat production practices and yields be repeated at harvest in 1984 for at least the double-cropped area. This survey should give emphasis to management practices (including other determining variables, such as soil type and access to early season water) and should be designed to include villages where semi-dwarf varieties are used as well as villages which depend largely on local varieties. The survey could be done in two weeks (depending on the length of the harvesting period) and should start when semi-dwarf (which are earlier) are being harvested. In our experience, one team can cover 10 farmers a day, and even under the more difficult road conditions, 7 farmers a day should be an easy target. Those farmers who are met harvesting the crop will form the sample. Both straw and grain yields should be measured.

On the basis of the survey and discussions with the FAO team, a probable next step would be a series of verification/demonstration plots to verify that the variety/fertiliser package is appropriate. These would be very simple with one or two treatments tested against farmer practices; they would be largely farmer-managed but supervised by your extension workers, at least one of whom knows how to grow an excellent crop of wheat. With more resources, some very simple variety and fertiliser trials could also be laid out. Additional work would depend on the commitment of AKRSP to a full time applied-adaptive research-extension unit.

Should you decide to go ahead with the wheat survey, I should be available for a couple of days to design the questionnaire and sampling method and initiate the survey. It is desirable that a social scientist from AKRSP be part of the team. One team member should also be able to speak the local language. I shall also discuss with the Wheat Co-ordinator, NARC the possibility of someone from the wheat program also visiting.

Farming Systems

Similar opportunities for increasing maize production through introduction of new varieties also exist (although probably less dramatic than in the case of wheat). I shall also talk to the Maize Coordinator about the possibility of providing improved seeds of a variety such as Shaheen, which should do well under the conditions of the area. Expansion of maize production and generation of a maize surplus (also through substitution of wheat for maize in food consumption) may lead to some maize marketing and utilisation issues that need to be investigated.

There also appear to be a number of opportunities for increasing cropping intensity. In the lower elevations, land is idle between the maize and wheat

crops. In the higher elevations, it may be possible to increase double-cropping through relay cropping of maize into wheat as practiced very widely by the Chinese. (The labour supply situation may, however, be a problem.) Clearly, animals are a major activity in the farming system, especially as a cash source.

I recommend that when a senior agriculturist is appointed, a diagnostic survey (of one to two weeks) be undertaken through informal interviews with farmers to understand current farming systems, identify constraints and opportunities and design an appropriate plan of work. This should be done in conjunction with the social science program. It would be an excellent way for the new appointee to become familiar with the area and formulate priorities. We may be able to provide somebody to help initiate the survey. Again, the extent of AKRSP involvement in applied research will depend on the future of the FAO team.

Social Science Research

I suggest that you give consideration to the following areas in your proposed Social Science Research Programme:

1. Human capital formation and out-migration. Clearly the long run solution to poverty in the area will be out-migration or establishment of non-agricultural employment opportunities. Already migration is substantial and has probably been stimulated by the KKH. An understanding of this process, its implications a strategy to upgrade the skills of the people should be the thrust of this study. (I attach one study which employs an interesting methodology but which was never fully completed).

2. Food consumption and nutrition. It is likely that the nutritional situation of the people of the area is quite poor both with respect to aggregate food intake and deficiencies in specific elements. At the same time, food consumption patterns are changing with the entry of subsidized wheat from outside, increased cash incomes, etc. An analysis of food consumption-nutrition linkages would help to formulate possible interventions, both in the farming system as well as through specialised nutritional programs. This study might utilise the farm-household approach that recognises production-consumption linkages and which has been applied recently in a number of countries (see enclosed publication).

3. Adoption of innovations. This could look at the adoption and diffusion of improved technologies (e.g., wheat varieties and fertiliser) and its impact in the study area. (I enclose a publication related to this.) This could also tie into the food consumption/nutrition study.

I hope these comments are of some use to you as you formulate AKRSP's strategy for the next stage of the work.

Once again, I enjoyed my visit to your program.

Sincerely yours,
[signed]
Derek Byerlee
Regional Economist
South Asia

SHIMSHAL: EXILE TO A HAVEN

Maliha H. Hussein, Programme Officer

Spring comes late to this valley locked away in the mountains of upper Hunza. Situated at an altitude of 10,000 feet, there are two ways to get to Shimshal from Gugal. One is from Passu and the other is through the high pasture lands of Morkhon at Paryar. Both these journeys involve three days of walking through deep gorges, under loose rocks, over glaciers and across the icy waters of the Shimshal river numerous times. The path through Morkhon is no longer used as it involved crossing the treacherous Qarun Pass which in Wakhi means bad tempered and is indicative of the rigours of the journey. The path presently used is the one through Passu called "Tung" (narrow). The villagers have helped to sparsely furnish two huts along the way in Dut and Ziarat. These provide some shelter for weary travellers to Shimshal. The only other access to the valley is over the Pamirs from the Chinese side.

The history of Shimshal, like that of most villages in the Northern Areas, does not distinguish between fact and fiction. The mythology which the mountains have helped create is as towering and potent as the mountains themselves. Perhaps these myths contribute to the endurance of the inhabitants. Shimshal is no exception. Its founding father Mahmud Shah, popularly known as Mamusing, lived about 1200 years ago and was a famous hunter of the wild life of the mountains. His passion for hunting made him a constant wanderer. He moved from Chaprote to Baltit and then to Kamaris. The unstable environment of the Kamaris glacier forced him to move on to Sarikul. He married a woman from there. Some suggest that he eloped with her and had to seek refuge. This took him to Morkhon and from there on to Ufgarch. He crossed the Mulanguti glacier and stumbled on to the wide valley of Shimshal. He had his wife Khadija and some livestock with him and decided to settle here. Khadija was so dismayed at the prospect of living in this isolated valley that she took to calling her husband "Shumsing" (stubborn) when she failed to dissuade him to leave Shimshal.

The couple found traces of an earlier settlement in the valley. A covered water channel was accidentally discovered by Mamusing and they found some evidence of the fields having been cultivated previously. Some village elders like Mohammad Nayab believe that the Shungnani were the first to settle in Shimshal. These people had travelled across the Pamirs from a place near Ruskum which presently forms part of China. It is believed that the Shungnani were driven out as a result of an attack by villagers from Nagar. Mamusing and Khadija did not have any offspring. This fact was a source of great distress to them. One day, while she was working indoors, Khadija had an unusual visitor, Shah Shams Tabrizi. Khadija was so overcome by this unexpected visit that, in a spontaneous gesture, she spread her headscarf at his feet. She warmed some goat's milk and poured it in a cracked pan — the only utensil in the house. Shah Shams dipped his cane into it and suddenly its cracks disappeared. Overwhelmed, as she witnessed this little miracle, Khadija decided to confess her worries to the saintly visitor. She told him now much she wanted a child but that she and her husband were too old to bear children. Shah Shams

dispelled her fears and promised that she would soon bear a son. Having said this he disappeared. The old couple had a son whom they named Sher. In turn Sher bore five sons. Two of them were childless. The people of Shimshal trace their ancestry to the other three sons of Sher, Baki, Bakhti and Wali.

There are 125 households in Shimshal. The estimated average of 8.33 members per household in the district indicates that its population is just over a thousand. All the families are Shia Imami Ismaili. The Ismaili faith was first introduced to the village at the end of the Fatimimid Caliphate in the ninth century. An Ismaili preacher, Khawaja Shahdat, passed through Shimshal after crossing the Pamirs on his way to Hunza. He was chiefly responsible for organising the spread of Ismailism to this area. This was the height of the Ismaili Dawa – the mission to invite people to convert to the Ismaili faith.

Right upto 1960 Shimshal was virtually secluded from the rest of Gilgit. As such, it was a favourite of the Mirs as an exile for offenders. The miscreants, unable to escape, would wander around aimlessly until they served their term and returned home. None of these exiles ever settled permanently in Shimshal. The Mir had a Numberdar or Arbab, a local person, who was his executive, administrative and judicial representative. He helped in collecting the taxes which the Mirs imposed on the valley. Shimshal was heavily taxed. The taxes were paid mostly in the form of livestock, dairy produce and rock salt which they extracted from beyond the Pamirs. The most difficult aspect of the taxation was the delivery of the malia to the Mir's doorstep. Most of these taxes were removed only in 1967 when the Mir visited the valley in an army Puma. The valley survived the burden of the taxation due to its relative prosperity. Its wealth was attributed to the free and generous grazing its animals were provided in the Pamirs. It is popularly believed that Mahmud Shah's son Sher won for his people grazing rights in the Pamirs by defeating a polo team of the Tajiks he met there on a hunting trip. Even today, it is one of the few villages which is in a position to sell livestock. This measure of self-sufficiency of the village did not make it urgent for it to establish contact with the outside world.

The first major exposure that the valley had to outside influences was in the early 1960's when the government decided to have a military outpost at Kuz. The only way to Kuz was through Shimshal and the army established a base camp there. This exerted a decisive influence on the perceptions, ambitions and dietary habits of the Shimshalis. Tea, sugar and kerosene were dropped by parachute for the troops for the first time in the valley. This was first encounter with these commodities, although, they reluctantly took these in exchange of meat and fuel wood, they were unable to decide what to do with them. At first they sold these items in Passu and when the journey proved too much they began consuming these themselves. Today sweetened tea is the most cherished part of a Shimshali's diet.

The contact with the army officers and troops made the Shimshalis aware of another option they had not contemplated before; the army as a profession. The army post was removed in 1972 but its pervasive effect is indicated by the fact that, at present, fifty Shimshalis are with the army. This outside exposure, shared with the young men of Shimshal, is making them very restless.

For most, joining the army still provides the only door leaving the village.

The Shimshal of today is almost half its original size. The village elders claim that the Gurdapin glacier blocked the Verjerab nalla and caused a flood every twenty years. The last flood in the 1960's was so severe that it lasted for several years and caused massive erosion. It persuaded the people to scatter their dwellings all over the valley. A visitor to Shimshal can see the ruins of the homes on the edge of the river where all the villagers lived huddled together until the great floods. The loss of precious land has made the people move away to marginal lands in the valley. These new lands were equally distributed among all the households according to the norms of land distribution which have traditionally been followed in these mountains. As a consequence, all households have land in two places, in the main area known as central Shimshal and in the surrounding areas of Salauksh and Chokurt.

The valley is in the single crop region and its two main crops are wheat and barley. Poplar trees and a thornbush for fuel are generally grown in the marginal lands. This manner of using the marginal lands does away with the need to develop them. However, in answer to the expanding population the villagers have developed segments of these marginal lands to grow wheat and barley in them. Chemical fertiliser has been used only once by a farmer who carried the sacks for three days on his back in order to bring it to the village. He reported excellent yields. Although most farmers want to use chemical fertiliser on their fields, they are unable to do so due to the difficulty in transporting it. It appears that the average yields of wheat in the valley range between 16 and 24 maunds per acre, which is roughly the same as reported elsewhere in Gilgit.

There are some apricot, apple and mulberry trees in the valley and there are plans to plant more fruit trees. However, the most popular tree is the Poplar. The poplar was first introduced to the valley by an enterprising villager who brought a sample from Passu. Almost all households grow the tree. It provides good construction material and its utility was first demonstrated when Shimshalis started moving away from the river and building new houses. The quick growing Poplar is also sold to local villagers.

Livestock-rearing is by far the most important economic activity in the village. The ample grazing provided to the animals in the Pamirs enables each household to afford some livestock. The yaks and the stronger goats are kept in the Pamirs throughout the year. A group of men is chosen from the village to shepherd the animals. In the middle of May, each year, women and children and at least one male from each household migrate to the Pamirs for the summer. The women busy themselves making cheese, gurut, butteroil and other dairy products. They return to Shimshal in September or October, well stocked for the frugal winter months. In November, the Shimshalis either bring their animals to Passu and Gilgit for sale or sell them to contractors from Hunza who travel to Shimshal for the purpose. Taking advantage of the difficult journey the outside contractors are able to secure very low prices for the livestock they purchase. The Shimshalis report that they sell about 700 animals each year before Nisalo — a festival at which the people of the district slaughter animals and store the meat for use throughout the winter. This

number includes yaks, goats and sheep. Apart from the income which the village earns by selling livestock, Shimshal is famous for the traditional rugs made from yak hair. These sharmas are reputed to last for several generations.

The people of Shimshal form a very closely knit community and they are quick to introduce themselves as members of the same family. They form a cohesive group and have considerable experience in undertaking collective ventures. People have perfect freedom to enter each other's homes without announcing and make themselves comfortable. They are an extremely hospitable people and take great pride in the fact that no one has left Shimshal displeased with the treatment they were accorded in the village. Members of a household contribute grain, butteroil and livestock to pay for the labour costs of constructing a public utility. The gift is made to honour a respected member of the household, usually a grandfather. The local school and the Jamat Khana in Shimshal received generous aid from a handful of village families who wanted to honour a family member.

The isolation of the village is most evident among the women. They do not leave the village unless they are married out in one of the Gugal villages. The Shimshalis only marry only in Gugal villages which share the Wakhi language with them. The only women with some measure of exposure are those women from Passu and Gulmit who have married into Shimshali households. These women have tried to introduce new things into the family. They have persuaded some women to have variety in their diets and grow more vegetables. Although these women share the same responsibilities in the field as the women of unza, they are far less aware. Very few of them believe that they will ever leave their village. Their standard of hygiene is appalling. This is in spite of the fact that there is plenty of fresh spring water in the valley. There is only one matriculate woman in the village and, although she aspires to be a doctor, there is considerable pressure on her to train as a teacher. This pressure is exerted by other women hoping to educate their girls with the presence of a lady teacher in the village.

The economy of the village is caught in a transitional phase. The people feel as comfortable with money as with barter. The part-monetization of the economy has been affected chiefly by the sale of livestock and employment within the army. In answering questions about the cost of a house, a Shimshali is apt to reply, "Eight maunds of wheat, four seers of butteroil, one yak and two goats". When a family starts building a house in the village, locals come to them and offer assistance. They do not ask any payment for their services but it is customary to provide for their meals as long as they work on the house. The carpenter is usually offered a yak for his specialised services.

Very few innovations have reached the village. The people have had to count on their resourcefulness and enterprise. In some ways the introduction of the sewing machine is typical of the manner in which Shimshal has received innovations. The machine was introduced in the village as late as 1964 when an enterprising local carried it to Shimshal. The villagers would line up and wait their turn to see the machine. Today, it sits inside a beautiful handmade wooden case; its crippled owner is too old to use it. Despite its introduction to the village only one or two families have bought the machine due to the

difficult journey to the village. The problem of Shimshal is not so much lack of awareness as the absence of a link with the outside world.

The older generation claims self-sufficiency for the village. This proud state of 'suficiency' which very few would publicly disavow, is born more out of compulsion than a genuine ability to meet the needs of the village. This declaration has been encouraged by visitors who repeatedly commend Shimshal for its ability to survive on its own. The Shimshalis have grasped this theme and refuse to admit to any dependence on the outside. A couple of the younger men will take you aside and confess that they do import some wheat. Moreover, the village's need for sugar, kerosene, soap, tea and salt is wholly met from outside. Shimshal is also becoming increasingly dependent on the Gilgit market for sale of its livestock.

Reactions to the outside world are mixed. Most members of the older generation have only heard about the Karakorum Highway. They express an indifference towards it. The women will only talk of it in hushed tones as if it was something fearsome and beyond their reach. It is mostly the younger men and a handful of educated women who get a wistful look as they talk of what lies outside their secluded haven and the possibility of linking it with the outside by a road. As one woman confided, "I would not have had to marry an illiterate man in the village if we had a road".

FERTILISER LOAN REPAYMENT STUDY OF OSHIKANDASS

M. Zahir Meghji, Research Associate

The VO of Oshikandass, one of the first VOs to be formed, was formed in February of 1983. Oshikandass was granted a PPI scheme, sedimentation tanks, at a cost of Rs. 130,500. One of the tanks apparently cracked as the VO did not conform to the technical details laid by AKRSP Engineering Section. The VO currently by AKRSP criteria is dormant. The VO has 297 members with savings of Rs. 21,025.

On 6 July, 1983, the VO of Oshikandass took a fertiliser loan of Rs. 37,208 from AKRSP for a total of 182 loanees. The repayment was scheduled for 6 January, 1984. By 1 January, 1984, Rs. 5,090 had been repaid and the amount remained the same by 1 February, 1984. By 1 March, 1984 the VO had repaid a total sum of Rs. 7,590. The outstanding amount is Rs. 29,618.

The following needs to be noted at the outset:

- (i) It is apparent that a substantial number of loanees had repaid their loan to the collectors.
- (ii) That Mr. Karim Khan, the misali kisan (model farmer), one of the main loan collectors, utilised for his personal use a substantial sum of money that he had collected from the loanees.

Upon our first visit to Oshikandass in the beginning of June 1984, a frank discussion was held with Karim Khan and other member of the VO. The following can be noted on the discussion:

- (i) Karim Khan openly admitted to have utilised approximately Rs. 18,000 for his personal use. Out of this, Rs. 2,500 he claimed to have utilised to repair the damaged tank. But he insisted that the President of the VO (Imam Yar Baig) and Secretary (Amin Shah) were responsible for the remaining Rs. 12,000 which is yet to be collected from the loanees.
- (ii) Karim Khan promised to come and see the GM in Gilgit in a day or two to explain the reasons why he had utilised the funds for personal reasons. He also said he would return Rs. 15,500 - 2,500 for initial tank repair) to AKRSP on the 15th of June. According to the SO for Gilgit, he had made such promises on a number of occasions and had not fulfilled them.
- (iii) We engaged in a conversation with some villagers, in particular, Nabaat Khan, a notable in the village. According to Nabaat Khan, the villagers were conscious of the fact that they were losing numerous benefits with their VO being dormant. He and the other villagers, however, insisted that the VO was too huge in terms of both membership and geographical extent and therefore they wished to form separate VOs around each Jamat Khana. And that if this was granted by the GM, then they would take up the responsibility of paying the outstanding sum. We, however, made it clear that the outstanding debt was a collective responsibility of the existing VO and until and unless it met its commitments, AKRSP would not engage

in any discussions of future partnership or of splitting the VO. Neither was AKRSP at this stage willing to tie in "bargains" like splitting the VO in order to collect the defaulted sum. But if the outstanding sum was returned, then the villagers can be assured of AKRSP cooperation and assistance.

A follow-up visit was made on 17th of June but we failed to contact any of the VO office-bearers. But talk was held with two shopkeepers, Babar and Azam Baig; the latter had distributed fertiliser bags. Points to note:

- (i) According to Babar and another notable, all the three office-bearers were responsible to some degree in squandering the money. We learnt that a meeting was held by the villagers on 12 June, 1984 in a Jamat Khana compound and Karim Khan was present. But Imam Yar Baig and Amin Shah were absent; the latter was not in the village. According to Babar, Karim Khan explained that the three of them, i.e., the office-bearers would meet together and come to a decision regarding payment of loan. But since Amin Shah was not present in the village, they would have to wait for his arrival. According to Babar, the few villagers who had assembled said to Karim Khan that if loans are outstanding, then the villagers themselves would set upon the task of collecting the money.
- (ii) A visit was paid to Azam Baig, another shopkeeper who had sold some fertiliser to the villagers. He had record of some repayment made to Karim Khan. We collected the records.
- (iii) A site visit was made at the sedimentation tanks and it seems repair work had been done on them and the leakage had been sealed. Fifteen bags of cement were purchased by the VO president to repair the tanks. Only one man by the name of Adil Shah did the repaining. Payment to Adil Shah is still due and it is hoped that when AKRSP releases the final instalment for PPI, Adil Shah and the president will be remitted their due amount.

A third visit was made to Oshikindass and this visit was productive, in the sense that all the VO office-bearers were contacted individually and then assembled together to sort out a few details:

- (i) When meeting individually with both Imam Yar Baig and Amin Shah, we followed one line — as to how could one individual intimidate an entire Village Organisation and how could the entire Village Organisation seem so helpless and simply fail to pressure the responsible person(s). Both Yar Baig and Amin Shah confirmed that they had made numerous appeals for a general meeting of all the members to decide collectively on the issue or involve the elders. For one or the other reason people had not shown interest. Whenever they both (office bearers) approached Karim Khan, he would reply in a typical fashion — "Why should you be concerned? I will deal with AKRSP and with their queries".
- (ii) An other fact learned during this trip was that Mr. Azam Baig, the shopkeeper, had forfeited a sum of Rs. 1,375 from the money paid to him by loanees against the timber that Karim Khan had taken from him on credit.

- (iii) We took the list from Imam Yar Baig that gives the names and amounts for 44 outstanding loanees. Some of them have refused to pay because Karim Khan owes them some money. What is apparent is that Karim Khan owes substantial sums of money to many villagers. This has compounded the problem of recovery.

In a meeting with Karim Khan, Amin Shah, Imam Yar Baig and Adil Shah, the following was noted regarding accounts:

(A) Recovered by AKRSP to date	..	..	Rs. 7,590
(B) 44 Outstanding loanees	..	..	Rs. 7,173
(C) Mr. Azam Baig	..	..	Rs. 3,000
			<hr/> Rs. 17,763
Total loan by AKRSP	..	..	Rs. 37,208
(A) + (B) + (C)	..	..	Rs. 17,763
Amount usurped by Karim Khan	..	..	<hr/>Rs. 19,445

- (A) To date Rs. 7,590 has been recovered by AKRSP.
- (B) A total of 44 loanees (amount Rs. 7,173) have yet to pay. Some of them, as mentioned earlier, have dues to settle with Karim Khan. However, recently an amount of Rs. 328 was recovered by the President Amin Shah as partial repayments from two loanees. Karim Khan has been made responsible to collect from them after Eid.
- (C) About 15 - 20 members have decided that a sum of Rs. 6,000 which they owe should be deducted from their individual savings in the VO equity, and that they do not desire to remain as members in the VO. These 15 - 20 members are originally the people from Bagrote.
- (A) + (B) + (C) brings the total to Rs. 17,763; subtracted from the total loan of Rs. 37,208, this leaves Rs. 19,445 - the amount usurped by Karim Khan, who readily admits to having utilised it for his personal use. Once again, Mr. Karim Khan promised to repay this sum in a few weeks time.

NOTE: Where does Rs. 1,375 forfeited by Azam Baig the shopkeeper stand in all this? The mystery continues!

During the meeting, the office-bearers were quick to point out that, while AKRSP was showing great concern at the recovery of the loan money, it had cared less about releasing the final instalment for PPI. We replied that the matter was upto GM to resolve who in any case had promised to visit them after Eid.

Final Observations:

- (i) Mr. Karim Khan has all the characteristics of a "model thief". He is also

arrogant. His family is known to be well-off in the village in terms of land holding and property.

- (ii) Mr. Karim Khan is also under debt from many people in the village who are now categorically holding to the loan money to recoup their personal debts owed by Karim Khan. This has compounded the situation.
- (iii) According to some sources, Mr. Karim Khan is also responsible for usurping some Ismaili community funds for Silver Jubilee in the village. This has infalmed some members of the community.
- (iv) There is certainly more to all this than what meets the eye. There is group politics operating in the village. Oshikandass village is an "emigrant settlement" of various peoples who came from diverse parts. It is this group politics that has undermined collective reaction and pressure that the villagers could bring to bear upon the responsible party.

While many, individually, desire to pressure Karim Khan, as group and a community they seem impotent to act. In other words, it would be necessary to study group dynamics so that we could direct pressure at the right quarters or act as a catalyst to accelerate the process of peer pressure on the responsible party. While there is evidence that pressure is building, it is neither sufficient nor collective, and is ill-organised.

- (v) Karim Khan is immune to moderate threats, which he has probably recognised as being hollow anyway. Neither the threat of AKRSP, the wrath of Martial Law or the fires of hell after life bother him in the least.
- (vi) No doubt, the VO of 297 members is far too large as an effective organisation. The large number of members in this case have ultimately reduced the level of accountability.

FERTILISER LOAN REPAYMENT STUDY OF RAHIMABAD I

M. Zahir Meghji, Research Associate

The Village Organisation in Rahimabad-I was formed on 3 March 1983 with a membership of 70 villagers. In May 1983, AKRSP extended the first fertiliser loan of Rs. 6,534 to the VO for 62 loanees. The loan was due in November 1983. A second fertiliser loan of Rs. 5,104 was disbursed in June 1983, to a total of 57 loanees and was duly recovered in full amount a week before its maturity date of 8 December, 1983.

The focus is on the first loan which was due in November 1983 and was not recovered in full until the end of February 1984. The following is Rahimabad's actual loan repayment performance:

In November 1983 (the due date) Rs. 3,036 was repaid to AKRSP. By January 1984, a total of Rs. 6,036 was repaid. The amount of Rs. 6,534 was fully recovered by end of February 1984.

The issue was discussed with a number of villagers to determine why the loan was defaulted and how was it repaid. A series of slightly different versions were cited by the villagers; however, there was a central trait evident in all the versions.

- (i) Firstly, there was the untimely death of the misali kisan (model farmer) Ali Hurmat, who was in charge of collecting the money from the VO loanees. According to some sources, he had already collected Rs. 3,000 from some loanees which was forwarded to AKRSP at the due date.
- (ii) The late Ali Hurmat was the uncle of Mr. Mansur Khan, the current VO Manager. Upon the death of Ali Hurmat, Mansur Khan took up the responsibility of collecting the outstanding amount from the loanees. He took up the responsibility because he was related to the late man and it was a question of honour for his family. According to some sources, Mansur Khan did manage to collect all the outstanding money, but he was under pressure from the labourers undertaking the PPI scheme for labour payments; thus he utilised some money to pay the labourers.
- (iii) According to the villagers, the PPI scheme was under-estimated in terms of cost. The PPI scheme (link road) was estimated at Rs. 115,551. Villagers claim that they have at least done Rs. 80,000 worth of free labour self-help) to complete the scheme. According to Mansur Khan, AKRSP's last instalment amounted to Rs. 28,887 while the project cost at that stage was already outstanding by Rs. 41,300. It should be noted that the VO issued no major land compensation for the PPI scheme, except to four people a sum of Rs. 150 each.
- (iv) Since labour wages are the main source of cash inflow in the village, the loanees had no cash money at this stage to repay. All sources verify the following: to meet the outstanding deficit for the fertiliser loan,

the villagers held a meeting of the mutabarin (a traditional resolution body, comprising of elders of the village) to reach a decision on the issue. It should be noted that the members of the mutabarin are also VO members. The mutabarin came up with the decision that the influential and well off people within the village should contribute the money towards erasing the debt since many loanees were not in a position to repay the loan. And when the second scheme would be granted, adjustments would be made. The following is a list of the people and the sum they contributed:

Daulat Baig	..	..	Rs. 600
Khuda Aman	..	..	Rs. 2,000
Ramzan Ali	..	..	Rs. 1,000
Sher Ahmed	..	..	Rs. 1,500
Ali Hurmat & Family	..	..	Rs. 900
Mansur Khan	..	..	Rs. 2,500
Havaladar Akbar	..	..	Rs. 400
<u>Jurmana</u>	..	..	Rs. 900
Total	..	..	Rs. 9,800

NOTE: The jurmana (penalty) money of Rs. 900 is a traditional system in a village. Villagers who do not participate in a community or village endeavour for one or the other reason are usually fined.

The collected sum was utilised to repay the outstanding loan and the rest of the money was plugged in towards the PPI deficit. One thing was very clear – the villagers were confined of getting a second PPI scheme. But the second PPI scheme never materialised and the villagers of Rahimabad have never ceased their efforts in lobbying for the second scheme. Mansur Khan, VO Manager and Khuda Aman, the VO President, are pressing on for the second PPI scheme, understandable from the fact that they have incurred personal debts of Rs. 2,000 and Rs. 2,500 respectively. The Rahimabad I VO later split into two separate organisations representing Rahimabad Bala and Rahimabad Paeen in an attempt to justify another PPI scheme.

As for the people who had contributed they money to pay back the loan on behalf of the defaulted loanees, some of them have not been fully repaid yet. The demand for labour is low. Although currently a school is under construction, the contractor has hired minimum labour from Rahimabad I. Only about 5 people from Rahimabad are known to be working on the construction. Some debtors, however, have managed to repay the contributors by selling firewood, etc., but part of the debt continues to be outstanding.

Annexure - III

THE AGA KHAN RURAL SUPPORT PROGRAMME

SEVENTH PROGRESS REPORT

July 1984 - September 1984

AKRSP
Babar Road, P.O. Box 506
Gilgit, Northern Areas
Pakistan

Phones: 480; 779

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PREFACE

As with the last report, the Seventh Progress Report has been put together by a new crew of writers and editors. Our main concern has been to review the essentials and put out the report within a month of the end of the third quarter.

Our next major reporting assignment is the Second Annual Review for the year 1984; this will incorporate the Eighth Progress Report. Efforts are underway already to collect quantitative data, identify the important themes of 1984, and articulate a programme for 1985. Virtually the entire management of AKRSP is participating in this exercise: the last months of the year are the time for assessment and review.

We have always tried, in our quarterly reports, correspondence and case studies, to ascertain and express the dynamics of the process with which AKRSP is involved. But we have not always succeeded. Still, we will keep trying, so that our written descriptions may become the promising reality which those who work here are experiencing even now.

This report, like its precursors, is the cumulative effort of everyone associated with AKRSP, whether in the headquarters or in the field, and each one shares the credit for it, be he or she in a Social Organisation Unit, Engineering Extension Training and Supplies, Marketing, Budget and Accounts, Women's Section or MER - who have so ably put together the report for the perusal of an interested audience.

Shoaib Sultan Khan
General Manager.

SUMMARY OF THE SEVENTH REPORT

I. Overview

On his fourth visit to AKRSP, Dr. Akhter Hameed Khan discussed two important issues about the future direction of AKRSP with the management. Firstly, the nature of permanent institutions in the present project area and secondly, AKRSP's possible expansion into other regions of northern Pakistan. The institution-building process of AKRSP is achieving its objectives earlier than anticipated. Successful models of village-level development institutions are now functioning smoothly and adjusting to new situations. The question of extension of the programmes activities to the other areas has created at least for the time being, a dilemma. The theoretical foundation of the programme does not provide a rationale for an unlimited expansion. Rather, it stresses the replicability of the model. The emphasis therefore, will be on consolidation in the present project area through further strengthening of the institutions and then to move on to other areas.

II. Social Organisation

Village Organisations continue to proliferate in the Northern Areas, which certainly places AKRSP in a seller's market. By the end of September 1984, the number of Village Organisations had risen to 254 in Gilgit and 133 in Chitral. Altogether, the Gilgit VOs represent 88% of the district's population; their membership is estimated at 21,241. VO savings continue to demonstrate remarkable increases. By the end of September the collective savings of these VOs had risen to at least Rs. 4 million. The practice of collective participation has now taken root in the villages and replicable models for collective land development, marketing and credit are in sight.

III. Women's Programme

By September 1984, Women's Organisations had accumulated an impressive equity capital of Rs. 222,887. Amazingly, even with the constrained resources and support from the Gilgit office, there are now 45 Women's Organisations. During the last quarter, it was felt necessary to take a pragmatic step to facilitate implementation of the programme. Since past efforts to identify separate income-generating schemes for women had not proved viable, it was felt necessary to reach the women, for income-generating activities, through the Village Organisations. At the same time it was thought advisable that needs such as childcare, health and maternal help, may be better addressed through separate Women's Organisations.

Recently the women's programme has introduced a quilt making project, in which 35 of the organisations have participated so far. The results received from 3 of them have shown a combined profit of Rs. 12,000.

IV. Productive Physical Infrastructure

Encouraged by the success of the PPI programme, AKRSP is launching its second generation of schemes on loans. The loan-PPIs, as they will be referred

to in our literature, are designed to help the villagers consolidate the gains resulting from the first funded PPI projects which AKRSP had undertaken as initial investment in the Village Organisations. Working together with Village Organisations, AKRSP has completed basic research on the long-term objective of land development. By the end of September 1984, twenty villages had finalised their comprehensive village planning programmes and were ready to enter the execution phase.

Another important feature of the quarter is the limited extension of AKRSP's activities to the district of Baltistan. So far, First and Second Dialogues have been held in fourteen villages with an equal number of PPIs identified at an estimated cost of Rs. 2.13 million. To this day, 79 PPI projects were fully completed from the total of 138 initiated in Gilgit District. In Chitral, the progress on the same portfolio was 18 PPIs completed out of the 53 schemes initiated.

V. Extension Training and Supplies

A total of 10 courses for village specialists have been held so far, including 3 for women poultry specialists. In Gilgit District, 172 VOs and 23 Women's Organisations have sent 251 representatives for training at AKRSP's Extension Centre.

AKRSP's research and extension activity will be increased with the arrival of a Senior Agriculturalist who is expected to join us very soon.

VI. Marketing

The previous marketing trials have been instrumental in spreading awareness and acceptance of marketing concepts, as demonstrated by the villagers' willingness to undertake it, even when faced with prospects of slight profit on risk.

The monetary results accruing to the pioneering VOs have been mixed. Modifications will be made to procedures, accordingly. It is felt that now, having learnt from experience, a comprehensive policy can be formulated and disseminated to all concerned, so that by spring, all preparations are complete.

VII. Budget and Accounts

This quarter was indeed very encouraging to AKRSP. During the quarter, we received aid commitments from three major donor agencies; CIDA, Alberta AID and AKFC approved a Canadian \$4 million multi-year grant covering three years (1984-1986), OXFAM committed .06 million and the ODA granted 0.14 million.

By September 1984, Rs. 31.35 million were available for the remaining activities of the current year 1984, against the projected application for Rs. 26.38 million. Discussions are now underway between AKRSP and the international donors for further funds.

VIII. Monitoring, Evaluation and Research

In view of the increasing importance of village-level studies to extension

and evaluation, the MER Section is speeding up analysis for those villages for which basic data are already available. With these studies, the increase in project villages and activities, and a high turnover in staff, a senior Programme Officer is being recruited as an addition to the four-member MER Section.

To date, the MER Section has invested all its professional capital in monitoring and reporting. There are now firm plans to continue the evaluation exercises started in 1983, and to initiate agro-economic research by November 1984.

**QUARTERLY STATISTICAL ABSTRACT
GILGIT DISTRICT**

This abstract covers the period December, 1982 - September, 1984.

I. Project area

1. Area (sq. km.)	...	...	28,521
2. Population	...	...	227,000
3. No. of households (approx.)	...	...	27,250
4. No. of villages (approx.)	...	...	300

II. Overall Coverage

1. Projects identified in so many villages	...	...	291
2. ....as % of total in I.4	...	...	97%
3. No. of villages surveyed	...	...	186
4. ....as % of II.1	...	...	64%

III. Social Organisation (July figures)

1. No. of Village Organisations	...	...	254
2. Membership of all VOs (estimated)	...	...	21,241
3. Savings of all VOs (million Rs... estimated for September)	...	...	4.00
4. % pop. of project area covered by VOs (approx.)	..	...	88%

IV. Productive Physical Infrastructure

1. Total number of projects identified	...	...	426
2. Estimated cost of these projects (million Rs.)	...	...	57.31
3. No. of projects initiated	...	...	138
4. No. of beneficiary households (approx.)	...	...	12,100
5. Cost of projects initiated (million Rs.)	...	...	19.07
6. Physical progress of these projects	...	...	79%
7. No. of projects completed	...	...	79

V. Agricultural Credit (July figures)

1. Amount of loans advanced (million Rs.)	..	...	2.87
2. No. of borrowing VOs (including multiple loans)	...	...	232
3. No. of beneficiary farmers (including multiple loans)	...	...	14,900

4. Loan amount outstanding (million Rs.)	...	...	2.15
VI. Extension Training & Supplies			
1. No. of courses for village specialists	...	...	10
2. No. of kits distributed	...	...	224
3. No. of refresher courses	...	...	3
4. No. of Village Specialists trained	...	...	251
5. No. of VOs and WOs represented	...	...	195
6. No. of conferences for VO representatives...	...	...	6
VII. Women's Programme			
1. No. of Women's Organisations	...	...	45
2. Membership of all VOs	...	...	3,030
3. Savings of VOs (Rs.)	...	...	222,887
4. No. of courses for poultry specialists	...	...	3
5. No. of Women's Organisations represented ...	...	...	23
6. No. of Women's Organisations provided polyester for quilt making	...	...	35

OVERVIEW: UNANSWERED QUESTIONS

I. Need for a Long-Term View

There have been two major developments in recent months that have brought home an urgent need to think clearly about the future directions of AKRSP. Firstly, a large number of PPI projects has been completed. Secondly, the question of expansion in project area has come up repeatedly. Three sets of issues need to be addressed with thought and clarity :

- What can be said realistically about the timing and scope of expansion of AKRSP's project area to include the districts of Baltistan and Diamer?
- What is the permanent institutional basis which AKRSP can leave behind in the project area when it prepares to withdraw from its involvement at the village level?
- How will AKRSP effect the consolidation of institutions, which it is nurturing now, so that they may remain the permanent basis for development once AKRSP withdraws?

The Board of Directors of AKRSP has asked the management to prepare a five-year strategy paper that will address these and related issues. The paper is expected to be ready early next year. In the meantime, Dr. Akhter Hameed Khan has already touched upon some of these issues in discussions and reports on AKRSP's future shape. At this stage, we will explore the issues in brief, and articulate some responses only in the months to come.

II. Expansion in Project Area

The present project area of AKRSP consists of the districts of Gilgit and Chitral, of which Gilgit is the central district of the federally-administered Northern Areas, and Chitral is the remotest district of the North-West Frontier Province. The region in question has a population of more than 450,000, in about 800 villages spread over 43,419 sq. km. The remaining districts of the Northern Areas - Baltistan and Diamer - together have a population of about 350,000, and an area of 38,556 sq. km. with villages as remote and isolated as in the present project area. AKRSP was always intended to expand to other districts over time, but expansion to cover the most difficult 10% of Pakistan's geographical area raises serious issues of management, financial resources, and consolidation in the initial districts. The availability and duration of additional funding is of obvious importance. The recruitment of additional staff of suitable quality is another concern. Related to this is the desirability of consolidating into permanence the programmes that have been started in the present project area.

While the constraints on expansion are serious, so are the needs for expansion. Foremost in our consideration are the aspirations of the villagers of the two remaining districts. The way in which these aspirations are articulated also has a bearing on the views of the Northern Areas Administration and the office of the Martial Law Administrator, Zone 'E'. Since AKRSP works in close

contact with the government, official views are also to be given due weight.

Given the demands and constraints on expansion, the decision on when, where and how to expand will have to be taken with due understanding of the nature of AKRSP. AKRSP is a small NGO, with limited resources. It was designed to act as a catalyst for development, not as an executing agency for regional planning and development.

III. Consolidation

There are some 800 potential Village Organisations in the present project area. Of these, about 400 have organised, elected office-bearers and started building up an equity capital. PPI projects have been started in nearly 200 villages, and completed in about 100. Clearly, fulfilling AKRSP's commitments to the present project area requires continued, intensive attention, not only on the PPI programme but also on extension, supplies, credit, marketing, village planning and women's programmes. A few of the elements of these programmes have proved replicable and remarkably successful all over the project area. But many parts of the AKRSP package need more research, testing and replication: AKRSP's development package is incomplete. Serious thought has to be given to issues of staffing, resources and conceptualisation, so that all of AKRSP's programmes may appear as successful as its PPI models.

Questions of consolidation are related to the institutional legacy that AKRSP might leave behind. This is discussed next.

IV. Permanent Institutional Basis

AKRSP is expected to work itself out of a job in its present project area in 10-15 years. It needs to plan its withdrawal in a way that will fulfil its promise of contributing permanently to the region's development: it will have to promote institutions that can take up the tasks it now performs.

At present, AKRSP is nurturing Village Organisations, and providing them a range of financial, commercial, training and managerial services. Perhaps a few of these activities can be undertaken by Village Organisations, on their own, on a permanent basis. These organisations, however, will require additional finances and expertise to meet their development needs as AKRSP begins to withdraw. Plans have to be made fairly soon for succeeding institutions, so that the consolidation of present programmes can have a direction that can be expected to lead to permanence.

SOCIAL ORGANISATION

I. Introduction

The most encouraging feature of the social organisation programme is the continuing increase in the number of villages that are organising even without the prior benefit of PPI projects. Between April and September, for example, 30 VOs were formed in Gilgit without any PPI projects. Overall, the number of projects in Gilgit was 131 in September, but the number of VOs was 254; in Chitral, there were 53 projects and 133 VOs. Those VOs which have not been able to initiate a PPI project (because AKRSP has had a funding constraint recently) have, nevertheless, participated fully in the savings, credit, extension and marketing programmes.

The Programme, in Gilgit and Chitral, will continue to concentrate on the better Village Organisations, and build them up as models for others. The variables that indicate the viability of a VO include savings, loan advances and recoveries, utilisation of services of village specialists, collective land development, cooperative marketing, etc.

Recently, AKRSP has initiated a demonstration programme in Baltistan, in consultation with government and elected officials. The programme will be restricted to villages in two Union Councils.

II. Performance of VOS

II.A Attendance

A major problem has arisen with regard to the attendance figures. Difficulties of terrain and seasonality may force the members to miss the arranged VO meetings. At harvest time and during the season when fodder is collected and stocked, the villagers may remain on the fields, most of the time. In winter, some areas are completely cut off due to the heavy snow and in summer some of the villagers take their livestock to higher mountain areas, where pasture is available. In such instances, they cannot possibly attend the regular meetings. Moreover, many times there is no particular issue to be discussed in the scheduled meetings. Therefore, some members may just send over their savings to the manager with someone else. The attendance or lack of it does not therefore, indicate the interest or disinterest of the villagers to participate in the collective development of the village. Hence it is clear that attendance is not a reliable indicator of VO viability.

II.B Equity Capital

The total equity capital of all the VOs is now estimated at more than Rs. 4 million.

Keeping in view the volume and importance of equity figures, it has been decided that, in future, information on equity capital will be taken directly from the banks and not through records of VOs collected by the Social Organisers. In certain instances, the VOs have extended short-term loans to their members

from their savings - usually before depositing in the bank - which do not get reported in our equity capital figures.

III. Aspects of Organisation

III.A Land Development

Since its inception in December 1982, AKRSP is encouraging collective management of village resources. This institution-building process has helped to evolve four important models for development. The first of these is the model of cooperative land reclamation. The first stage of Productive Physical Infrastructure has made available valuable land for irrigation. AKRSP encourages collective reclamation of land with special emphasis on the development of forestry, orchards and pasture lands. So far, twenty Village Organisations have prepared collective land development plans where they will jointly grow fodder and orchards. Passu Village Organisation has already successfully entered into the second year of its five-year plan. In Misgar, villagers are planning to establish a livestock cooperative, by developing a common pasture land. Hanuchal Village Organisation has embarked on specialising in dairy products in which it has a comparative advantage. In a number of villages, progress is being made in the plantation and setting-up of nurseries, on a collective basis. Instead of buying seedlings from distant markets, these Village Organisations will develop village-level nurseries for their own requirements or even on a commercial basis.

III.B Marketing

The second important model is cooperative marketing. In Gilgit District, fifteen Village Organisations undertook marketing activities and quite successfully disposed their common produce in more profitable markets. Although the process is still in its elementary stages, the villagers have shown great interest and are beginning to realise the advantages of cooperative marketing. Plans are being formulated for the collective purchase of fruit packing materials, co-operation in attaining and constantly updating market information and the feasibility of collective ownership of commercial transport.

III.C Credit and Banking

Organisation, capital and skills, these three essential objectives of AKRSP have become so ingrained in the participating villages that they have now begun to carry out complex commercial transactions on their own. At this stage, it is a common practice in almost all the Village Organisations to collect weekly deposits, distribute and realise loans within their membership and undertake small profitable business ventures. In the years to come, the volume of deposits and loans is expected to increase greatly. AKRSP is planning to institutionalise what it is already doing informally: to formalise the credit and banking functions and to retain the profits for later redistribution, instead of handing them over to the commercial banks. The AKRSP's credit operations will include all kinds of short, medium, and long-term loans, for land development, marketing, warehousing, processing, transport, etc. Village Managers will be remunerated from the profits since AKRSP believes it is essential to provide incentives.

III.D Agricultural Development

Agriculture being the major source of income in the Northern Areas, AKRSP continues to place greater emphasis on increased farm productivity. Working through its two-pronged strategy of prevention of losses and introduction of innovations, AKRSP has made available significant information and expertise to the Village Organisations. The organisation of production processes at the village level is making headway under the auspices of village specialists who were trained to promote these objectives. These specialists are providing useful services to their respective villages by treating the animals, plants and crops. In return, the members of the Village Organisations pay them a fee for their services. The Village Organisation coordinates all production activities. It provides agricultural credit, distributes improved quality of seeds and supervises internal as well as external transactions of agricultural goods. A number of Village Organisations have acquired threshers and compressors which they rent to their members on nominal charges.

III.E New Trends

Until earlier in the year, the SOUs had great difficulty in convincing the villagers that AKRSP could only fund one project per VO on a grant basis, and in making certain that the Village Organisation was not formed just for the sake of being eligible for such a grant. This is no longer a problem, as the villagers are by now well-acquainted with the Programme and have learnt from experience that the policy is geared towards self-reliance.

In many cases the VOs have accumulated a substantial amount of savings, as their equity capital. They are now realising its potential uses. In their general body meetings, the villagers decide through resolutions, the future projects of the VO. In most cases the VOs have applied for loans in order to undertake collective land reclamation. AKRSP encourages this trend and is prepared to extend long-term loans for these second generation PPI schemes.

Some VOs are saving money from their PPI grants, and adding this to their equity capital. This is most encouraging, as there is no restriction on how they use the money, so saved, from the grants. Another important trend is the increased cooperation between Women's Organisations and the VOs. The two organisations often work closely towards the common objectives of village development. In villages where women have organised themselves on patterns similar to the men's, coordination has been more evident. In these villages men are willing to undertake, through their organisations, schemes which are more specific to the needs of women. Looking at the performance of more advanced VOs such as Passu and Misgar, a guess can be made that the third generation of PPIs in these villages will include social sector schemes such as health, education and sanitation, which will be undertaken either on loans or entirely from their own resources.

IV. Organisational Issues

The process of village organisation has received different reactions from the villages in the Northern Areas, depending upon their socio-political outlook as

well as the economic status of the inhabitants. In retrospect, the response has been a positive one and the Programme a success. However, not all the Village Organisations can be termed as ideal or successful.

The following are some brief examples, to highlight a few of the common problems, faced by AKRSP in promoting the organisational infrastructure:

a- The Naltar Bala Village Organisation, had a total membership of 175, and identified an irrigation channel scheme as their priority, for which AKRSP sanctioned a grant. Soon, old enmity between two groups emerged in the form of serious conflict on issues such as whether to strictly follow the engineer's specifications, the composition of the labour force and the recording of fund disbursements. But the conflict proved to have a positive aspect to it. When the VO had split-up, the SO officially formed two separate VOs, and each VO took up responsibility for a different section of the channel. The ensuing competition among the two separate VOs has resulted in both working with greater zeal, and since then each has accumulated an impressive amount of equity capital.

b- The Sonikot Village Organisation, comprised members from markedly different social and economic status. The VO developed chronic internal dissension. It was decided in the end that the conflicting interests of the members would be a continuing hinderance to the viability of the organisation, and therefore the VO in its present form should be allowed to wither away.

c- The Village Organisation Mlacher Bala was formed in 1983. AKRSP sanctioned a grant for the construction of a link road to that village. The VO is located in two slightly detached parts of a mountain, as determined by the availability of cultivable land. As the link road winds up the mountain, it has to fork out into two directions, to link both sections of the VO with the main road. An ensuing conflict among the two sections has resulted in an incomplete road, and parts already constructed are in absolute disrepair.

Interestingly, there is a striking difference between the two VO sections, in social status and influence, and economic position. One section comprises the "Raja's" political faction and the other the "Syeds", (religious elite). The political and economic differences have resulted in a deadlock, and no solution is in sight.

WOMEN'S PROGRAMME

I. Introduction

Mobilising and organising women is a new phenomenon for the project area, yet there are now 45 Women's Organisations with an equity capital of Rs. 222,887 and a membership of 3,030. The objectives of the women's programme are the same as that of the men's except that, in view of the long working hours of women the programme also aims at minimising the drudgery of women by the introduction of appropriate technologies. As regards income generating schemes, women feel inhibited as they do not play a role in decision-making regarding money matters or land. Schemes so far indentified by them are walled vegetable gardens, home-based poultry farming, marketing dried apple and tomato powder, vinegar, and introducing better breeds of livestock, etc. The walled gardens which women were planning to use for the protection of fodder and vegetable were initially earmarked for individual households. Now, it appears that women are beginning to realise the importance of collective efforts and hence in some villages they have selected collective vegetable gardens to be walled for protection from the animals.

There has been a slight change in the strategy of AKRSP towards its women's programme. Past efforts to identify separate income-generating schemes for women did not prove to be viable since women possessed no independent land holdings or other forms of property through which their income could have been increased. Besides, women of this area have cultural inhibitions in decision-making regarding property matters. In the present circumstances, AKRSP feels that the primary objective - income generation - can be better addressed by working through the Village Organisations, rather than entirely through a separate women's programme. The new step is designed to facilitate the implementation of the policy and is not a change in basic objectives. The Women's Organisations will coordinate with the Village Organisations particularly in identifying schemes and in the maintenance of accounts. Another important point to be noted in this regard is that AKRSP is now planning to undertake schemes in the social sector such as health, sanitation and education alongwith its income-generating ventures. This policy has been adopted in view of the special requirements of the women and is aimed at reducing their excessive work-load.

Both the Village and Women's Organisations will work together for the identification and implementation of such schemes. The social sector schemes, it is hoped, will also receive support and cooperation from other agencies already working in this field, in the Northern Areas.

II. Proposed Programmes

II.A Appropriate Technologies and Home Techniques

The women in the northern rural areas are chronically neglected; according to a study conducted in 45 Women's Organisations by the AKRSP Women's Section, women work 4 to 5 hours more per day than the men. The average number of children which a women bears varies between 10 to 12, whereas two

to four die. A nutritional study prepared by the Faisalabad University concludes that, the average intake of calories of people in the Northern Areas is 87% of the national average of Pakistan. There is wide spread anaemia amongst 87% of the women in general and 89% among pregnant women. There is also a protein deficiency in the daily diet of 99% families. Considering all these aspects of the rural women's life it was decided to look into the possibilities of reducing their work load by introducing appropriate technologies and coordinating with agencies involved in health, hygiene and sanitation etc.

Some examples of the appropriate technologies introduced are mentioned below:

(i) **Fuel Conserving Stove:** As fuel-wood collection is a primary responsibility of the women, they spend a lot of time and energy on it. The use of this stove would ease this burden of the women. Its use has caught on in one village, Oshikhandass, but in other villages where men were trained in the making of these fuel conserving stoves the technology has not become popular due to the non-availability of the clay required to make these stoves.

(ii) **Nut Cracking Machine:** This machine is manufactured by PCSIR Lahore, and has a capacity to crack ten to twelve kilograms of apricot pits per hour. This will save a lot of the time women usually spend cracking the apricot pits manually. AKRSP has presented some of these machines to five Women's Organisations on an experimental basis, and the results have been encouraging. The members pay a small fee and use it for their nut cracking.

(iii) **Cream Separator:** The use of electrically operated cream separators has been demonstrated in two villages where electricity is available and milk is produced in abundance.

Health and sanitation are other areas which require immediate attention. Increased coordination with other agencies will have to be sought for the implementation of health and sanitation schemes.

II.B Agricultural Development and Walled Vegetable Gardens.

The study of Faisalabad University also reveals that women participate in more than 90% agricultural activities. In case where men are working outside the village or in other cities, they shoulder the total responsibility. The income received from their agricultural products goes to the men and is used for the family. Considering the possibilities of extra income which women could own and use for their families, four Village Organisations namely Passu, Morkhon, Shishkat and Sadruddin Abad (Nomal) decided to form agricultural cooperatives for women. They inaugurated by growing potatoes on the land donated to them temporarily by the men of their respective villages. Except in Morkhon, where the quality of potatoes grown was not so good, the women made a significant profit on their collectively grown potatoes. The women of Morkhon are selling their potatoes at a cheaper rate but even then they are expected to earn Rs. 1,520. In Shishkat the women have sold half of their produce and have earned Rs. 6,000. In Sadruddin Abad (Nomal) the profit was Rs. 4,000. Other Village Organisations have also earmarked the collective plots of land to be walled for such income generating schemes, where they plan to grow vegetables, vetch

(a new kind of fodder introduced by the UNDP/FAO agronomist) and fruit trees.

II.C Livestock and Dairy Products

Tending livestock and making dairy products is also the responsibility of the women. They go out twice a day to graze their animals. In villages where the main source of income for the family is livestock or livestock products, women are keen to improve their livestock. Introduction of Red Sindhi cows, Angora sheep and Beetal and Marino breed of goats has been suggested. It is envisaged that the women will be trained in livestock feeding and management before introducing the new breeds of animals.

II.D Marketing

In the Northern Areas the tradition of drying vegetables and making vinegar from apple, grapes, peaches and apricots is very old. Women produce a variety of vegetables such as onion, garlic and spinach. They also produce apple and tomato powder for their own use and also for sale in Gilgit market. Samples of dried vegetable and tomato powder have been sent to Lahore and Islamabad in order to ascertain their marketability.

II.E Quilt Making

ICI Pakistan Manufacturers Limited donated 6,500 kg of spun tow polyester which was distributed among 35 Women's Organisations for quilt making. Four organisations have been able to make a profit of Rs. 19,550 within one month. In total, these organisations are expected to make a profit of Rs. 65,000 by making and selling these quilts within their villages. The total number of quilts produced can be as high as 1,300. The profit excludes the labour charges and transport cost of the polyester. The cost of transport for the first truck load was borne by ICI. As the Women's Organisations are very keen to get more polyester, two truck loads of polyester have been ordered. Women in all the organisations plan to prepare quilts to market within the village during the winter season. A number of organisations have applied for a loan of Rs. 15,000 each to buy cloth for quilt making.

II.F Home Based Poultry Farms-cum-Training

So far, two villages namely, Saddruddin Abad (Nomal) and Oshikhandass have been initially selected for this purpose. In addition, regular training is given to women to develop poultry farms free of poultry diseases. A proto-type of poultry farm has been designed by the AKRSP architect to breed 25 to 50 chicks. Women were provided 7 chicks of the RIP variety for demonstration and experiment during the training. The chicks for developing poultry farm will be provided to them during the month of November. The training was conducted with the cooperation of UNDP/FAO expert. The chicks will also be supplied by UNDP on payment. The next group of trainees from two more villages will be provided with twenty five chicks each on the first day of their training. They will also be asked to prepare the poultry farms before coming to Gilgit for the training.

II.G Fair-cum-Test Marketing

During the last Certificates Awarding Ceremony of the Poultry Training

Course a fair was organised to study the viability of selling a few home made goods. It was encouraging to note that some of the organisations were able to sell their agricultural products and handicrafts worth Rs. 10,000. Now women are planning to organise a similar fair on 12-13 November in collaboration with UNDP/FAO on the World Food Day which would be an exhibition-cum-test marketing for the village products.

III. Consultants

Mrs. Tahirunnisa Abdullah visited AKRSP as a consultant in August 1984 for one month. Her proposals for income-generating schemes are being investigated for their viability in the different villages. However, her suggestion to establish home-based poultry farms-cum-training is already being implemented in two villages.

PRODUCTIVE PHYSICAL INFRASTRUCTURE

I. Introduction

The consolidation of the productive physical infrastructure programme which we had last reported also continued during the quarter under review. However, the significant feature of this quarter is the emergence of a new stage in AKRSP's long-term policy.

This transitional period is marked by the identification of a second generation of PPI projects which will be undertaken by the Village Organisations on loans provided to them by AKRSP. The new development is a logical consequence of what AKRSP had initially anticipated: investing in the Village Organisation initially in the form of PPIs to remove physical constraints on development. The outcome has been enormous. In Gilgit District alone, 48 irrigation channel projects have now been completed. To capitalise on this investment, AKRSP is launching its land development projects in areas where first generation PPIs have been completed.

II. Loan - PPIs

A question often asked by the villagers, and of course, by many others, has been: what next, after the first series of PPI schemes are completed by the Village Organisations? The concept of loan-PPI projects provides an adequate answer to this obvious question. While still observing its policy of "one grant-funded PPI project for each Village Organisation", AKRSP will encourage Village Organisations to continue with PPI projects of varying scale as part of their village planning package. AKRSP will provide long-term loans for this purpose as it enters into the second stage of physical infrastructure development. The aim is to assist the villagers in consolidating their gains, for example by developing the new lands that can be irrigated by the first series of PPI projects. Since the first PPIs served as entry points, the real process of development is only now beginning to gain momentum.

On the eve of this second development phase, AKRSP is seeking to coordinate the land, labour, skills and the other resources that it has helped to develop in the Village Organisations. The areas to which this concept will specifically apply are collective land development and the establishment of village-based cooperatives for agricultural and livestock marketing.

The terms and conditions for this loan programmes have now been announced to the Village Organisations. To this day, First and Second dialogues have been held in 20 villages; land development proposals finalised in 14 villages; the analysis of these proposals was completed in 9 villages and the land development loan was extended to one Village Organisation, namely Sherqilla. Some Village Organisations have already entered the implementation stage on their own, after consulting with AKRSP planners. For instance, the Passu Village Organisation has planted 5,000 trees in the first year of its five-year village development plan. Village Passu with its outstanding collective participation and savings (exceeding Rs. 300,000) is now moving faster than ever to become AKRSP's first development model in the programme area.

Efforts are also underway in a number of other villages to assess the villager's needs and to identify relevant schemes. The Village Organisations are being assisted in this planning exercise by AKRSP staff.

In the context of land development, priority has been given to lands which are more economical to reclaim. Since in many areas the cost is not relative to the area of land reclaimed, a ceiling has been imposed on loans per kanal of land development to ensure the loan's widespread benefit and timely recovery. Another important point to be noted in this connection is to encourage the development of pasture, forestry and fruit trees by taking advantage of terrain. Studies of agricultural production conditions are supportive of the notion that returns on fruit, fodder, orchards and forestry are greater than returns on single-crop farming land. Moreover, reclamation of land for the latter is expensive in terms of both the initial and maintenance costs. The AKRSP's long-term objective is to help specialise each region in products in which it has a comparative advantage.

Research and survey processes are underway in many villages to find out their potential productive capacities in the selected commodities. So far, nine villages have been surveyed. A Senior Agriculturist is soon expected to join AKRSP to carry this task still further.

III. Revolving Fund for Loans

At present, AKRSP is beginning what may become a large loan programme for the Northern Areas of Pakistan. Arrangements are almost completed to set up a sizable revolving fund for this purpose. The impression that AKRSP has gathered so far suggests that, at present, these loans will be utilised for land development schemes with the emphasis noted above. However, in the long-run, when the village economy progresses from its present nascent stage, the Village Organisation might well include social sector schemes, such as sanitation, health, education, etc. The Regional Development Finance Corporation (RDFC) of Pakistan has agreed, in principle, to provide five million rupees towards this fund for a period of five years. In the next few years, AKRSP hopes to step up its loan programme to meet the needs of the area.

Two principles will provide the guidelines for the prospective loan programme. First, a standard ratio between savings and the amount of loan requested will be observed. Second, a ceiling will be imposed on loans on per member basis to allow every individual to develop at least a minimum area of new land. In this way, the loan amount will be controlled and its benefit ensured to everyone at a guaranteed level. Before the loan disbursement, AKRSP will ensure the credit-worthiness of the borrowing Village Organisation and the profitability of the proposed project. In most cases, the villagers themselves were found to be reluctant to ask for loans unless they were absolutely certain about how to repay them. The Village Organisations have prepared planning schedules indicating such details as the area of land to be reclaimed, the proposed crops and the prospective income to be obtained over the years. In most areas, the Village Organisations have decided to develop land for eshpiti and rishka (local varieties of fodder) during the initial years which are not only suitable for newly-reclaimed land because of their nitrogen-fixing property,

but also have a promising market. VOs have been encouraged to undertake collective land development and later to share its benefits rather than dividing the new land beforehand.

IV. Extension to Baltistan

The AKRSP recognises the need, and is willing, in principle, to pursue the same development objectives in Baltistan to which it is committed to in the districts of Gilgit and Chitral. But the difficulty lies in the financial constraints on unlimited expansion of the Programme's activities. Despite such difficulties, AKRSP has accepted a highly pressed demand from both the government and elected officials to extend its activities to Baltistan District.

AKRSP has adopted a modest policy for its Baltistan programme: development activities will be pursued in two Union Councils of the district, provided the Union Councils also channelise their resources into Union Council plans prepared in consultation with AKRSP.

V. The Portfolio of Engineering Projects

There has been a slight increase in the portfolio of identified schemes for Gilgit District since the last quarterly report. By the end of September 1984, the total number of identified schemes in Gilgit had risen from 392 to 426 with an estimated cost of Rs. 57.3 million. PPI Table 1 and 2 illustrate the schemes as well as the cost breakdown by sub-divisions. In Chitral District, the number of identified schemes remains the same - at 274 - as that reported in the last quarter, with an estimated cost of Rs. 32.5 million (the reported figure of Rs. 13.8 million for last quarter was in error).

Todate, the number of PPI projects initiated increased to 138 in Gilgit District, at a cost of Rs. 17.3 million, of which Rs. 12.6 million have been disbursed to Village Organisations which amounts to 73% of the total cost. By the end of September 1984, 79 projects had been fully completed in Gilgit District and the overall physical progress of PPI projects in the district was about 79%. PPI Table 3A shows commitment, disbursement and number of completed schemes by type of project, and PPI Table 3B illustrates the same by sub-division. The average cost of a project in Gilgit District stands at a level of Rs. 125,362, i.e., an increase of Rs. 3,280 in the average cost since the last report. PPI Table 5 illustrates the distribution of schemes and cost breakdowns by sub-division.

In Chitral District, 18 out of the 53 initiated schemes are now completed. The total cost of these 53 schemes stood at Rs. 6.6 million, of which Rs. 3.7 million, that is, 57% of the total amount has been duly disbursed to the Village Organisations. The overall physical progress of the PPI projects in Chitral District is 69%.

The average cost of a PPI scheme in Chitral is Rs. 124,528. PPI Table 4A shows commitment, disbursement and the number of completed schemes by type of project and PPI Table 4B by sub-division.

The overall progress in both Chitral and Gilgit Districts during the quarter

ending September, 1984 can be summed up as follows:

(i) Since the last reported quarter, no new schemes have been identified in Chitral District. However, in Gilgit District, the number has risen from 392 to 426 schemes.

(ii) In Gilgit District, 7 PPI schemes were initiated during the quarter under review from the identified portfolio of the PPI schemes.

(iii) To date, 57% of the total initiated PPI schemes in Gilgit District are now fully completed. The proportion of completed projects in Chitral is 34%.

In the two districts combined, the overall rate of financial disbursement of the total commitment to Village Organisations was 65% whereas the overall physical progress of the PPI programme is 76%.

GILGIT DISTRICT
NUMBER OF PPI PROJECTS IDENTIFIED
DECEMBER 1982 - SEPTEMBER 1984

S. No.	Sector		Gilgit	Hunza	Nagar	Punyal- Ishkoman	Gupis- Yasin	Gilgit District
1.	Irrigation Channel	...	49	47	28	30	69	223
2.	Protective Bunds	...	3	6	4	13	39	68
3.	Storage Reservoir	...	2	4	5	3	15	29
4.	Lift Irrigation	...	5	-	-	-	-	5
5.	Sedimentation Tank	...	1	1	1	1	-	4
6.	Land Development	...	4	1	1	2	2	10
7.	Link Road	...	19	25	12	6	16	78
8.	Bridge	...	1	3	-	-	2	6
Total		...	89	87	51	55	144	426

GILGIT DISTRICT
ESTIMATED COST OF PPI PORTFOLIO IDENTIFIED
DURING DECEMBER 1982 - SEPTEMBER 1984
(Costs in Rs. '000)

S. No.	Sector		Gilgit	Hunza	Nagar	Punyal- Ishkoman	Gupis- Yasin	Gilgit District	% of Total
1.	Irrigation Channels	...	9,314	5,539	3,087	2,864	10,020	30,824	54
2.	Protective Bunds	...	840	1,007	546	1,626	6,654	10,673	19
3.	Storage Reservoir	...	672	419	475	394	1,932	3,892	7
4.	Lift Irrigation	...	1,050	-	-	-	-	1,050	2
5.	Sedimentation Tank	...	136	131	88	180	-	535	1
6.	Land Development	...	340	100	100	200	98	838	1
7.	Link Roads	...	2,066	2,851	1,085	872	2,089	8,963	15
8.	Bridges	...	100	362	-	-	80	542	1
Total		...	14,518	10,409	5,381	6,136	20,873	57,317	100
% of Total		...	25	18	10	11	36	100	

GILGIT DISTRICT
PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT AND COMPLETED PROJECTS AS ON SEPTEMBER, 30TH 1984
A: BY TYPE OF PROJECT

S. No.	Type of Project	Number of Projects	Cost Rs. '000	Disbursement Rs. '000	As % of Cost	Completed Projects
1.	Irrigation Channel	85	9,614	6,533	67%	50
2.	Syphon Irrigation	1	508	331	65%	
3.	Lift Irrigation	1	100	75	75%	
4.	Link Roads	24	3,048	2,400	79%	12
5.	Protective Works	15	2,579	2,352	91%	12
6.	Storage Reservoir	7	917	495	54%	2
7.	Sedimentation Tank	2	238	186	78%	2
8.	Mud-flow Control	1	47	20	42%	
9.	Bridges	2	262	215	82%	1
	Total	138	17,313	12,606	73%	79

B: BY SUB-DIVISION

S. No.	Sub Division	Number of Projects	Cost Rs. '000	Disbursement Rs. '000	As % of Cost	Completed Projects
1.	Hunza	34	4,335	2,611	60%	15
2.	Nagar	14	1,881	1,258	70%	8
3.	Gilgit	30	4,239	2,996	71%	14
4.	Punyal-Ishkoman	23	2,307	2,120	92%	19
5.	Gupis-Yasin	37	4,551	3,621	79%	23
	Total	138	17,313	12,606	73%	79

CHITRAL DISTRICT
PRODUCTIVE PHYSICAL INFRASTRUCTURE
COMMITMENT, DISBURSEMENT AND COMPLETED PROJECTS AS ON SEPTEMBER, 30TH 1984
A: BY TYPE OF PROJECT

S. No.	Type of Project	Number of Projects	Cost Rs. '000	Disbursement Rs. '000	As % of Cost	Completed Projects
1.	Irrigation Channel	29	3,981	1,963	49%	8
2.	Link Roads	3	286	159	56%	1
3.	Protective Works	15	1,992	1,388	70%	6
4.	Bridges	5	281	159	55%	2
5.	Hydel Scheme	1	87	76	87%	1
	Total	53	6,627	3,742	56%	18

B: BY SUB-DIVISION

S. No.	Sub Division	Number of Projects	Cost Rs. '000	Disbursement Rs. '000	As % of Cost	Completed Projects
1.	Mastuj	19	2,943	1,560	53%	4
2.	Chitral	34	3,484	2,182	59%	14
	Total	53	6,627	3,742	56%	18

GILGIT DISTRICT
SUB-DIVISION WISE DISTRIBUTION OF SCHEMES AND COSTS AS ON
30TH SEPTEMBER, 1984

S. No.	Sector		Gilgit	Hunza	Nagar	Punyal-Ishkoman	Gupis-Yasin	Gilgit District
1.	Irrigation Channel	...	2,617 (17)	2,813 (23)	711 (8)	1,508 (17)	1,965 (20)	9,614 (85)
2.	Syphon Irrigation	...			508 (1)			508 (1)
3.	Lift Irrigation	...	100 (1)					100 (1)
4.	Link Roads	...	1,372 (11)	1,163 (8)	315 (3)	118 (1)	80 (1)	3,048 (24)
5.	Protective Works	...		97 (1)	259 (1)	550 (4)	1,673 (9)	2,579 (15)
6.	Storage Reservoir	...				131 (1)	786 (6)	917 (7)
7.	Sedimentation Tank	...	150 (1)		88 (1)			238 (2)
8.	Mud-flow Control	...					48 (1)	48 (1)
9.	Bridges	...		262 (2)				262 (2)
	Total	...	4,239 (30)	4,335 (34)	1,881 (14)	2,307 (23)	4,551 (37)	17,313 (138)

Note: The upper figure denotes the cost in Rs. '000.

The lower figure in parentheses denotes the number of schemes.

EXTENSION TRAINING AND SUPPLIES

I. Introduction

Extension Training and Supplies constitutes the fourth essential component of the AKRSP's rural development package. Its efforts to provide productive inputs to the age-old stagnant rural economy have produced significant positive features. Many Village Organisations now have one member trained as a plant protection specialist and another as a para-veterinarian. Villagers are now more willing to use the improved agricultural methods and are using pesticides - something which they never practiced before. Besides this, VO Managers are themselves acquiring valuable skills. In the words of Dr. Akhter Hameed Khan, "these are definite advances towards autonomy and self-reliance."

II. Courses During the Current Quarter

During the quarter under review, four courses were organised in three disciplines i.e., two courses for plant protection and production, and one each for prevention of livestock and poultry diseases. The details of these courses are as follows:

Plant protection and production. 7-22 July. 23 Trainees. 23 VOs. 23 kits distributed.

Prevention of livestock diseases. 11-23 July. Trainees, VOs and kits: 23 each.

Plant protection and production. 13-27 September. Trainees, VOs and kits: 22 each.

Prevention of Poultry diseases. 27 September - 8 October. 20 women trainees from 2 Women's Organisations. 5 kits distributed.

After the training, the performance of each trainee was tested through external examinations conducted under the auspices of the Department of Agriculture. The results announced by the examination body indicated "above average" performance shown by the AKRSP trainees.

At the successful conclusion of their courses trainees were awarded certificates and prizes of distinction. Detailed charts and registers indicating the procedure to be used in dispensing of medicines and service charges were also handed over to the successful candidates who qualified as village specialists.

III. Supply of Kits

The concept introduced by AKRSP for the replenishment of agricultural kits is getting wider acceptance in the project area. Villagers are willing to pay for the medicines they use for their agricultural requirements. During the quarter under review thirteen Village Organisations procured medicines sufficient to treat 1,618 animals at the cost of Rs. 347. This amount was paid entirely by the consumers as opposed to the first batch of medicines which was gifted to

them by AKRSP. Similarly, eleven Women's Organisations purchased medicines required for the prevention of poultry diseases at a cost of Rs. 293 which was sufficient to treat 193 birds. In addition to this, most Village Organisations were found willing to pay a small fee of Rs. 5 per visit to their village specialist for his services.

IV. Performance of Village Specialists

Information available from the SO's diaries indicates that these specialists provide useful services to their respective villages by helping the farmers reduce losses through preventive measures and thus increasing their productivity. It may be relevant to present a few extracts from the diaries regarding the activities of the village specialists.

In Sub-division Yasin the village specialist Mr. Sher Afzal provided treatment to 40 goats, 25 cows and vaccinated as many as 60 goats and 60 cows and bulls. In addition to that, he had castrated 12 bulls and 40 rams during the quarter under review.

Livestock expert of Rahimabad village in Gilgit Sub-division Mr. Ghulam Hussain had vaccinated 278 animals in two months. Also, he provided treatment to 42 animals suffering from various diseases.

Mr. Shamsher Khan of Zodkhon, (Sub-division Hunza) was trained in June 1984, he treated one hundred animals till August 16 and the beneficiary farmers paid him the cost of treatment.

Mr. Nadir Shah of Sub-division Punyal had vaccinated three hundred animals and treated 44 animals during the same period.

In the agricultural sector, new and improved practices of farming are making some progress. A baseline survey conducted in 22 villages with 2,301 households indicated that 76% of the farmers were using chemical fertilisers and 3% improved seeds; 10% were applying pesticides on their crops; 12% treated seed before sowing; 3% used grafting and budding techniques; 6% pruned their trees, 2% knew how to plant the trees properly and 0.02% had nurseries at their farms.

In addition to this baseline survey, samples of soil from selected villages have been sent to Tarnab Soil Research Institute for laboratory analysis. A Senior Agriculturalist is soon expected to join who will head the AKRSP agricultural research activities.

V. Managers' Conferences

Three Managers' Conferences were arranged between July and September, 1984. In all, 291 representatives attended these conferences. The monthly conferences provide an important opportunity to the farmers who discuss their common problems, exchange views and learn from each other's experiences besides being acquainted with AKRSP's latest policies.

In view of the increasing number of Village Organisations, a new method

of nomination has been adopted since last quarter. According to this new procedure, every SO will delegate one-fourth of the total number of Village Organisations in his unit for every conference. In this way, each Village Organisation will be able to attend a conference within a four-month cycle.

VI. Extension Material

To improve the understanding of better agricultural practices among the villagers AKRSP's training and extension staff is using pamphlets and leaflets prepared by the Social Organisers and others. During the quarter under review, information material was published and disseminated on the following topics:

1. Case Study on Village Passu. "Passu Tarraqi kee rah per."
2. Case study on marketing of fresh fruits "Taaza Phaloon kee firokht."
3. Case study on the completion of Phikkar channel - "Phikkar ka khooni kuhl."
4. Leaflet on Objectives and Methodology of AKRSP.
5. Leaflet on Banking system of Muhammadabad Village Organisation.
6. Leaflet on land compensation problem and its solution - "Aik musla aor uska hull."
7. Profile on Mr. Ghulam Nabi - "Ujrat ka naya tareeqa."
8. Profile on Mr. Ghulam Hussain livestock expert.
9. Profile on Nadir Shah under the title "Berwaqt terbeat berwaqt illaj."

It is hoped that the printed extension material being circulated widely to the Village Organisations will further improve and supplement the extension efforts of AKRSP.

MARKETING

I. Background

The Northern Areas are in a stage of transition from an isolated rural, subsistence economy, to one of commercialised agriculture. Since the abolishment of the Mirdoms there has been an institutional vacuum and a lack of any systematic cooperation between the small farmers. Hence there is a danger that the small farmers who form the great majority of the population here, will be left out of the evolving commercialised agriculture/economy, unless they work in cooperation with each other.

The small farmers lack resources, training and market information. The population increase and further divisions of small farm plots, will cause a drop in living standards, unless immediate measures are taken to raise the level of incomes of people of the Northern Areas.

II. Objective

The AKRSP is fostering cooperative marketing, among Village Organisations, by providing resources, training and information. The aim is to promote the development and commercialisation of agriculture of the Northern Areas, with an eye to check the creation of large disparities in income and monopolies.

III. Strategy

The initial marketing requires intensive rather than extensive effort. The aim is to create a successful and replicable model. As in all our programmes, we will promote autonomy and decentralisation. Dr. Akhter Hameed Khan, during his recent visit to Gilgit, held extensive discussions on cooperative marketing and the policy being formulated is heavily indebted to him.

In the short-term, about 80% of our effort will be directed towards marketing the present produce, and the rest, between developing new products and uses from current produce and, secondly, planning for the next phases.

Having carried out a trial programme in the past, it is felt that now there is a need for a comprehensive plan. AKRSP has arranged for a revolving loan fund. Small short-term loans will be given out to VOs for marketing work. The Gilgit office will continue and strengthen the research of market centres. A storage facility may be provided in Gilgit, for the villagers' produce in transit to the south. A feasibility study will be carried out, regarding possibilities of collective ownership of transport by VOs. Packing material, required for transport of produce, is not available in Gilgit District. Private business will be encouraged to fill up such gaps or else, the office will arrange for such materials to be supplied to centres in Gilgit District. The Marketing Section will make a detailed "transactions" guideline for all concerned. It will address such issues as criteria for loan grants and correct application procedure; the need for grading and quality control, both for gaining credibility in the market and as an aid to equitable profit distribution; inventory systems for the warehouse, and finally, the mode of profit/loss distribution among the VO members.

The VO members for their part must agree to work collectively, sharing their losses and gains.

The Social Organisers will be responsible for selecting and encouraging VOs to undertake marketing of their produce.

Each VO is to nominate one member as a village marketing specialist. AKRSP will provide individualised training to those people, according to their VO's need, and finance their first visit to market centres in Gilgit and down country. The VO members must agree beforehand to pay a fee or commission to the trained VO specialist, for his services. Thus a cadre of village-level entrepreneurs will emerge.

From amongst the VO managers/model farmers, a few of the most enterprising and successful ones will be selected as marketing village supervisors. They will monitor the work of the village specialists and coordinate and help them. The VO specialists and supervisors will take primary responsibility for gathering up-to-date market information.

To guarantee against a minority of trained people monopolising on their information, frequent meetings and conferences will be held to disseminate information to all concerned, and to understand their problems. The training and evolution of village entrepreneurs will take time, and this part of the plan has to be implemented gradually.

IV. Revolving Fund

The villagers, because of their below subsistence level incomes, buy household goods from village shopkeepers on credit. At harvest time, the shopkeepers demand payment, and the farmers are forced to pay them in kind, at below market rates. Furthermore, for collective marketing, the VO will have to purchase produce from its members, and pack and transport it to market centres. There is a need for cash at all those steps. Therefore, short-term revolving loans will play a key role. We are hoping that other agencies will cooperate with us in this regard.

V. Impact of Marketing Trials

The past efforts have certainly succeeded in spreading awareness of the need to market and in creating interest and acceptance of marketing concepts. Village-level fruit prices have risen dramatically since last year, providing immediate benefit to the farmers. It is claimed by some village supervisors that the price increase is due to the competition being faced by village shopkeepers from VO's cooperative marketing, and the new awareness of farmers about better opportunities elsewhere. There has been no systematic research on testing this hypothesis. During the last quarter, VOs in Gilgit, Gupis-Yasin and Punyal-Ishkoman sub-divisions transported their fruit to market centres, with mixed results. The produce comprised of apricots, apples, grapes and dry fruits including dried apricots (phator), kernels (giri), almonds and walnuts, etc. We are in the process of analysing the results of the last few months and in light of that will make modifications.

VI. New Products, Uses and Processes

Efforts are going to be intensified to explore the opportunities and constraints on the marketing of dairy products, meats, animals hides and skins, live-stock, timber, etc. As alternative uses and products are found, new markets will be created.

Fruit Drying Process

1. The dehydration plant at Nagar, mentioned in the last Progress Report, became operational at the end of August. The VO members brought apricots to be sulphured and dehydrated for the trial operation of the plant. These trials, although coming at the end of the season, highlighted the problems and difficulties in setting up and operating such a facility in the Northern Areas. It is too early as yet to determine the success of the venture; however, the experience gained this season will be useful in planning a strategy for next year when operation for a full season is envisaged. The experience will also help in the formulation of future policies regarding food processing in the Northern Areas.

2. Demonstration of simple solar drying techniques was given in selected villages, with the aim of conveying to the villagers verbally as well as practically scientific principles which can be easily incorporated into their traditional method of drying fruits and vegetables. The response of the villagers was very encouraging. There was appreciation for the ideas, the low cost for implementing them, and the advantages of utilising the new techniques. Several farmers immediately incorporated these into their drying process. However, the widespread adoption of these techniques will largely depend upon the financial rewards for accepting change. A leaflet has been prepared to communicate these ideas amongst a wider audience of villagers.

3. An attempt was made to popularise grape-drying on a large and more efficient scale. A technique to hasten the drying process was introduced and the villagers urged to utilise it so that a higher return from their grape production can be achieved. With the help of better marketing and communication of ideas through leaflets, the production of raisins will increase, thus generating a higher revenue for the farmer.

VII. Later Phases

After an initial learning period, the VOs should be able to manage routine marketing themselves, and AKRSP could then, if required, support them in more complex issues of research and analysis. But such research would be for practical and immediate application, solely for the purpose of making the programme more effective. The policy regarding the later phase is not finalised as yet. The new Programme Business Manager is soon to take charge of marketing and credit work. Some future areas of focus may be:

- a- Comparative advantages in trade.
- b- Potential demand estimates.
- c- Feasibility of commercial processing plants.
- d- Production/supply forecasts.

BUDGET AND ACCOUNTS

I. AKRSP Donors

The quarter under review was marked by good news on funding commitments by international aid agencies. The Aga Khan Foundation Canada, in operation with CIDA and other international development agencies, announced a generous grant of an aggregate sum of four million Canadian dollars over a period of three years commencing 1984. This grant is over and above the previous grants already acknowledged. This major achievement was made possible through the tireless efforts of AKFC and its administrator, Mr. Nazeer Ladhani, and the continuing interest of CIDA in the development of northern Pakistan.

AKF (UK) has secured the second OXFAM and ODA grants for AKRSP for the current and following years, amounting to 60,000 and 141,058, respectively. The OXFAM grant is specifically meant for 12 micro projects in the Thui Valley of Gupis-Yasin Sub-division.

The marked improvement in the funding situation has placed the AKRSP management in a happy position in planning and expanding its various activities with greater confidence. Multi-year funding would also save many of our colleagues in the AKF network the time they currently spend on fund-raising every year.

Encouraged by the commitments of the donors, the management group of AKRSP embarked on expanding its PPI programme to an additional 7 villages in Gilgit District in the last week of September 1984. Once the funds are made available to AKRSP during the next quarter of the year, a considerable number of PPI projects will be initiated in villages which have been on the waiting list for 6-12 months, after having completed the First and Second Dialogues.

Our heartfelt thanks are due to all our donors for their generous contributions made so far, especially to CIDA, Alberta AID, AKFC, ODA, OXFAM and AKF (UK) for their latest grants. We are hopeful that our donors will continue their assistance to the programme in the years to come.

II. Procedures for Internal Control

To have better financial control within AKRSP, a new post of Programme Internal Auditor (PIA) has been added to the staff. The PIA would, in addition to other routine assignments, also look after donor funding.

III. Village Organisation Accounts

The absence of the Programme Business Manager is still greatly felt in view of the expanding credit programme. Besides the existing credit scheme for fertiliser a programme of loans for marketing and land development is also in the offing. The disbursement and recovery of all loans is done by AKRSP; this adds considerably to the routine office work of the Budget and Accounts Section.

The Field Accountant is actively engaged in imparting training in basic book-keeping to the Managers of Village Organisations and to Village Supervisors

throughout Gilgit District; in Chitral District, there is no such arrangement as yet. It has now been decided to appoint a Project Accountant in Chitral who, besides office jobs, would also look after the training of the Managers of Village Organisations in book-keeping.

In view of complaints by the Field Accountants that some office-bearers do not publicly announce the organisations's monetary transactions, as per AKRSP's instructions, the Managers of the Village Organisations have been instructed to announce all receipts and payments in the meeting of the organisation and record these in the proceedings of the Village Organisation's meetings.

The savings of the Village Organisations are being separated from their other funds kept with the banks. It has been arranged with the Village Organisations that they will not withdraw their savings without the consent of AKRSP. This arrangement has been agreed to by the Village Organisations in view of the fact that almost all the organisations have been given fertiliser loans against which their savings stand as collateral.

IV. Programme Expenditure

A summary of the expenditure incurred in Gilgit and Chitral by September, 1984 is given in B&A Table 1. In addition, a sum of Rs. 2.149 million, extended as group loans to VOs, was outstanding on September 30, 1984.

SOURCES & APPLICATIONS OF FUNDS, 1984
('000 Rs.)

SOURCES				29,077
Balance Brought Forward from 1983	...	...	6,939	
Donor Receipts in 1984	...	...	9,906	
CIDA	...	...	2,580	
Alberta Aid	...	...	2,192	
ODA	...	...	273	
AKF (Pakistan)	...	...	4,861	
Funds Expected in 1984	...	...	12,232	
CIDA	...	...	5,300	
AKFC	...	...	600	
Alberta Aid	...	...	006	
Ford Foundation	...	...	500	
ODA	...	...	1,340	
OXFAM	...	...	950	
AKF (UK)	...	...	600	
AKF (P)	...	...	2,342	
APPLICATIONS	...	...	26,139	
Applications, September, 1984	...	...	16,741	
Recurrent Budget	...	...	2,704	
Training Programme	...	...	865	
Research & Survey	...	...	2,539	
Survey Equipment	...	...	318	
PPI Grants	...	...	9,680	
Fixed Assets	...	...	635	
Projected Applications, Rest of 1984	...	...	9,398	
PROJECTED SURPLUS, 1984	...	...	2,938	

MONITORING, EVALUATION AND RESEARCH

I. Feedback

In the last three months, a number of donors and other friends have provided us with their views on the work of the MER Section. Much of the feedback has been on the Progress Reports and the First Annual Review. Particularly notable for its inspiring words was a letter from an old friend of AKRSP's: hardly a nice adjective is missing from this letter! In private, though, the gentleman cautioned us against projecting our own philosophy by stridently criticising other people's approaches, a tactic we had used during 1983 to argue for the soundness of AKRSP's strategy for rural development.

An argument for a major addition to our reporting was made by Mr. Nick Gardner, OXFAM's Field Secretary and Director for Pakistan. He was concerned that our reports concentrated on the delivery of project inputs, to the exclusion of analyses of village dynamics, social and political relations, economic disparities and the effects of projects on different classes of the rural population. In expressing his concerns, Mr. Gardner was conveying his own sentiments and those of the Asia Committee members of OXFAM. A similar suggestion for village-level case studies was made by Dr. Akhter Hameed Khan. He has suggested that the MER Section carefully study and analyse the diaries of Social Organisers, present a categorised summary of them as agenda for the monthly conference of project staff, and select suitable subjects for further investigation. He has also suggested that for research of a high academic standard, MER should seek collaboration with established research institutions.

We have already made a beginning along the lines suggested by Mr. Gardner and Dr. Khan, since we share their concerns. However, progress will be slow, because detailed analyses require the time and expertise which MER Section does not have at present. The recruitment of short-term social scientists will be treated with increased importance, so that work may proceed rapidly.

Between December 1982 and October 1984, the MER Section has invested all its professional capital in monitoring and reporting only. It was with some consolation, therefore, that we received the considered opinion of Mr. Robert Shaw, Director of Special Programmes at AKF, who said that he and his colleagues felt that AKRSP's Progress Reports were about the best reports they had seen on a development project. And that's the way it is!

II. Staffing

Of the four individuals working with the MER Section in August, only the Programme Economist remains. The Programme officer is reading for a master's degree in agricultural economics at Michigan State University, U.S.A. The Project Economist is doing his master's in economics at the University of Waterloo in Canada. The Research Associate is now working as a Programme Officer with Aga Khan Foundation (Pakistan). The new Programme Officer was studying at the London School of Economics before he joined AKRSP. The new Project Economist is a fresh graduate of Princeton University. Instead of a Research Associate, we have a Monitoring Officer who has recently returned to Pakistan.

with a master's degree in management, from the Geo. H. Atkinson Graduate School of Management, in the United States.

In addition to the increasing requirements of monitoring, reporting and detailed village-level studies, the MER Section is returning to evaluation exercises initiated in 1983, and starting agro-economic research in collaboration with other organisations. There is also a possibility that two of the MER staff members might wish to go on overseas study leave, for three months each, in succession, in 1984. Therefore, a Senior Programme Officer might be recruited, before the end of 1984, with particular responsibilities for monitoring and reporting. The person being considered at present is a graduate of George Washington and Princeton Universities, with relevant experience in development projects.

III. Library and Documentation

A short-term consultant was hired in September to classify and catalogue library material that had accumulated over the past year. There appear to be 850 monographs in the AKRSP library, whose relative strengths are in rural development management and development and quantitative economics. In addition to the monographs, the library is the repository of innumerable reports and articles, and documents produced by AKRSP staff - all these can be counted only at a prohibitive time cost, but can probably be weighed much faster.

The AKRSP micro-computer has proved its worth since it was installed in March 1984. It has helped, particularly, with records on AKRSP's PPI programme, fertiliser credit, donor reports on physical and financial progress, some statistical analysis and the typing of Progress Reports and funding proposals. By and large, it has been used more than was anticipated - there have often been queues of people waiting to use it. However, it has been used by the Accounting Section only on an experimental basis, primarily because of inadequate software, but also because of the computer's susceptibility to power fluctuations. Although the computer has always been run on a generator, it was only recently that the generator's operation was perfected and power leakages detected and remedied. Still, there are other constraints on using the computer more efficiently, and ways are being devised to overcome these constraints.

IV. Village-Level Analysis

Village-level studies are being conducted for two, related purposes - to know what is replicable in a village's development, and to analyse the impact of AKRSP's programmes. Quantitative baseline data were collected from 1,200 households in 7 villages during 1983. These are being supplemented by descriptions of the development history of selected villages. Simultaneously, case studies are being taken in hand even for those villages for which no detailed surveys have been carried out by AKRSP. The first village-level studies will become available during the October - December quarter.

V. Social Science Research

We reported in the Sixth Progress Report that we planned to initiate

research on two themes of interest to AKRSP - agricultural innovations and rural capital markets. The latter subject remained completely unexplored, since the two economists who were preparing to come to Gilgit from Islamabad and Karachi could not do so. Instead, we have managed to initiate an anthropological enquiry into the role of village women in the area's agriculture. This subject has also attracted the interest of a couple of Pakistani graduate students in the U.S. Efforts are underway to gauge interest within Pakistan. The subject is proving to be a particularly intractable one for AKRSP staff and consultants, and applied research of good quality is hard to come by. The second major theme of research which we are exploring at present has to do with the dissemination of more productive agricultural technologies and practices within the project area. AKRSP has been fortunate to obtain the collaboration of the CIMMYT Regional Office for South Asia in Islamabad. It is believed that the results of the proposed agro-economic research might provide significant insights on ways to increase the region's output of its major crops. The starting date for the project is set for November 1984.

VISITORS TO AKRSP

1. The Board of Directors

The Board of Directors of the Aga Khan Rural Support Programme keeps in touch with Programme activities through quarterly Board meetings and through the internal reports which are periodically submitted to them. At times, the Directors personally visit the project area. In the third quarter of 1984 the following Directors visited project sites and held discussions with members of the Management Group and the staff of AKRSP.

Mr. Robert d'Arcy Shaw,
Director, Special Programmes, Aga Khan Foundation
Geneva

Mr. Hamidullah Baig

2. Government Officials

The following officials from WAPDA visited AKRSP:

Mr. Muhammad Aslam,
Senior Economist (Planning)

Mr. Muhammad Tufail,
Junior Economist (Planning)

Mr. Muhammad Ashraf Chatha,
Junior Research Economist (Planning)

Mr. M. Muti-ul-Haq Moghul,
Junior Economist (Planning)

3. Gilgit-based Friends

Once again AKRSP takes this opportunity to thank its Gilgit-based friends without whose co-operation and help it would be very difficult to run the Programme. We are especially grateful to:

Maj. General Safdar Ali Khan,
Martial Law Administrator, Zone 'E' for his patronage
and encouragement, and his personal visits to
AKRSP projects.

Mr. Khalid Mahmud Ahmad,
Commissioner, Northern Areas

Brig. Khalid Rashid,
Director General
Northern Areas Works Organisation

Col. M. Aslam Chaudhry,
Colonel Martial Law

Wazir Mohammad Ali,
Deputy Inspector General of Police, Northern Areas

Mr. S. Faisal Saud,
Deputy Commissioner, Gilgit

Mr. Ali Ahmad Jan,
Assistant Inspector General of Police, Northern Areas

Mr. Amir Hamza Khan,
Superintendent of Police, Gilgit District

Mr. Saadat Wali Khan,
Deputy Director, LB & RD

Dr. Ahsan Ali,
Assistant Director, Animal Husbandry Department

Mr. Abdul Karim Bulghari,
Assistant Director, Agriculture Department

Mr. Mohammad Alam Khan,
Conservator of Forests, Northern Areas

Mr. Saifur Rehman,
Zonal Chief, Habib Bank Limited

Mr. Wajid Ali,
Manager HBL Branch, Gilgit.

THE PAYMENT OF COMPENSATION

An issue and a solution

Syed Mutahir Shah, Social Organiser, Hunza

On 24 August 1983, the General Manager, AKRSP along with his colleagues visited Misgar VO for the scheduled Third Dialogue, and to discuss their proposed link-road project. The members of the Village Organisation disapproved of the engineering cost estimates presented to them at the meeting, considering them too low. The members thought that even if they contributed free labour, the land could not be compensated for by the estimated amount. In the resulting complex situation, a solution was found by the personal efforts of the Manager of the V.O., Mr. Fida Ali Khan Gohar, which was unanimously accepted by all. The solution to the land compensation dilemma proposed by the VO Manager was as follows:

- a- Since Misgar Paen comprises 67 households, every household will have to provide 816 sq. ft. of land for the proposed road without compensation. Alternative land would be given to any member whose land was utilised in excess of 816 sq. ft.
- b- Those people working outside the village, and not on the road, will have to deposit Rs. 10 a day in savings, as long as the work is carried out on the road. The people working on the road will be paid Rs. 15 a day in cash and Rs. 10 will be deposited in savings on their behalf.
- c- It was agreed that a common fund would be established to buy fertiliser, to develop the grazing fields and to build small irrigation channels. It was also decided that all members will deposit Rs. 0.15 per goat per annum to the savings of the Village Organisation as payment for the grazing of their goats.
- d- Moreover, it was decided that any land in excess of that required for the construction of the road will be owned by the V.O., which will be entitled to use it as it sees fit.

The above plan was unanimously accepted on 25 September 1983 at the VO meeting. Land obtained under this plan amounted to about 15 kanals (1.88 acres). From this, some 13 kanals (1.63 acres) were used to construct the road and the remaining 2 kanals belonged to the V.O. Owing to the efforts and unity of the V.O., not only has the road been successfully completed, but at the same time, the VO was also able to broaden its irrigation channel.

The people of Misgar have maintained the road with great diligence. Their sense of collective responsibility and voluntary effort is worth recognition. The road has been divided into 67 equal portions and each household has been assigned to look after one portion.

Acting on the methodology and guidelines of AKRSP, the VO has accumulated an impressive equity capital of Rs. 50,000 within one year.

Misgar is located at an altitude of 10,220 ft. Due to this high altitude, fruits do not fully ripen. Therefore, the V.O. has concentrated on livestock farming. In future, they plan to establish a sizable livestock cooperative for marketing dairy products, meat and skins. For this purpose they are developing all the barren land as grazing fields. In their view, this will not only increase their income but also fulfill their food requirements. In this regard, the V.O. has requested the Sub-Engineer for Hunza to survey Ghamohardas, so that the members of the V.O. can get an idea of how much capital will be required to develop this land to grow fodder, as well as the size of loan required by them. The V.O. has decided to employ two full-time caretakers for this purpose. They feel that the earnings from this newly developed land will, in the first two years, be enough to meet expenses incurred on these two employees, and that they will be able to start paying back the loan from the third year onwards.

The efforts of Misgar Paeen VO to improve its economic and social status is exemplary and should be a source of encouragement for other Village Organisations who are in a similar position as Misgar Paeen was a year ago.

BIBI NOORAN

Striving for a Brighter Future

Arab Khan, Assistant Social Organiser

Bibi Nooran, who is 60, is an active member of the Sultanabad Women's Organisation. Despite the fact that both her husband and only son died when she was a young woman, she has always remained optimistic. She has had to face many trials in bringing up her daughter alone, but has always tried to participate in community activities as well. In fact, she is both an active member of a volunteer organisation and a trained poultry specialist.

Since receiving her poultry training Bibi Nooran's fellow villagers have frequently requested her to treat their poultry. Up to now she has treated more than six hundred chicks and the village women are appreciative of her diligent services. At the time of her training she was given ten chicks, they are all thriving and other households in the village now buy eggs from her in order to start their own small poultry farms. In this way Bibi Nooran is able to both improve the local variety of chicken and also increase her own income.

Bibi Nooran believes that the future is bright. She feels that one should always try to save something for the future, because savings are capital and capital is power. She utilises all possible resources to enhance her income and to meet the expenses of her household. She has 0 kanals (3.75 acres) of land, 7 cows, 2 goats and chickens and earns at least Rs. 3,000 per year by selling vegetables. She meets the rest of her needs by selling maize. Each month the household expenditure is approximately Rs. 600. She thinks that if women start growing more vegetables in their fields and breed chickens at home then they can certainly increase their incomes. Bibi Nooran believes that it is imperative to organise women and engage them in productive activities. She says that by adopting the AKRSP programmes women can increase their incomes and overcome their social as well as economic problems.

Commenting on her participation in the weekly Women's Organisation meeting she says, "One should devote at least one day a week to social services, and at the weekly meetings the members should discuss matters of common interest."

Bibi Nooran's spirit of service and her participation in income-generating activities provides an inspiring example for other women to follow in their efforts to improve their standard of living.

