

October 21, 1984

NOTE FOR THE RECORD

Subject: Briefing of the CIDA Team and Mr. Nazeer Ladhani of AKF Canada.

Participants:

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| - | Mr. Tom Schatzky | CIDA |
| - | Mr. John Martin | CIDA |
| - | Mr. Nazeer Ladhani | AKF Canada |
| - | Mr. Robert Shaw | AKF Geneva |
| - | Mr. Shoaib Sultan Khan | GM AKRSP |
| - | Members of the Management Group | |

The GM began the proceedings by saying that he was impressed to find the Canadian visitors so well informed about the philosophy and procedures of AKRSP. He would therefore, confine his briefing to the evolution of the programme and the package offered by AKRSP. The GM explained the concept of land development and the implementation of the projects to enable villages to reduce agricultural losses. The visitors were informed that the new Senior Agriculturist will be arriving very soon. In reply to a question, he stated that on the whole, the farmers of this area are highly productive.

He said that to present, a fair picture of the project's progress, he would quote from Dr. Akhter Hameed Khan's assessment of the AKRSP package during his fourth visit to Gilgit. Dr. Khan had stated that half of the AKRSP package is very strong but the other half is, as yet in the developing stage.

Talking about credit and banking, the GM Said that there has been a meteoric rise in short-term loans and now over 50% of all households in Gilgit district are taking advantage of this facility. The policy and procedures for medium and long term loans are still being worked out.

The most exciting part of the package introduced recently is marketing. He believed that the response to marketing would be on the same scale and as enthusiastic as it was for PPIs. Furthermore, with the long awaited arrival of the Programme Business Manager, the marketing can now be pursued with full vigor.

The GM then gave some information on the statistics relating to the project area. At present 254 VOs have been formed in the Gilgit district. This covers 88% of the population of the area and comprises 21,241 households. The main indicator of a VO's viability is its saving. By June this year, the VOs had total savings of about Rs.3 million and the latest figure would be much higher. In reply to a question from the visitors, the GM stated that the VO's deposits their savings in the bank from where AKRSP gets its figures. The VOs have so far identified 436 projects. The GM stated that since April this year, new project initiation had been completely halted due to lack of funds. Within 20 days of the good news from CIDA, the number of projects initiated jumped from 131 to 151.

The stoppage since April did have positive aspects, since it tested the durability of the VOs. They remained organised and participated in training programmes and marketing etc. In fact between April and September, the VO's savings doubled. A question was asked as to why this had occurred. The GM felt that this was an indication that the other components of the programme are as attractive to the VOs as PPIs.

A question was asked whether AKRSP looked at its package components as separate inputs or as an integrated programme to raise the standard of living. The GM replied that although the implementation of the

components may be phased, they are part of a unified package. Mr. Robert Shaw added that in his view the integration comes through the mechanism of the VO and not as a pre-determined package. Through this mechanism of grass-roots VOs, all programmes can be implemented and not only by AKRSP. The GM noted that the villagers' response to the first phase of the programme package has been most encouraging and gratifying.

To illustrate the higher payoff of micro-level projects relative to huge undertakings, the GM mentioned the Khaiber Hydel project being constructed by the Northern Areas Administration, at a cost of Rs. 25 million. This huge project provide electricity, for lighting purposes to only 500 households. Out of the 131 projects in progress in the AKRSP programme (before the new CIDA funding), 82 are irrigation schemes, at an average cost of Rs.109,000, with a total investment of less than Rs. 9 million. More than 10,000 households will benefit from these projects.

Discussing the training programme, the GM informed the visitors that as yet 94 organisations have had livestock and plant protection specialists trained by AKRSP.

The Programme Senior Engineer, Mr. Hussain Wali Khan presented copies of reports on the PPI projects to the Canadian visitors. 98 projects had been initiated under the Canadian package, out of which 69 have been completed. The overall progress among all these projects is 88%. At present, 84% of the funds have been disbursed. HWK than gave details of 40 projects for funding by CIDA, costing Rs.5.5 million. Discussing overall progress, he stated that 79 projects have been completed from a total of 151 initiated projects.

In response to a query, the GM said that the same procedures had been used in Chitral, as in Gilgit. However, it was true that the programme in Chitral had not made equal progress. The SOU in Chitral is similar, but the MG can only visit Chitral by helicopter.

RS stated that he also felt that the programme in Chitral was lagging behind. He felt that the principal reason for this was that, the MG was based in Gilgit. To rectify this, management-level staff should be based in Chitral and the 1985 budget will have a provision for this.

The GM mentioned that there were speculations among the elected members of the NAs Council, as to why AKRSP had restricted its operation to the Gilgit area. Some members of the administration felt very strongly that the AKRSP procedures of diagnostic survey and village participation was the only suitable vehicle for village level development. Therefore, AKRSP had initiated a demonstration project, in tow union councils of Baltistan on the clear understanding that the district council would coordinate its activities of funds with the project.

The visitors expressed CIDA's concern for women in development and their desire to know more about the AKRSP women's programme. They were informed that at present, there are 45 WOs with nearly 3,000 members, and over Rs.200,000 as equity capital. The women's Programme SO Mrs. Khalida Nasir, briefly talked about the methodology and activities of the women's programme. It was decided to have a detailed discussion on the subject, at a later time.

Shortly thereafter, the briefing ended and the visitors were taken on a project-area tour by helicopter.