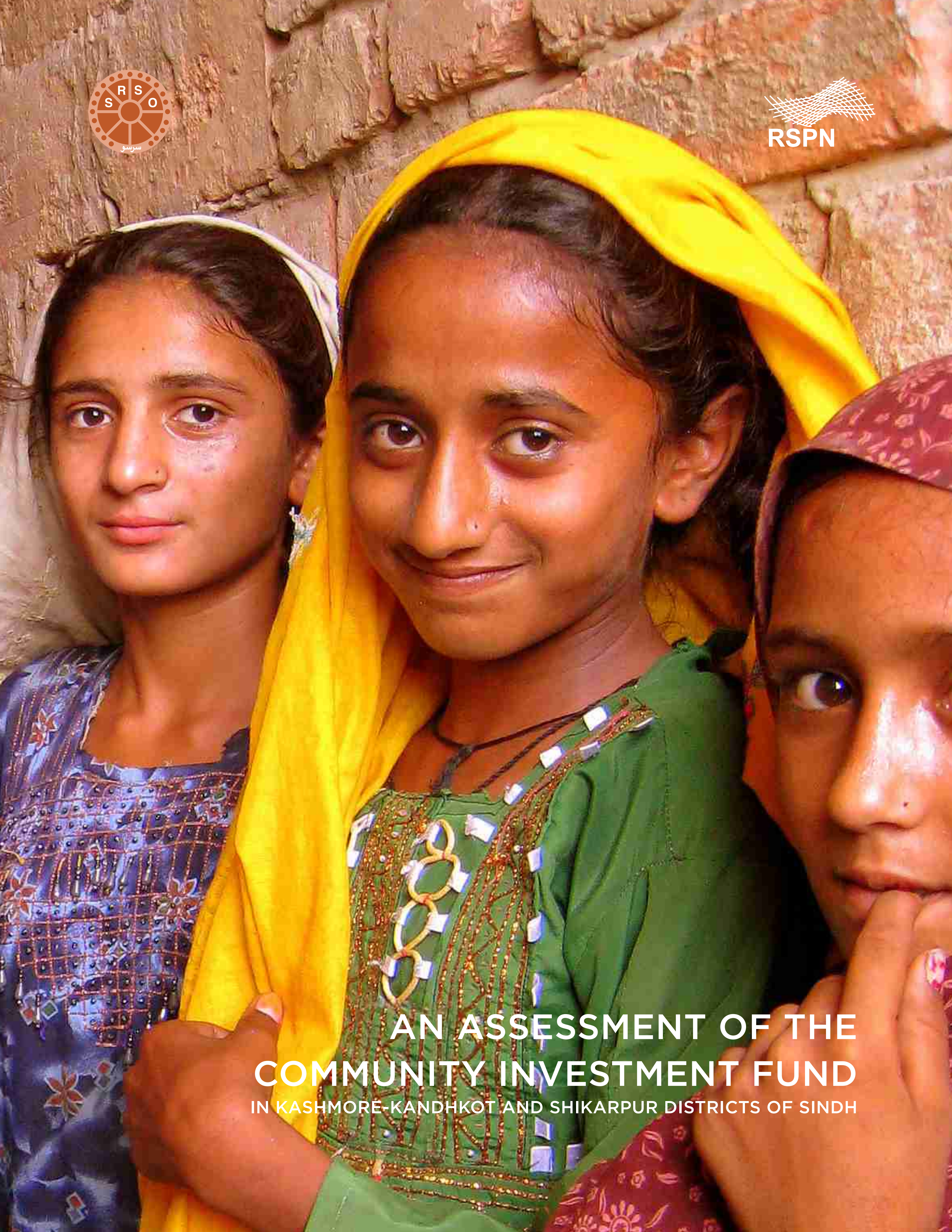


SRSO

RSPN

# AN ASSESSMENT OF THE COMMUNITY INVESTMENT FUND

## IN KASHMORE-KANDHKOT AND SHIKARPUR DISTRICTS OF SINDH

www.rspn.org

**Project Management and Text**: Nida Khan
**Editing:** Mohammad Faisal Khalil
**Design:** Bilal Safdar (DOT advertising)
**Printing:** DOT advertising
**Cover Photo:** Nida Khan

# AN ASSESSMENT OF THE COMMUNITY INVESTMENT FUND

## IN KASHMORE-KANDHKOT AND SHIKARPUR DISTRICTS OF SINDH

Nida Khan
Social Mobilisation
Rural Support Programmes Network (RSPN)

A Rural Support Programmes Network (RSPN) study
commissioned by the Sindh Rural Support Organisation

# PREFACE

Being given the opportunity to carry out the assessment of the Community Investment Fund (CIF) in Districts Kashmore-Kandhkot and Shikarpur has indeed been very fortunate for me. During the course of the assignment, I was thrilled to be able to meet the women of CIF and to get a glimpse into their lives, families, challenges, fortunes and their outlook on life in rural Pakistan. What was most satisfying was the fact that the assignment brought about the possibility of seeing women who had improved their lives, removed barriers, shattered stereotypes and were becoming trailblazers for other women in their villages.

It was gratifying to find out that the four year journey, from picking up an innovative concept in Andhra Pradesh, India, piloting it in south Punjab, then spreading it across different areas of Pakistan by RSPN and the RSPs, under the headship of Mr. Shoaib Sultan Khan, Chairman RSPN, had ultimately resulted in a provincial government funding one of the most groundbreaking projects in the history of Sindh. Secondly, the assessment reinforced the findings of CIF which had been recorded in other areas of Pakistan, proving the fact that a community-managed microfinance project could indeed be implemented with only the poorest of women and at such a large scale. It is hoped that the strategic move that the Government of Sindh took in allocating their funds to CIF and the UCBPRP project would lead a path for other provincial governments to also make a systematic difference in the lives of the poorest.

Lastly, the assessment also brought about numerous challenges which needless to say could not have been resolved without the help of my colleagues, SRSO staff including the field staff, the data collection team and of course the communities and women of the COs and VOs in Districts Kashmore-Kandhkot and Shikarpur. I would like to especially thank Dr. Sono Khangharani, CEO SRSO and his team including Dr. Ghulam Rasool Samejo and particularly Mr. Ali Bux for providing me with a wealth of statistical data, information and logistical support. I would also like to thank Mr. Khaleel A. Tetlay and Mr. Fazal A. Saadi for their help and guidance throughout the assignment. Lastly, I would also like to thank Ms. Shandana Khan, CEO RSPN for giving me the opportunity to carry out the assessment.

Nida Khan
Rural Support Programmes Network
June 2011

# EXECUTIVE SUMMARY

The Community Investment Fund (CIF) is a community-managed fund which consists of a revolving fund being provided to community organisations, specifically to poor women. From the self managed CIF, the poorest women are provided with micro loans which they are able to invest in income-generating activities only. However what is unique in CIF is the fact that not only does it provide access to much-needed capital, it also builds the confidence and capabilities of poor rural women. The reason for this is because in CIF it is women who make the decisions and not external agencies. Therefore decisions such as who to provide micro loans to, how much to provide, at what service charge, for how long and repayment conditions are all decided by these organised women themselves. These decisions take place in their own community organisations, which are formed at the neighbourhood level and then federated at the village level. The only restriction that is put on the members is that: a) the loans should only be provided to the poorest of women (identified by using the poverty scorecard of which the results are verified by the community) and b) the fund should be used/revolved but not spent.

This report was commissioned by the Sindh Rural Support Organisation (SRSO) to assess the CIF programme under the Union Council Based Poverty Reduction Programme (UCBPRP). The UCBPRP is a Sindh government funded initiative which started in 2009 and is entirely aimed at the poorest of women. The total budget of the project is Rs. 3 billion over 30 months. Currently the CIF component is being implemented in three districts of Sindh, i.e. Shikarpur, Kashmore-Kandhkot and Jacobabad. CIF funds have been distributed to 1,568 villages from 92 union councils in the aforementioned districts. A total of Rs. 383.133 million has been distributed to 44,684 of the poorest beneficiaries from within these villages. The UCBPRP also consists of social mobilisation, community physical infrastructure, micro health insurance, a partnership for education between SRSO and the district governments and vocational skills training.

The assessment looked at two districts, Kashmore-Kandhkot and Shikarpur; from which 16 non-flooded villages were randomly selected. Within these villages, 12 CIF beneficiaries each were selected for the purpose of the assessment. The assessment thus consisted of surveying 192 CIF beneficiaries while Focus Group Discussions (FGDs) were conducted with presidents and managers of 32 Community Organisations (COs) and with 16 Village Organisations (VOs) in which all its members were present. The assessment explored two major dimensions of the CIF programme; whether the Standard Operating Procedures (SoPs) of CIF were being followed and secondly to assess what the impact of CIF was and its feedback from beneficiaries and members.

In regard to the findings, the assessment found that the programme was being implemented in accordance with the SoPs laid down by SRSO which detail the procedure for each step of the CIF programme. The efforts made by SRSO in relation to forming responsible and active community organisations, i.e. COs and VOs was highlighted by the regular number of meetings and extraordinarily high attendance of members. One weakness found was that there were a large number of beneficiaries which had not saved in the last three months; something which should be improved upon in order to instil a habit of saving amongst beneficiaries.

Dissemination of information, objectives and purpose of the CIF programme had been done more so with the VO rather than the CO; shown by the fact that the VO leaders had a higher understanding of CIF objectives in comparison to the CO leaders. As for the CIF management and identification training which was provided to office-bearers in the COs and VOs, all had obtained training from SRSO which according to them had proved very useful for them.

The assessment also found that the true spirit of CIF had been implemented on the ground in the sample area, with the decisions regarding CIF loans being entirely in the hands of the community members. A majority of decisions were undertaken by the beneficiary herself while some decisions such as amount of loan were decided in consultation with all members (in order to ensure that the maximum number of poorest women obtained CIF loans). The same is true for the selection process which was found to be genuine and was absent of 'elite-capture' as decisions had been taken with a majority of members present. This was further highlighted when the assessment looked into the make-up of the beneficiaries with the majority of them being non-office bearing CO members. The transfer of money within the CIF programme was also followed in accordance to the SoPs in order to ensure that the fund does not find itself at risk. All the loans were provided in the form of cheques to the beneficiaries with three beneficiaries being provided with cash due to their inability to go to the bank (due to illness, disability and old age). The assessment also found that not only did the members ensure the security of the fund during distribution of loans but also once loans had been received by the beneficiaries. All the COs and VOs said that follow-ups regarding the utilisation of loans was important; resulting in the fact that 98% of the beneficiaries invested their loan for the purpose they had stated during their application process.

One of the most important aspects of any programme is the maintenance of records. Within the CIF programme, the concept of Community Book-Keepers (CBKs) who are volunteers (usually local, educated men) is prevalent. The reason for having CBKs within the programme is because SRSO understood the fact that the majority of members were illiterate and therefore would struggle in having to maintain records at the village level. This assumption was true as the assessment found that 81% of the beneficiaries were illiterate, 13% were literate, 4% had studied till Primary, and 1% had studied till Middle and Matric each. The records at the CO level were in perfect condition while at the VO level (where there are more records), the majority of records were fully updated (having the highest score). The remaining records were mostly updated (the second highest score); the reason being that these records had some minor mistakes such as omissions and entries in wrong places. However one slightly worrying aspect was that repayments made by some beneficiaries had not been recorded at the VO level, i.e. receipts had not been made out. What must be insisted upon at all times is that receipts should be made out in each and every case when repayments are made to the VO.

Within the assessed sample, a total of 278 loans (86 of which were repeat loans) had been given by VOs to the poorest women. A total of Rs. 2,576,700 was lent out in two cycles starting in May of 2009 with the average loan size being just under Rs. 10,000. These loans were given out by the VOs based on recommendations of the COs which had selected those women that a) were poor and had poverty scores in the range of 0-18 and b) that had planned to use their CIF for income-generating purposes. The rate of default was 17% and the main reason for default were the floods of 2010. Although these villages came in non-flooded areas, at the time of the floods they had been given warnings to evacuate their villages and women sold their livestock or left it behind. The assessment did not find any cases of beneficiaries not wanting to repay their loans. In all cases delays in repayment were because members had suffered losses to their CIF loan investments however in the majority of cases, the borrowers had been given extra time to repay their loans while in some extreme cases, loans were not expected to be repaid. As for rates of service charges, the average rate of service charge on loans was 4% per annum; a figure which should be increased in order to assure the future viability of the revolving fund. The utilisation of loans was mainly to purchase livestock; a common investment by rural women. With the purchase of a goat, a woman can expect to have her goat give offspring within six months; thereby enabling her to repay her loan by either selling the adult goat or its offspring and leaving her with an asset.

As for the impact of CIF, the assessment found that the women members had benefited both monetarily and in terms of increased empowerment. Before CO formation took place, a poverty scorecard survey was done in each village. During the assessment, a re-survey of the poverty status of the sample beneficiaries was done, also using the poverty scorecard. A before and after comparison found that over 70% of beneficiaries had been able to move out of the lowest poverty band (i.e. the Extremely Poor/Destitute) into the higher brackets of Transitory Poor and Non-Poor (see Table).

**Poverty Levels of Beneficiaries Before and After CIF** Table i

| Poverty Bands | No. of Beneficiaries before CIF | Current No. of Beneficiaries |
|---|---|---|
| Extremely Poor/Destitute (0-11) | 103 | 30 |
| Chronically Poor (12-18) | 89 | 52 |
| Transitory Poor (19-23) | 0 | 35 |
| Non-Poor (24-100) | 0 | 75 |
| Total | 192 | 192 |

The reason for this upward movement is because of the holistic approach of the UCBPRP of which CIF is one of the largest components. In terms of empowerment, women members felt that after obtaining CIF loans they felt a greater sense of self-respect and self-confidence as they were able to access and utilise relatively large sums of money successfully. Members also said that their neighbours and communities respected them more. The findings of the assessment also highlighted the positive impact of CIF on relations amongst spouses as well as the benefits channelled to children (in terms of their intake of food and education).

One of the requirements of wanting to carry out an assessment of CIF was to find out whether it had the potential to sustain itself after project-support had ended. The assessment found that the beneficiaries and members of the communities realised the importance of wanting to increase the CIF fund; in order to battle inflation as well as benefit more and more women in the future. At the moment, the only way in which the fund was increasing was through service charges; however in some cases no service charge had been opted by VOs because of their lack of belief in a) the end-recipient of service charge and b) their confusion of CIF service charge with the service charge asked by traditional money-lenders. The assessment found that the CIF amounts which had been disbursed to the sample beneficiaries had grown by an average of 3%. Despite showing a positive increase in the fund, one aspect which should be looked into is how the fund can be increased. In terms of operational sustainability, the assessment found that based on the feedback from the beneficiaries and members of the COs and VOs, the operation and management of CIF was to their liking. The majority of beneficiaries found no fault with the current procedures and management of CIF (their only wish being that the fund should be increased).

Generally the assessment found that the CIF programme had been implemented in its true spirit with the maximum number of decisions taken by women members and with the minimal role of SRSO. The CIF has managed to bring about a positive change in the lives of the poorest of women, allowing them to access amounts of money unimaginable to them and that too with the utmost of ease. The beneficiaries of CIF cannot and should not be counted as just the women who obtained loans as there have been benefits to their spouses, children and communities as well.

As is with any programme, there is always room for improvement and based on the assessment, this report recommends the following:

1. Re-phrasing service charge
2. Holding refresher-talks regarding service charge
3. Finding alternative methods of increasing the CIF fund
4. Increasing the frequency of saving
5. Introducing Loan Passbooks
6. Carrying out CBK refresher-training
7. Revising and ensuring all CBKs have ToRs
8. Introducing ways of remunerating CBKs
9. Adding a requirement for COs to have PSC lists
10. PSC re-surveying of potential CIF beneficiaries in future cycles
11. Holding regular elections of CO and VO leaders
12. Developing a communication strategy
13. Cross-exposure visits
14. Hiring of local regional field staff
15. Developing linkages with existing SRSO programmes
16. Developing a post-project strategy

With these recommendations in place, the CIF programme can become a programme which not only has its heart placed within the community but can also have its head planted firmly in sustaining itself in a transparent manner.

# INTRODUCTION

Microfinance is the supply of financial services to people with lower incomes. These are typically people that are cut off from traditional financial institutions such as banks. Clients are often provided small amounts of loans in order to start an income-generating activity. Microfinance has been around for many centuries with traditional practices of group saving and credit, such as the 'susus' in Ghana and 'chit-funds' in India[1]. The world saw a revival of microfinance in the 1970s with the advent of SEWA Bank in India and Grameen Bank in Bangladesh followed by microfinance giants such BRAC, ASA and Proshika.

The success of microfinance rose with Microfinance Institutions (MFIs) appearing throughout the world. Between 1997 and 2002, the number of MFIs increased from 618 to 2,572 and with a total clientele of 65.5 million; up from 13.5 million in 1997[2]. Immense attention was brought to microfinance, more so with the fact that the year 2005 had been announced as the Year of Microcredit by the United Nations General Assembly. Increasingly a huge chunk of the population was able to gain access to microcredit so that they could start or expand their entrepreneurial endeavours, in order to climb out of poverty. By the end of 2009, there were more than 91 million clients (mostly women) who had loans taken out totalling to over $70 billion[3].

Despite the success, recently several issues have come about with MFIs and the credit they lend out. These have been issues such as charging exorbitant rates of interest, not being transparent, cajoling clients in debt to take out more microloans and being unprofessional at times of collection of loans. Andhra Pradesh, which accounts for a third of India's microloans, has had the 'Andhra Pradesh Microfinance Institutions (regulation of money lending) Ordinance, 2010' instilled in which amongst other rules, levels of interest rates and collection of loans has been regulated, following similar allegations against MFIs[4].

This recent unearthing of irresponsible lending is just one of the negative aspects in the field of microfinance. Another big concern which has been highlighted regarding MFIs is the fact that there are still large untapped populations in the rural areas of developing countries. Communities in rural areas were always out of the reach of traditional banks due to both their lower incomes but also because of their geographical remoteness from urban city centres. With the introduction of MFIs, it had always been taken as a given that they would serve all low-income populations that could take out a microloan for entrepreneurial initiatives. However what has been discovered is that MFIs have been missing out on low-income populations living in rural and remote areas. MFIs have simply found it too expensive to open up branches in remote areas, due to either scattered populations, dearth of economic opportunities or lack of human resources willing to relocate to rural areas. As a result, these communities have been overlooked by the microfinance world and have had to continue suffering as they always have.

These negative aspects within microfinance and MFIs specifically all lead to the fact that MFIs, due to their exorbitant growth, have started to overlook their clients. They too have started acting like traditional banks which are now struggling to learn more about their clients. This lack of education about clients is what leads to serious and costly mistakes when it comes to lending out money. Clients have started to take out far more than they can repay, clients have started to take out loans from multiple sources simultaneously and clients have started to find themselves trapped in debt by paying off one loan with another.

In order to serve those who have great entrepreneurial skills but lack the capital, and in order to avoid the pitfalls that MFIs have faced, other models of microfinance have started to appear, notably that of Community Finance. Community finance differs from regular microfinance because of the fact that it lies within the community, i.e. with the beneficiaries. One such community finance programme is the Community

[1] CGAP, The History of Microfinance, http://www.globalenvision.org/library/4/1051/#top (April 2006)

[2] Davis, Kevin, Financing Development: Microfinance-Background, http://www.iilj.org/courses/FDMicrofinanceBackground.asp (2011)

[3] Bajaj, Vikas, Microlenders, Honoured with Nobel, Are Struggling, http://www.nytimes.com/2011/01/06/business/global/06micro.html?_r=1 (January 2011).

[4] Government of Andhra Pradesh, Andhra Pradesh Microfinance Institutions (regulation of money lending) Ordinance, 2010 (2010), p.4

Investment Fund (CIF) model which ironically was first started in Andhra Pradesh in the mid 1990s, and which in turn had its roots in the Aga Khan Rural Support Programme's (AKRSP) Village Organisation Banking (VOB) model of the late 1980s/early 1990s. CIF is a fund which is given to a village which has organised itself into groups at the neighbourhood and village levels (in the case of Andhra Pradesh, these organisations are also formed at levels higher than that of a village as well; akin to Union Council level Local Support Organisations and then Tehsil/District level Networks of LSOs). The management of CIF is entirely in the hands of these organised communities with only two conditions being established. The first condition is that the fund can only be used by the poorest of women, identified through the poverty scorecard (a tool used to measure the level of poverty), and secondly that the fund can be used but not spent, i.e. it should be a revolving fund from which loans and in some special cases grants can be given out.

CIF addresses some of the issues that traditional microfinance has had to face up until now. While CIF is a mechanism for reaching out and meeting the financial needs of poor women often living in remote areas, it is also an enabling, an empowering and a capacitating tool. With CIF, poor women not only access micro credit, they also become actors, increasing their own agency through the management of CIF and their own micro enterprises.

# GLOSSARY

## A

AKRSP Aga Khan Rural Support Programme

## C

CBK Community Book-Keeper

CIF Community Investment Fund

CO Community Organisation

## F

FGD Focus Group Discussion

## L

LSO Local Support Organisation

## M

MFI Microfinance Institution

MIP Micro Investment Plan

## P

PRSP Punjab Rural Support Programme

PSC Poverty Scorecard

## R

RSPs Rural Support Programmes

RSPN Rural Support Programmes Network

## S

SERP Society for Elimination of Rural Poverty

SoPs Standard Operating Procedures

SRSO Sindh Rural Support Organisation

## T

ToR Terms of Reference

## U

UCBPRP Union Council Based Poverty Reduction Programme

UC Union Council

## V

VOB Village Organisation Banking

VO Village Organisation

# CONTENTS

# TABLES

# FIGURES

# 01

# COMMUNITY INVESTMENT FUND

The Community Investment Fund (CIF) is a community-managed model in which small microloans are provided to poor women. Originally having started in Andhra Pradesh, India by the Society for Elimination of Rural Poverty (SERP), the CIF model was piloted in Pakistan by the Rural Support Programmes Network (RSPN).

## CIF IN PAKISTAN

In November of 2007, RSPN along with one of its partners, the Punjab Rural Support Programme (PRSP) started the CIF model in Union Council Jamal Chapri, District Layyah in Southern Punjab. Each village was first organised into Community Organisations (COs) in which 15-20 women from a neighbourhood come together to meet every fortnight in order to have an opportunity to save and talk about their problems as well as having a forum from which they could take out microloans. These COs were then federated into one organisation at the village level, called a Village Organisation (VO). Each CO would nominate two of its members to be their representatives in the VO. The CIF fund was then provided to the VO which would oversee the management of the CIF. In the CIF model, the management of the CIF is entirely in the hands of these organised women. They decide on essential details such as who to give out loans to, how much amount to give out, what service-charge to ask for and how repayments should be made. The model has only two conditions which can not be waived by the community; firstly that the fund should be used by poor women (using a poverty-identification tool, called the poverty scorecard) only for income-generating activities and secondly that the fund should be used as a revolving fund.

Due to the nature of the model, i.e. giving decision-making control to the community, the model manages to steer clear of common issues faced by MFIs, such as:

- Lower operational costs: since it is the community itself managing the fund, there is no need for large commercial offices or headquarters in order to run CIF.
- Location: due to the fact that the community manages it, CIF is a model which can be introduced in remote and rural areas.
- Beneficiaries: the benefits of these microloans are strictly limited to women. It has become an established fact that capital which is provided to women tends to benefit the entire family rather than just the individual (as seen in the case of men).
- Local knowledge: because it is the community managing the fund, they have far greater knowledge of potential beneficiaries of CIF. What MFIs and commercial banks will never be able to do, CIF is innately able to carry out. There is far less risk involved in CIF due to the fact that the women in the village are aware of the background, repayment ability and reputation of potential beneficiaries. Therefore CIF manages to avoid issues of intentional defaulters and also of those people wanting to take out multiple loans from different sources.
- Ownership: because the fund is given to the village women, there is far greater ownership over the programme. It is a programme which is capable and meant to be run independently by the community. Since all control is given to the community, they are much more wary of misusing the fund and to lend it out responsibly because they know that it might be the only chance they have to get such a large amount for their village. In terms of repayment, because these are women all living in the same village, they make sure that they repay their loans back; be it due to moral obligation or simply because of peer pressure. They know that this is not something that they can run away from, since the programme in a way ‘lives’ in their village. In addition to this, because they know it is their fund, they also are keen in trying to increase the fund at all times, such as by ensuring that service charges are paid by beneficiaries (all with their consent).

The most popular utilisation of CIF loans

Having seen the success of the model in Layyah where 'the CIF programme has had a substantial positive impact on the women'[5], CIF was replicated in other parts of Pakistan by RSPN's other partners, the Rural Support Programmes (RSPs)[6]. The success of the model was demonstrated to the Government of Sindh, which agreed to fund the programme within a larger project called the Union Council Based Poverty Reduction Programme (UCBPRP).

### THE UNION COUNCIL BASED POVERTY REDUCTION PROGRAMME

The UCBPRP project started in February of 2009 in two districts of Sindh, namely Shikarpur and Kashmore-Kandhkot (District Jacobabad was also added on later upon seeing the success of the project). The project is being funded by the Government of Sindh with a total budget of Rs. 3 billion. The project is a 30 month initiative and is being implemented by the Sindh Rural Support Organisation (SRSO).

The UCBPRP project is a compilation of development activities which have been tried and tested by the RSPs throughout their more than 29 years of existence. It offers a holistic approach to development with development initiatives for communities at each level of poverty. Thus it is a programme which understands the fact that there are multiple levels of poverty and that each level of poverty has its own characteristics and solutions. In this way, the UCBPRP project is a poverty-targeted project in which specific activities are catered to women in specific poverty bands. One of the other unique aspects of the project is that it is a women-exclusive programme. For the first time in Pakistan's history, such a large project has been designed wholly keeping in mind women and not thinking of them as an after-thought. Secondly, the project offers a wide range of activities such as CIF, income-generating grants, vocational training, community physical infrastructure projects such as hand-pumps and paving of roads, micro-health insurance and education amongst other activities.

### SINDH RURAL SUPPORT ORGANISATION

Sindh Rural Support Organisation (SRSO) is a non-profit organisation and was established in 2003 with an endowment fund from the Government of Sindh. SRSO works exclusively in upper Sindh and has a presence in nine districts. SRSO has a mandate of alleviating poverty in Sindh by harnessing the potential of people in order for them to undertake their own development activities and thus help themselves. They do this through social mobilisation which entails enabling poor communities to unite and to form their own organisations. Through their own organisations, communities are empowered to start thinking as one unit and to plan for the development initiatives which they require and also how they can approach other organisations and local government to achieve those activities.

When the stage arrived to select an organisation to implement the UCBPRP project, it was but natural that SRSO would be chosen given its track record and the fact that it is one of the largest civil society organisations in Sindh.

[5] ShoreBank International, Community Investment Fund: Assessment of the Pilot Programme, (2009), p. 28

[6] RSPN consists of ten partners which are: The Aga Khan Rural Support Programme, The AJ&K Rural Support Programme, The Balochistan Rural Support Programme, The Ghazi Barotha Taraquiati Idara, The Institute of Rural Management, The National Rural Support Programme, The Punjab Rural Support Programme, The Sarhad Rural Support Programme, The Sindh Graduate's Association, The Sindh Rural Support Organisation and the Thardeep Rural Development Programme.

One of the many project area UCs in UCBPRP project

02

# ASSESSMENT OF CIF IN UCBPRP

SRSO commissioned RSPN to carry out an assessment of the CIF component of the UCBPRP project. The objectives of the assessment are manifold. Firstly, since the UCBPRP project has been in motion for more than two years, SRSO wanted to know what the situation of CIF was on the ground; in terms of whether the procedures of CIF were actually being followed and the growth of CIF. In addition to having a chance at self-improvement, SRSO also felt that it was important to find out what the feedback regarding CIF was as it was being implemented at such a large scale and with just women. Of the utmost importance is how CIF is viewed in the eyes of the women belonging to villages in such harsh and remote localities.

## METHODOLOGY

Regarding the methodology of the CIF assessment, the first steps were holding consultative meetings with SRSO pertaining to the objectives, purpose and timeline of the assessment, as well as taking into consideration certain issues in the field.

### Sampling

It was agreed that the CIF assessment would be carried out in those organised communities where CIF funds have revolved at least once by the women beneficiaries. Therefore the districts of Kashmore-Kandhkot and Shikarpur were chosen as they were the first two districts to have had the UCBPRP project implemented in them. Within these two districts, those Union Councils (UCs) which had been affected during the floods of 2010 were excluded; understandably since those communities are still in the process of trying to piece together their lives and therefore are in no condition to partake in an assessment.

The sample size was carefully calculated by employing standard research and statistical tools and techniques. Efforts were made to carefully select critical statistical parameters to be used in this process. The parameters used for the calculation of the sample size included a maximum of variability of 50% (usually used in case of unavailability of data for calculation of coefficient of variation), a precision level of 10% and a confidence level of 95%.

$n=Z^2 \times P \times (100-P)/X^2$

n=Sample size

Z=Normal variate of 95% confidence level, i.e 1.96.

P=Variability among units of population regarding the variable of interest, which is 50%.

X=Acceptable precision and error level, which is 10%.

$n=1.96^2 \times 50(100-50)/10^2$

n=96

From this process, the sample size was determined to be 96 beneficiaries per district, i.e. a total of 192 CIF beneficiaries. These beneficiaries would be equally distributed amongst the two districts. At the second stage, two Talukas (Tehsils) had to be selected which had the conditions of a) having at least two non-flooded UCs and b) having at least two villages which had more than 12 CIF beneficiaries each. As a result of these conditions, it was necessary to select a third Taluka in District Kashmore-Kandhkot from which one non-flooded UC (and two villages within it) were selected for the assessment. Thus at the third stage, from the total of five Talukas, nine UCs were selected; all of which were non-flooded. At the fourth stage, 16 villages were randomly selected. At the last stage, 12 CIF beneficiaries were randomly selected from each village with the condition that they had all taken out loans a year or more ago (in order to assess some level of impact and feedback regarding the entire process of CIF). The 12 beneficiaries from each village were selected from two COs[7]. The final sample selection can be seen in Table 1.

**Sample Selection in CIF Assessment** Table 1

| District | Taluka | UC | Village/VO | CO | No. of Selected CIF Beneficiaries |
|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | Kareema | 6 |
| | | | | Sakeena | 6 |
| | | Dolatpur | Ali Mohd. Khoso | Abdul Rauf | 6 |
| | | | | Fazela | 6 |
| | | | Horan Khoso | Al Faiz | 6 |
| | | | | Imran | 6 |
| | | Malheer | Abdul Rahman Mangi | Bakhtawar | 6 |
| | | | | Bhutto | 6 |
| | Kashmore | Ghulanpur | Allah Ditto Solangi | Basheera | 6 |
| | | | | Shabeera | 6 |
| | | | Dakhan School | Karmoon Khatoon | 6 |
| | | | | Razia | 6 |
| | Tangwani | Tangwani | Imam Bux Gabol | Iqra | 6 |
| | | | | Sachal | 6 |
| | | | Malhar Bajkani | Bhattai | 6 |
| | | | | Shahbaz | 6 |
| Kashmore-Kandhkot Total | 3 | 5 | 8 | 16 | 96 |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | Al Hussaini | 6 |
| | | | | Al Noor | 6 |
| | | | Lashari | Izat | 6 |
| | | | | Moomal | 6 |
| | Lakhi | Bhirkan | Ameen Goth | Sath | 12 |
| | | | Samano | Mehfooz | 6 |
| | | | | Zeenat | 6 |
| | | Lakhi | Juma Khan | Gul Pari | 6 |
| | | | | Rabia | 6 |
| | | | Makka | Makka Mohalla 1 | 6 |
| | | | | Solangi Mohalla | 6 |
| | | Wazirabad | Geo Mahar | Allah Wesayo | 6 |
| | | | | Mohd. Ilyas | 6 |
| | | | Mohd. Nawaz Magsi | Chukhra Mohalla | 6 |
| | | | | Malik Mohalla | 6 |
| Shikarpur Total | 2 | 4 | 8 | 15 | 96 |
| Grand Total | 5 | 9 | 16 | 31 | 192 |

[7] Except in the case of Ameen Goth, where there was just one CO's members which had obtained CIF; thereby the total number of COs in the sample is 31

### Development of Assessment Tools

Having had an idea of the sample size, the assessment tools were developed. Since CIF is a process which entails not only the individual beneficiary but also the organisations at the neighbourhood and village level, separate questionnaires had to be developed in order to extract a much more accurate sense of the situation of CIF within the selected villages. Thus three separate questionnaires were developed; one for each level of the CIF process, i.e. at the beneficiary, CO and VO levels. The beneficiary questionnaire would be carried out in the house of the actual CIF beneficiary while the CO questionnaire would be filled out using input from the CO leaders, i.e. the CO Manager and President. As for the VO questionnaire, it was decided that the questionnaire would be asked in the form of a Focus Group Discussion from the General Body of the VO, i.e. all of its members. In addition to these questionnaires, a separate checklist of questions was also developed in order to develop personal case studies of select beneficiaries from the two districts. These would be those women who had either done very well with their CIF loans or even those who had faced some problem in their encounter with CIF.

### Selection of Data Collection and Entry Teams

After the development of the assessment tools, it was decided that one data collection team would be hired. The data collection team consisted of four Enumerators and one Supervisor. It was calculated that it would take the team eight days to cover 16 villages. Following this calculation meant that in one day, the team would visit two villages. In each village, four Enumerators would interview 12 CIF beneficiaries while the Supervisor would interview the CO leaders of two COs and also hold the Focus Group Discussion with the VO. Therefore in one day, the team was interviewing 24 CIF beneficiaries, leaders of four COs and the General Body members from two VOs. SRSO facilitated the field visits.

As for the hiring of the actual data collection team, interviews were held at the UCBPRP Project Implementation Unit Office, where representatives from both RSPN and SRSO were present. Since the very nature of CIF is that it is for women and in order to make the beneficiaries feel at ease when answering questions of a personal nature, the majority of the team, i.e. the four enumerators were women. All the members of the data collection team were experienced in surveys and enumeration; therefore enabling the training phase to be smooth. Lastly, all the members of the data collection team were recruited from the market, i.e. they were not SRSO staff members.

A total of three days were dedicated to training the data collection team; in order to educate them about the UCBPRP project and CIF and also to thoroughly understand the questionnaires. The questionnaires had been developed in English, however they were translated into Sindhi in order to allow the Enumerators to understand the questionnaires more easily and also to be able to carry out the interviews with ease in the field. The training consisted of two days in the classroom while the last day was used to pre-test the questionnaires in the field and also to provide some real practice for the data collection team in terms of filling out the questionnaires. The pre-testing was carried out in a village near Sukkur and in a village which had an existing CIF programme in place.

Based on the feedback from the pre-testing, certain changes were made in the questionnaires.

Future CO Member

03

# CIF ASSESSMENT FINDINGS

In order to explain the detailed findings of the assessment, this report will take the reader along the process of CIF. There are two main reasons for this; firstly those readers that are unfamiliar with CIF will be able to follow with ease and be able to learn about the procedure of CIF while at the same time reading about the findings of the CIF programme in Districts Kashmore-Kandhkot and Shikarpur. Secondly all readers will be able to see exactly what the situation of CIF is at each step of the CIF procedure; thereby enabling to see where the weakness of the programme lie, where it is at its strongest, what are the aspects most popular with the actual beneficiaries and where they find the process the most difficult. All of these will make it easier to identify areas of strategic importance and where improvement in the programme can be brought about.

At the end, the report will delve into the CIF programme from the point of view of the beneficiaries, to see what their experience has been like, their feedback and also their suggestions for improvement of the programme. The report will conclude with some recommendations based on the observations of the author and more importantly from the suggestions of the beneficiaries.

## SOCIAL MOBILISATION

Before any actual disbursement of funds to communities takes place, social mobilisation has to be carried out. Social mobilisation is the act of organising communities into their own grassroots organisations. It instils a sense of unity and ownership within the village and brings about a change in attitude regarding development. In the social mobilisation approach being followed by SRSO, communities are made aware about their own strength and the opportunities that are available to them in their surroundings. They are taught that when they are organised and act as a single unit, they are better able to access resources and plan their own development according to their needs and not according to the needs of outsiders.

In the case of SRSO, in each village, field staff made contact at the village level first; addressing the entire village and informing them about SRSO and also to ascertain whether the village was ready and willing to be organised. Having done that, SRSO carried out a poverty survey of each and every household in each village in order to find out the poverty ranking of the households. They used the Poverty Scorecard which is a simple tool, consisting of 13 simple and verifiable questions, which when answered provide a ‘score’ to each household showing their level of poverty. This method has been proven to be an accurate method of measuring poverty with the added benefit that its results can be compared across different villages. In addition to this, the poverty scorecard also provides an opportunity for development practitioners to redo the survey at a later point, in order to see if there have been any changes in poverty of the household (as was done in the case of this assessment).

Next, COs were made at the neighbourhood level; members constituting of one woman each from willing households in the area. At this stage, the poverty scorecard proves very handy as the SRSO staff was able to guarantee that the poorest households were not being sidelined due to their status. In each CO, a President and Manager were chosen according to the wishes of the members of the CO. The purpose of forming COs is so that women in a neighbourhood have the opportunity to save and make a development plan for their own household, i.e. the things that they can do, want to do and what they will need in order to carry it out. The CO meetings provide an avenue and outlet for women to discuss their problems, be it personal or at the neighbourhood level and to obtain support and advice from fellow-members.

At the last stage, SRSO federated these COs into one village-level organisation called a VO. The VO constitutes of representatives from all the COs in that particular village; in most cases two nominees from each CO are voted into the VO. From within those VO members, a President/Chairperson and Treasurer are selected according to the wishes of the VO members. The purpose of having a VO is to carry out development activities at the village level, i.e. activities which run across neighbourhoods and which singular COs find hard to implement.

In the assessment findings, some aspects of the workings of the CO and VO were also included, such as frequency of meetings, attendance and frequency of savings by beneficiaries. The reason for including this was because CIF as a programme is carried out and managed by these organisations. Therefore their robustness and levels of activity should be high; thereby showing that they are able to manage CIF.

In terms of the frequency of VO meetings in the last six months and attendance of VO members, the average number of meetings that the 16 sample VOs have had is 5.8; with an average attendance of 100% (as shown in Table 2). A VO is meant to have one meeting per month, i.e. a total of six meetings in six months. The VOs in the assessment have done very well as only four VOs had less than six meetings (three VOs had five meetings, while one VO had four meetings). One factor to note here is that even though these sample villages were all non-flooded, during the floods of 2010, many households in non-flooded villages still fled from their homes due to the flood alerts that they had heard. Therefore despite those conditions, the majority of the VOs managed to maintain their meetings and that too with all members in attendance.

As for the frequency of CO meetings and members' attendance, the average number of meetings in the last three months was 3.6, with an average attendance of 100% (Table 3). Most COs are meant to have meetings every two weeks; however it is up to the COs whether they choose to meet twice a month or once in a month. In the assessment, most COs chose to meet once a month rather than twice. Again attendance was found to be exceptionally well with all members in attendance.

**Average Number of VO Meetings and Attendance** Table 2

| | Planned # of Meetings in Last 6 Months | Average # of Meetings in Last 6 Months | Average % Attendance |
|---|---|---|---|
| Kashmore-Kandhkot | 6 | 5.9 | 100% |
| Shikarpur | 6 | 5.8 | 100% |
| Total | 6 | 5.8 | 100% |

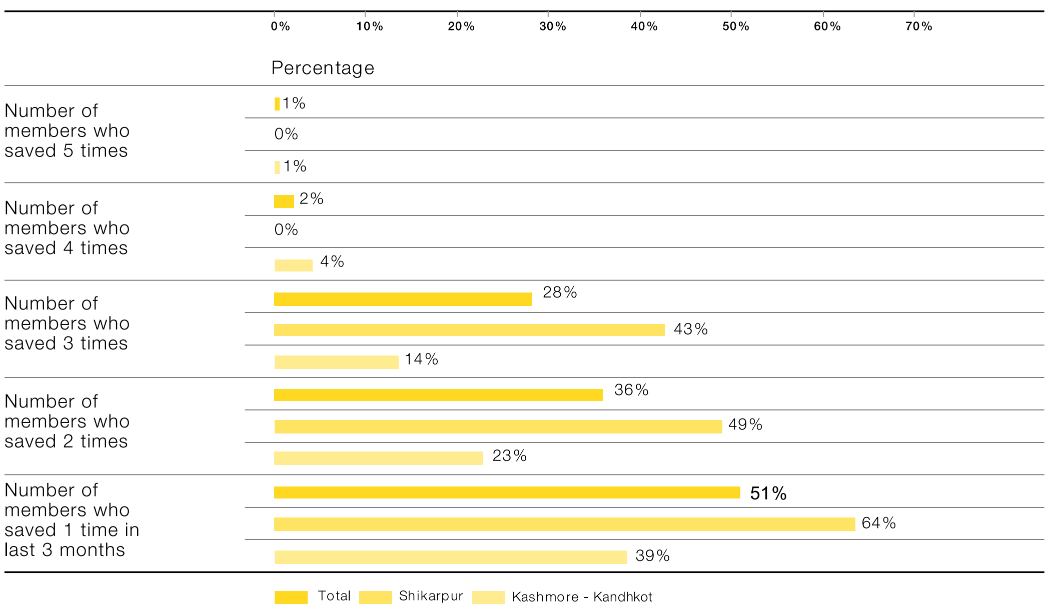
The assessment found that 51% of the sample beneficiaries had saved some money with COs in the last three months. The frequency of saving was higher in District Shikarpur rather than in District Kashmore-Kandhkot. Ideally the number of members who save should be higher, as in the COs members are advised to save in every meeting. However what is encouraging is that out of those that did save in the last three months, 36% and 28% of beneficiaries had saved twice and thrice respectively.

**Average Number of CO Meetings and Attendance** Table 3

| | Average # of Meetings in Last 3 Months | Average % Attendance |
|---|---|---|
| Kashmore-Kandhkot | 4.1 | 99% |
| Shikarpur | 3.1 | 100% |
| Total | 3.6 | 100% |

The high level of meetings and perfect attendance shows the ownership of the communities for the CIF programme. The women choose to take time out from their busy schedules in order to come together and run the CIF programme. CIF is based within community organisations which are local in every sense of the word. If the CIF programme had been situated with an external organisation, one can only imagine how many women would have automatically been cut off from the programme due to the fact that they would not or could not go out of their village.

**Frequency of Savings by Beneficiaries** Figure 1

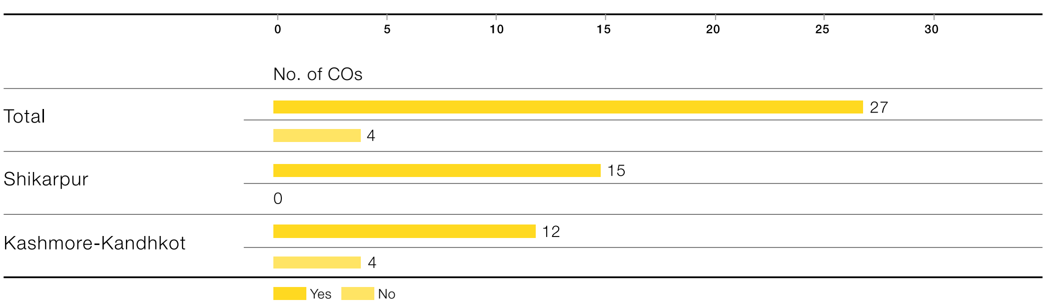


## POVERTY SCORECARD

As mentioned previously before, the UCBPRP project is a poverty-targeted project. Within it, CIF as a programme is also poverty-targeted and the method of poverty-identification is the poverty scorecard (PSC). In the CIF programme, only poor women can take loans out. The criterion for ‘poor’ is that they should have a score between 0-18. The assessment found that all the sample beneficiaries had their poverty survey taken when the project first started. The assessment also carried out the poverty survey of the beneficiaries in order to assess whether after two years, a difference had come about in the poverty levels of the beneficiaries. These results will be presented later in this report.

However, what will be shared in this section is the opinion of the CO and VO leaders regarding the PSC and its results. The assessment found that all members of the 31 COs and 16 VOs thought the poverty scorecard accurately showed the real level of poverty of households in their villages. The reason for this unanimous view amongst the COs and VOs was that when the PSC survey was done, the results were shared with each village and they were asked to see whether the results were accurate according to their local knowledge. Each village checked and amended mistakes (due to human error and expected levels of error in PSC), thereby ensuring that each household’s poverty-level was accurately represented. The lists of households and their PSC scores have to be available with each VO as they double-check the PSC scores of each woman nominated for a CIF loan by the CO. As a result, the assessment found that all 16 VOs had PSC lists present with them. However to further demonstrate the ownership of the community over the PSC, 27 COs (87%) also had copies of the PSC lists; something which they were not required to have but which they chose to keep with themselves (as shown in Figure 2). When asked about why they kept it, all the COs said that it was because when they selected women for CIF loans, they always checked to see whether their scores were below 18 and thus eligible for CIF and that they actually deserved it.

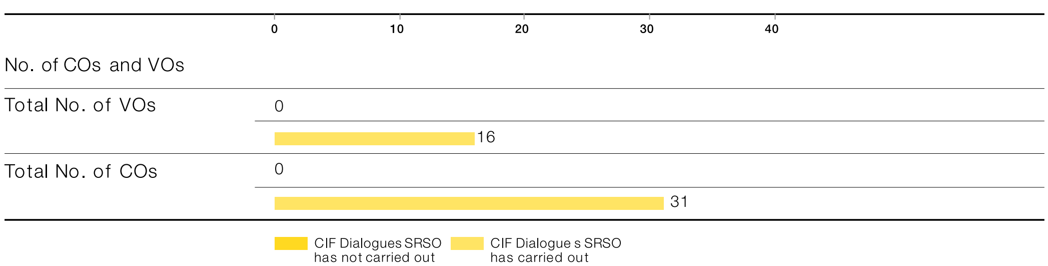
**Availability of PSC Lists with COs** Figure 2



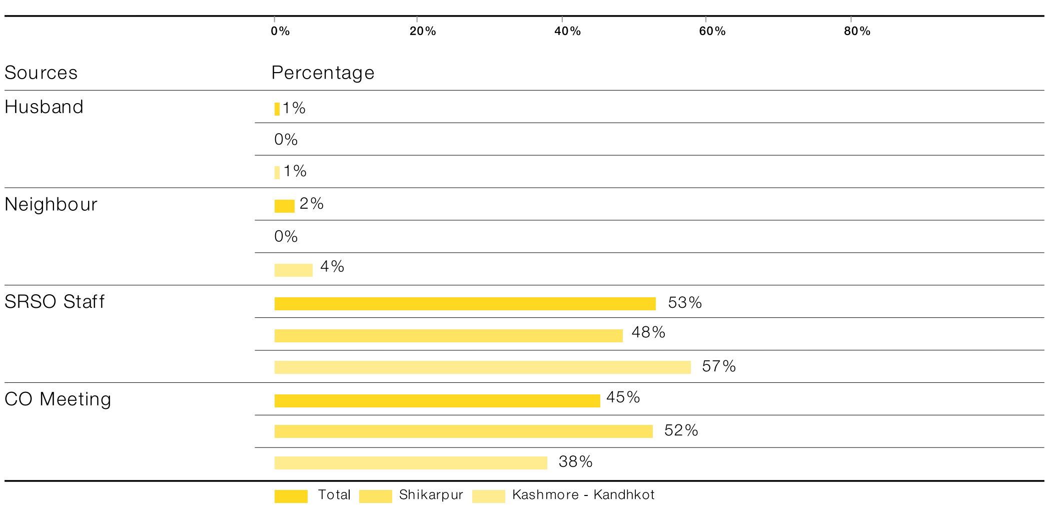
### DISSEMINATION OF CIF INFORMATION

When starting the CIF programme in any village, SRSO staff is meant to have dialogues with communities at the village-level in order to inform them about the CIF programme, its purpose, objectives and criteria. In this dialogue, they ask the village and specifically the women in COs and VOs whether they are ready to take on the responsibility of managing a fund which is meant for the poor women of their village. Upon agreement, the wheel is set in motion for disbursing the fund to the VO (having fulfilled criteria such as CIF Management training, etc). As can be seen in Figure 3, SRSO held dialogues with both VOs and with COs.

**CIF Dialogues Carried Out by SRSO** Figure 3



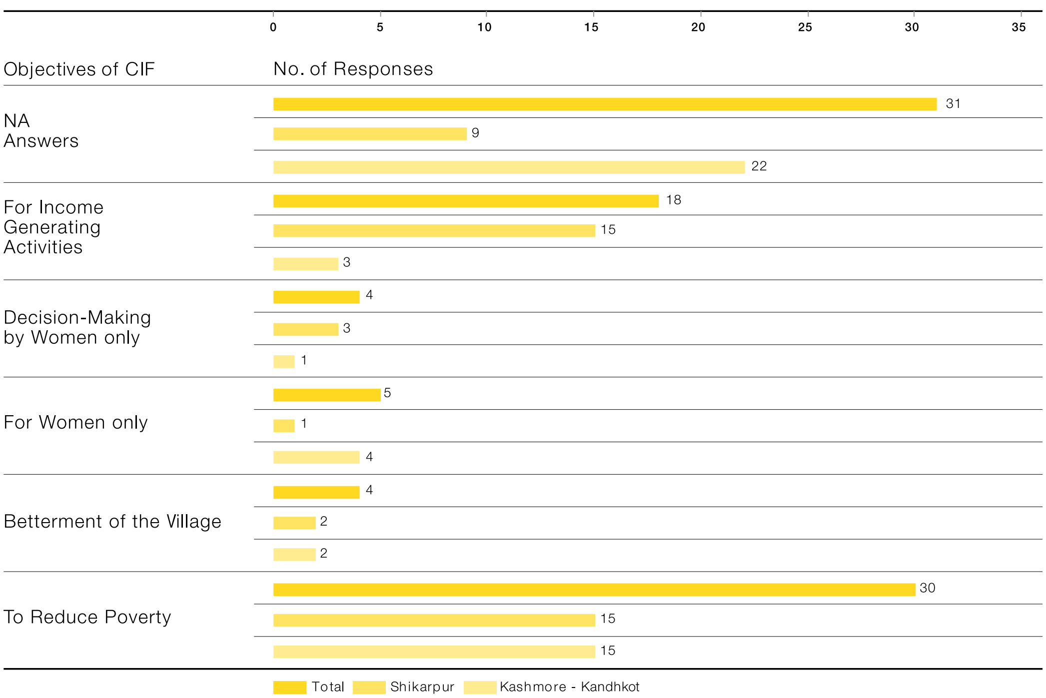

**Sources from which Beneficiaries Heard About CIF** Figure 4



In order to confirm this, the assessment also asked beneficiaries about where they had heard about CIF for the first time. Figure 4 shows that the majority of beneficiaries, i.e. 53% heard about it from SRSO staff while 45% heard about it in their CO meeting. It is encouraging to see that the majority of beneficiaries relied on either SRSO or their own CO for information regarding CIF; showing their interest in the entire CO, VO and CIF process rather than on a husband or neighbour telling them about it.

The assessment also wanted to gauge the understanding of the beneficiaries, CO leaders and the VO regarding CIF and its objectives. The assessment asked CO leaders randomly to mention three objectives of CIF according to them. Their answers came roughly in six categories as shown in Figure 5. Although

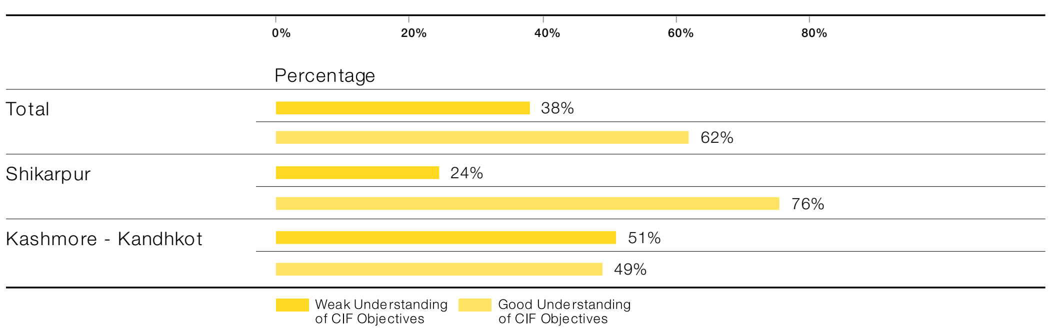
**Objectives of CIF According to CO Leaders** Figure 5



the majority of answers were not applicable (these were answers such as providing details of what they did with their loans, etc), the most frequent objective given was that CIF is to reduce poverty. Secondly, the CO leaders also knew that the CIF was for income-generating activities only.

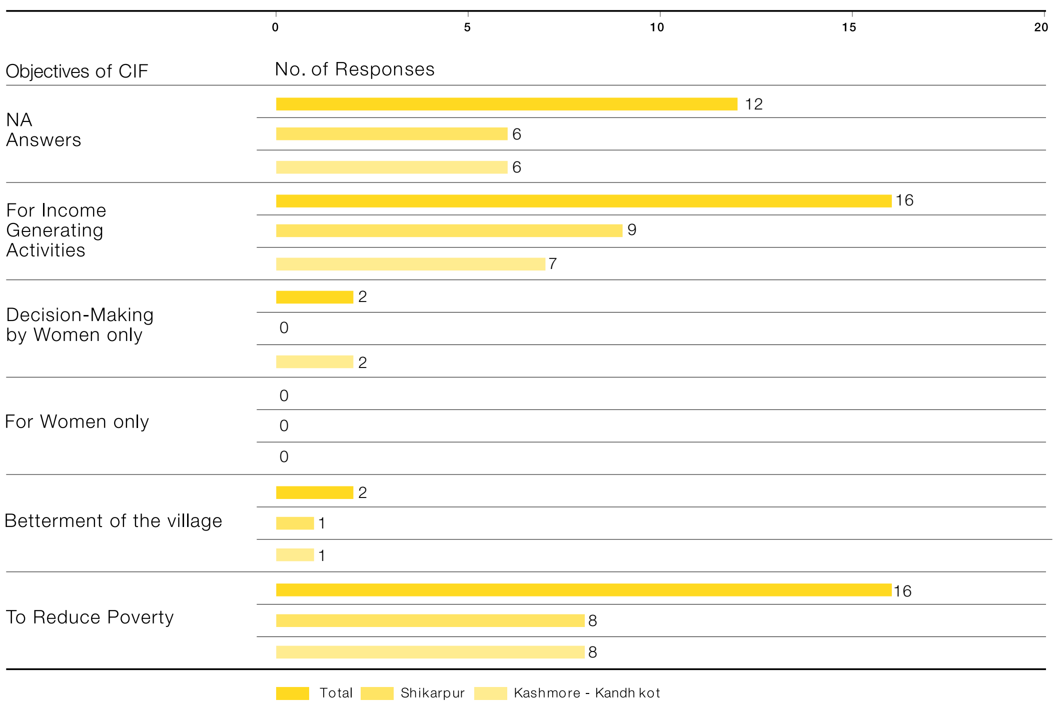
Out of these six categories, there are four categories which match the objectives of CIF, i.e. to reduce poverty, it is for women only, decision-making is done by women only and that it is for income generating activities. The other two categories, betterment of the village and the non-applicable answers do not match with the objectives of CIF. In order to show whether the understanding of CO leaders was strong or weak (based on their responses), these categories were grouped into the aforementioned groups; ones that do match CIF objectives and which do not. Figure 6 shows that 62% of the responses of CO leaders demonstrated a strong understanding of CIF objectives, which is very good considering that these are mostly illiterate women who have never experienced a programme such as CIF before. On the other hand, readers will also have noticed that in District Kashmore-Kandhkot, a little over half of the responses of CO leaders showed a weak understanding of CIF's objectives. One of the reasons for this, as observed during the implementation of the assessment, a majority of the sample communities in Kashmore-Kandhkot were Balochi-speaking. With these communities, there was a very strong language barrier as most of the women did not understand Sindhi. This resulted in both the assessment taking longer in these areas but also that one could see SRSO field staff also struggling to communicate with them. The solution for this is a simple one, that SRSO should hire more field staff that can speak the local language in these communities. It would immediately have an impact on the speed and clarity of communication from both sides.

**Understanding of CO Leaders Regarding CIF** Figure 6



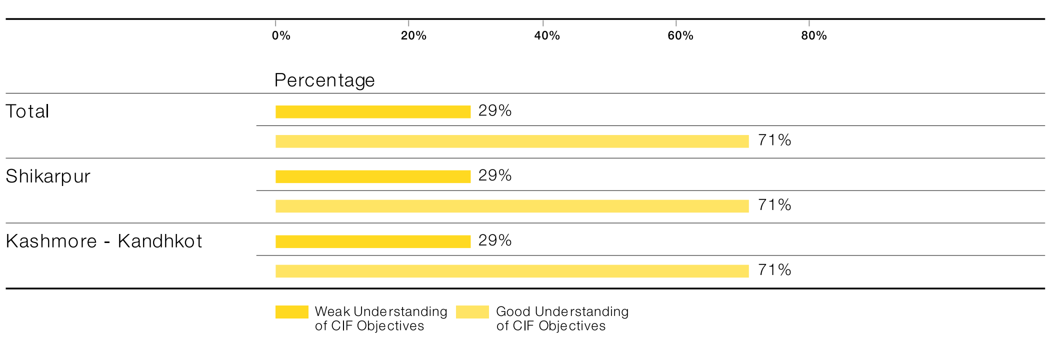

As for the understanding of VO leaders; they fared much better with the majority mentioning that the objective of CIF was to reduce poverty and that it was for income-generating activities only, as seen in Figure 7.

**Objectives of CIF According to VO Leaders** Figure 7




The increased understanding level can also be seen in Figure 8, which ironically shows that the responses of VO leaders from both districts showed an equal understanding of CIF, i.e. that it was strong. This can be put down to the fact that the VO leaders were providing answers to these questions in the presence

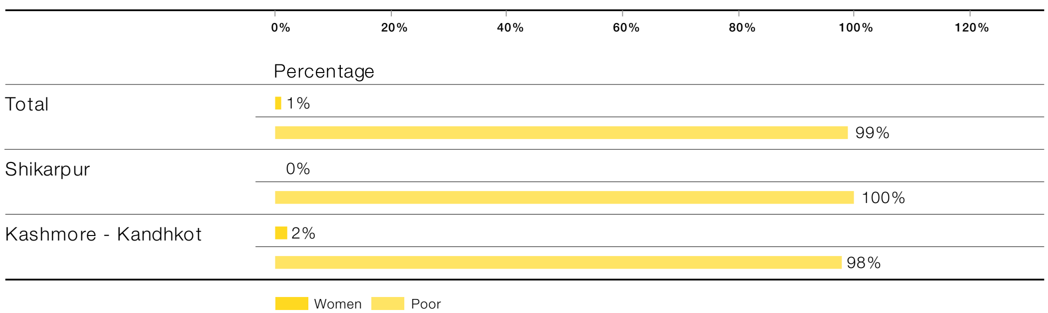
**Understanding of VO Leaders Regarding CIF** Figure 8



of the entire VO membership; thus making them feel more comfortable. A second explanation for this finding could be that the interaction of SRSO is much higher with VO members than with CO members (since the CIF lies at the village level with the VO). This has also resulted in the fact that the language barrier was somewhat less with VO members than with CO members.

In addition to this, the assessment also looked at what the beneficiaries thought the reason for them being selected for a CIF loan was. As expected, the majority of responses matched the responses of the COs and VOs. The majority of beneficiaries (99%) thought that they had been selected for loans because they were poor, as shown by Figure 9.

**Reasons for Selection for CIF Loans According to Beneficiaries** Figure 9



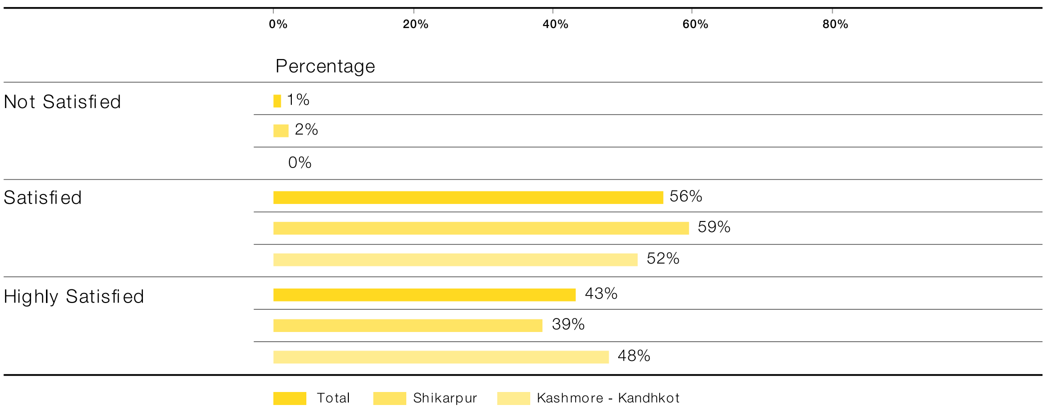

TRAINING IN CIF

Before any fund is transferred to the VO, essential steps have to be carried out to ensure that the members of COs and VO in a village, are equipped to manage the programme. In the case of the UCBPRP project, before any disbursement of money, CO leaders have to go through a 'CIF Identification' training in which they are taught the criteria to select a CIF loan beneficiary. In addition to this, they are also taught the selection procedure which takes place at the CO level and which is the primary level in terms of identifying potential CIF beneficiaries.

As for the VO leaders, they are required to go through a 'CIF Appraisal and Monitoring' training in which they are shown how to appraise the beneficiaries selected by the COs and also to monitor the beneficiaries once they have obtained their loans.

The assessment found that all leaders of COs and VOs had received their CIF Identification training and CIF Appraisal and Monitoring training, respectively. More value can be added to this by considering the satisfaction of beneficiaries in reference to the management of the CIF programme by their CO and VO. Figure 10 shows that an amazing 99% of beneficiaries were satisfied with the management of CIF by their CO and VO (43% of them being highly satisfied). When the beneficiaries (who were not satisfied, i.e. two beneficiaries), were asked about why they were not satisfied, they replied that their CIF had not brought about any profit for them.

**Satisfaction of Beneficiaries Regarding Management of CIF by CO and VO Leaders** Figure 10



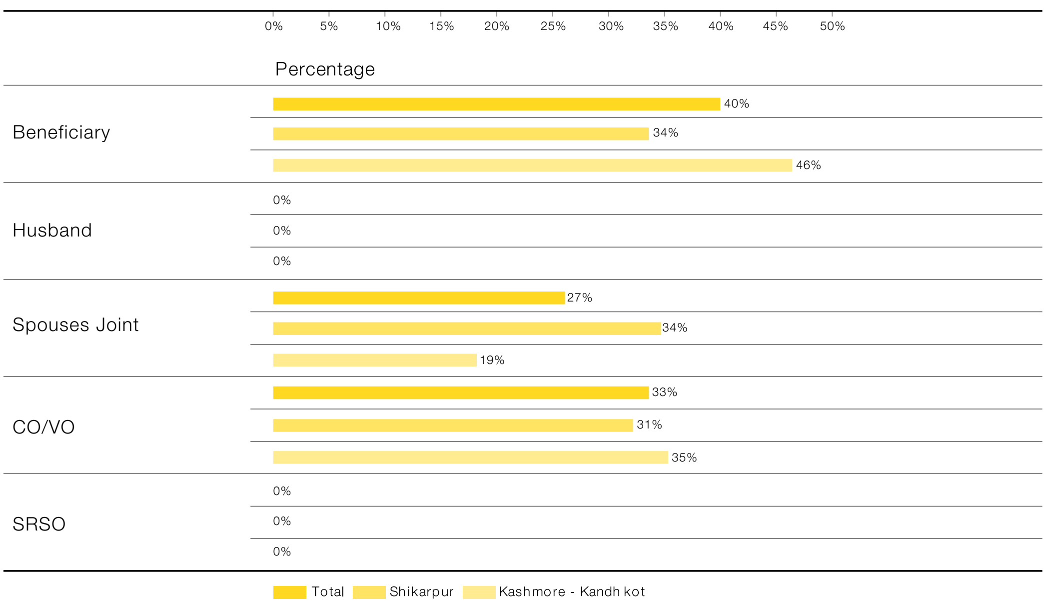

## THE APPLICATION PROCESS

This section of the report will detail the application process and the considerations which have to be taken when taking out a CIF loan. What will also be a welcome read is the flexibility in the CIF programme and the way each loan can be tailor-made according to the requirements of the individual beneficiary.

### Decision to Take CIF Loan

In terms of wanting to take out a CIF loan, the assessment found that the majority of beneficiaries decided themselves that they wanted a CIF loan. The second most popular response was that the beneficiary decided in consultation with their CO/VO. What is encouraging to see is that none of the beneficiaries' husbands asked them to take out CIF loans. This avoids unfortunate incidents where programmes designed to benefit women, end up with women being used by their husbands. Secondly, the assessment also found that there was no pressure from SRSO staff on beneficiaries to take out CIF loans; something which comes in the realm of 'responsible lending'.

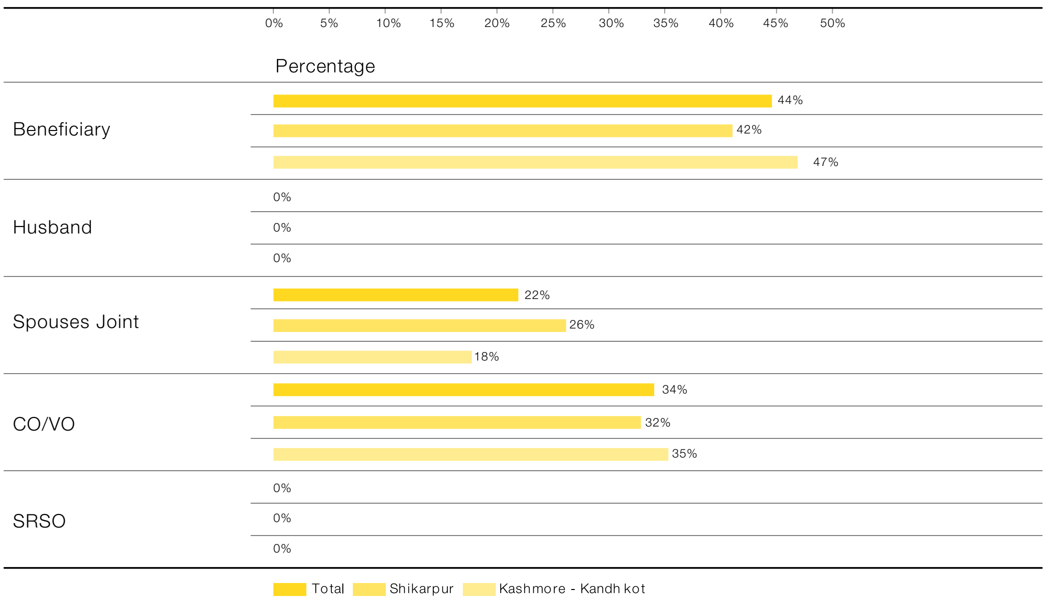
**Decision to Take CIF Loan** Figure 11




### Decision of Loan Amount

The assessment found that regarding what loan amount to take out, the majority of beneficiaries (44%) decided themselves about how much to take out as shown in Figure 12. 34% said that the loan amount was decided in their CO/VO. The reason for this is because in some villages, the fund was not enough to meet the demand of all the potential CIF beneficiaries. Therefore in those cases, the VO decided that all CIF borrowers would take out the same loan amount in order for more women to be able to take benefit from the CIF fund.

**Decision of Loan Amount** Figure 12

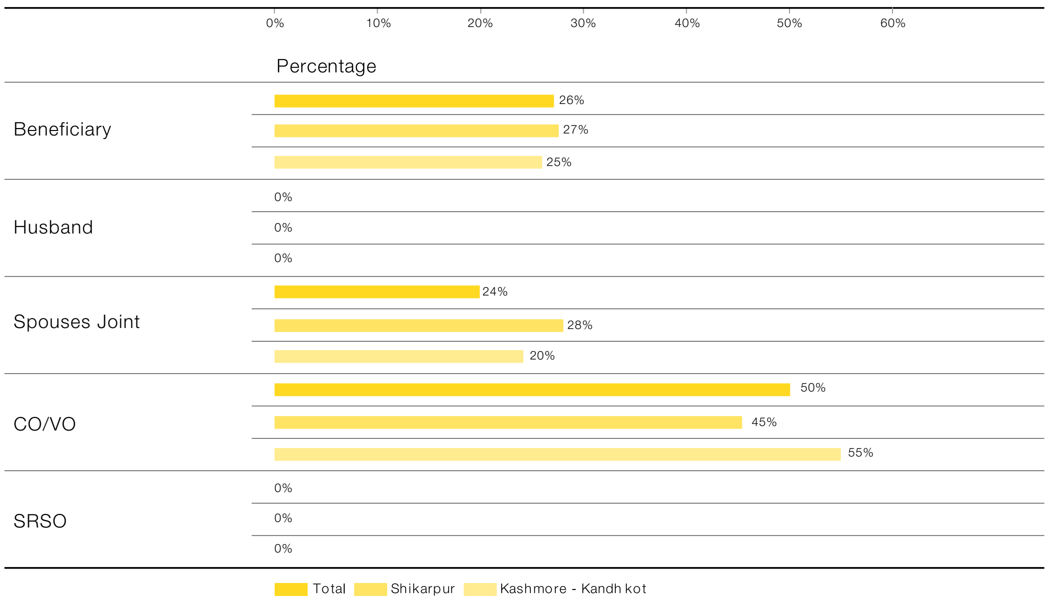



### Decision of Loan Duration

Regarding the duration of the loan, this time the assessment found that the majority of beneficiaries said that the duration was decided in their CO/VO. Again the reason for this is the same as above, i.e. in order to ensure that as many women as possible get a chance at taking out a CIF loan, COs/VOs encourage women to take shorter duration loans. It has been found that it is much more beneficial for both the beneficiary and for the CIF fund, if loan durations are short, such as for six months. This way the beneficiaries are able to take out more loans in a shorter span of time and it allows the CIF fund to revolve more quickly and thus grow.

**Decision of Loan Duration**

Figure 13

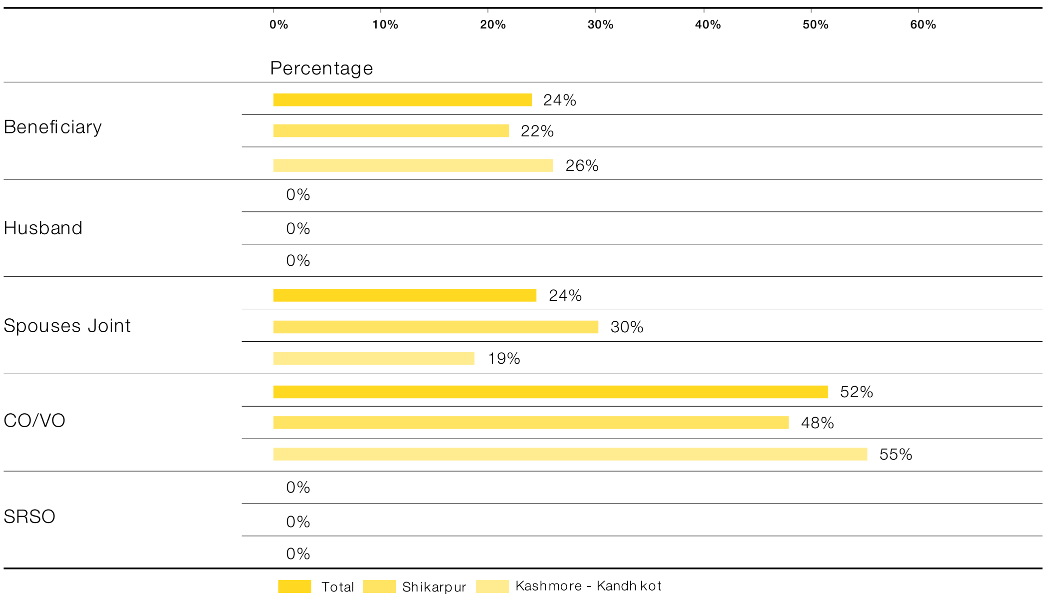



### Decision on Level of Service Charge

The level of service charge has been a much debated topic within the realm of microfinance; however in the CIF programme, such complications are avoided as the decision lies entirely in the hands of the community, especially the beneficiary. The assessment found that the majority of decisions regarding service charge were decided in the CO/VO as seen in Figure 14. Ordinarily this could indicate that it is just the CO and VO that are deciding everything but what must be remembered is that the CO and VO themselves constitute of the beneficiaries. In addition to this, a combined percentage of 48% (beneficiaries and spouses joint) show that the beneficiary and her family decided about what service charge they could comfortably pay off. What is even more comforting is the fact that the assessment found that SRSO had no interference whatsoever regarding the decision about what level of service charge should be asked for; a far cry out from MFIs.

**Decision on Level of Service Charge**

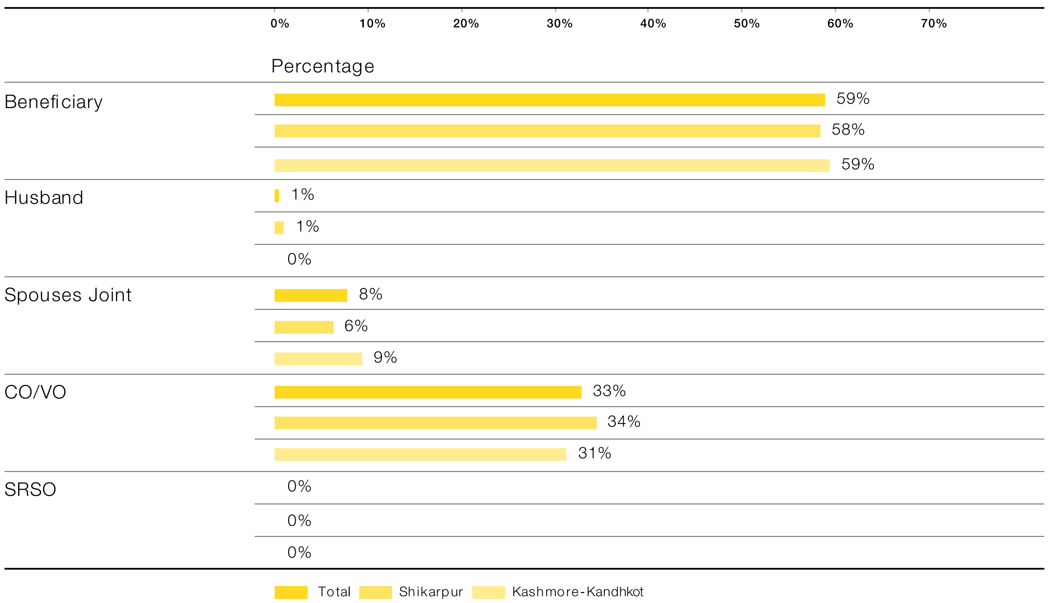
Figure 14




### Decision on Loan Utilisation

The assessment highlighted the fact that the majority of beneficiaries decide themselves about what they would like to spend their CIF loan on. As seen in Figure 15, 59% of beneficiaries said that they had made the decision according to their own needs. The second source from where utilisation was decided was the CO/VO. When asked about this, there were some beneficiaries who said that they had wanted to take a loan out for a non-income generating activity; thus their CO/VO stopped them and told them about the difficulty they would have in repaying the loan in those circumstances. This again highlights the issue that the training that CO and VO leaders received had an impact on the kind of advice they provided to members in their organisations.

**Decision on Loan Utilisation** Figure 15



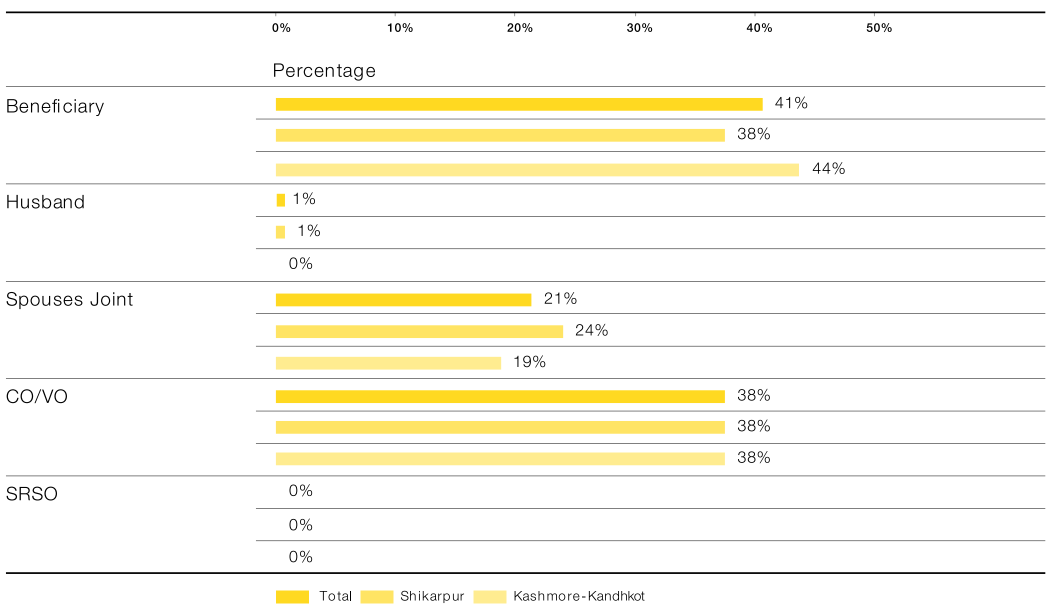
CIF beneficiaries

## Decision on Repayment Plan

In the CIF programme, all loans have repayments plans. These are the options that the community member decides regarding when and how they would like to repay their loan back. The plan can constitute of anything but usually the options consist of repaying in a lump sum (the most popular option), repaying in two instalments and repaying monthly. As for the decision regarding who chose their particular repayment plan, the assessment found that the majority of beneficiaries decided on their own repayment plan, as can be seen in Figure 16. The second encouraging aspect is that SRSO had no input into what repayment plans beneficiaries should choose; again highlighting the freedom and true decision-making power of the community.

**Decision on Repayment Plan**

Figure 16



## THE SELECTION PROCESS

This section of the report details the selection process in the CIF programme. The section will be divided into two parts; first into the selection process at the CO level and secondly at the VO level. The reason for this is because in the CIF programme, the selection process takes places in both the CO and VO. The majority of it takes place in the CO level where the actual beneficiaries are identified while double-checking takes places at the VO level.

### Selection Process at CO Level

The selection process at the CO level is done by the entire membership of the CO and has to be carried out during CO meetings. Those members, who want to take a CIF loan show their interest in the CO meeting. In that meeting, they discuss what they would like to take the loan out for, how much they would like to take out, etc. They then fill out a CIF Appraisal Form which has the details of the loan they would like to take out. In most cases, the beneficiaries are illiterate and therefore either an educated CO member helps them fill out the form or their Community Book-keeper (CBK).

Once all interested members have submitted their CIF Appraisal Forms, in the next meeting, the CIF identification process takes place. Before any potential beneficiary is identified, the CO members check for certain things. The first thing that every potential CIF beneficiary must have is a Micro Investment Plan (MIP). At the time when a CO is formed, each member is required to make a development plan in which they plan the activities that they want to carry out and what they need in order to carry it out. This development plan is called the MIP. At the time of CIF beneficiary identification, the CO checks whether the members wanting CIF loans have MIPs and whether listed in their MIPs is a demand for credit. The assessment found that all 192 beneficiaries had MIPs in which they had listed a demand for credit.

Secondly, the CO checks whether the potential CIF beneficiaries have submitted their CIF Appraisal Forms. The assessment found that all the beneficiaries had CIF Appraisal Forms which had been submitted.

Once these aspects have been checked, the entire CO selects those members that they agree should obtain a CIF loan. In the CIF programme, it is the entire membership of the CO that has a say and not just the CO leaders. The assessment found that the majority of COs had selected their beneficiaries through voting in the CO, i.e. 58%. The remaining COs selected their CIF beneficiaries through consensus in the CO. Again the issue of SRSO interference does not factor into the process. In addition to this, only two COs rejected some members from being selected for CIF loans, as can be seen in Table 4. In the case of both COs, the reason for rejecting some members was because their PSC score was above 18 and therefore were not meeting the criteria.

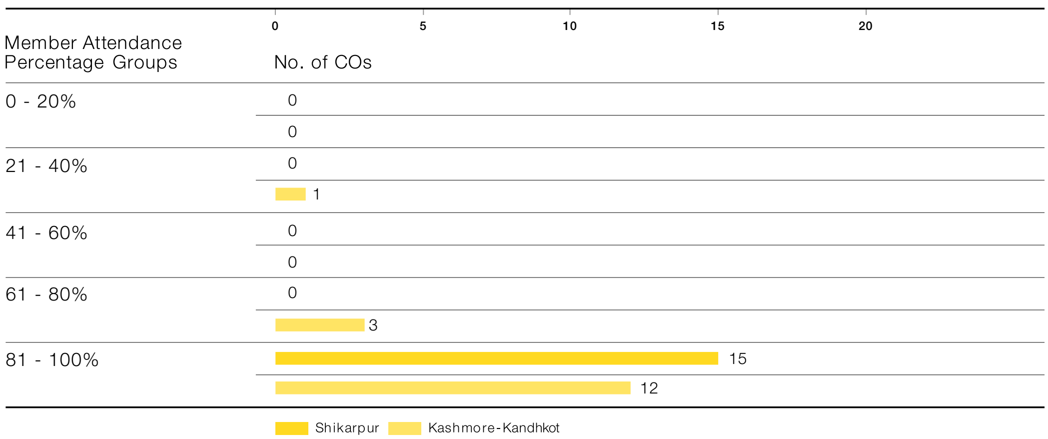
**Rejection of Members by CO** Table 4

| | No. of COs which rejected Members | No. of COs which did not reject any member | Total |
|---|---|---|---|
| Kashmore-Kandhkot | 2 | 14 | 16 |
| Shikarpur | 0 | 15 | 15 |
| Total | 2 | 29 | 31 |

Members of COs and VOs gather together

Once beneficiaries are selected in the CO, the entire CO writes a resolution to the VO in which they list the members they have identified for CIF loans. The resolution must be signed in the CO meeting and by a majority of the membership of the CO. The assessment found that the attendance level in the majority of COs, i.e. 27 COs was in the range of 81-100%, as can be seen in Figure 17. What is noteworthy is that 26 of those COs had a 100% attendance and that they included all of the sample COs in District Shikarpur.

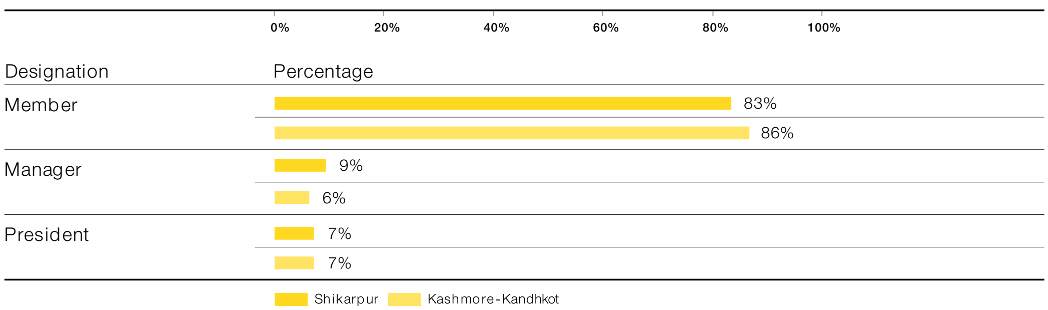
**CO Members' Attendance at Time of Beneficiaries' Selection** Figure 17




Another interesting aspect which came out in the assessment was the makeup of the selected beneficiaries regarding their designation in the CO and VO. The assessment found that the majority of CIF beneficiaries were members of COs; rather than being Managers or Presidents, as seen in Figures 18 and 19. More often than not, there are a lot of concerns regarding issues of 'elite capture' in disbursement of loans when all decisions are taken away from development institutions. However the assessment found no such issue. Furthermore, in the next section it will show the fact that even those beneficiaries that were a part of the VO, a majority of them were the VO members and not the leaders.

**Designation of Total Sample CIF Beneficiaries in CO** Figure 18

**District-wise Designation of CIF Beneficiaries in CO** Figure 19




### Selection Process at VO Level

The majority of the CIF identification and selection process takes place at the CO level. The VO carries out the final selection once the resolution from the CO is handed to them, with the names of identified CIF beneficiaries.

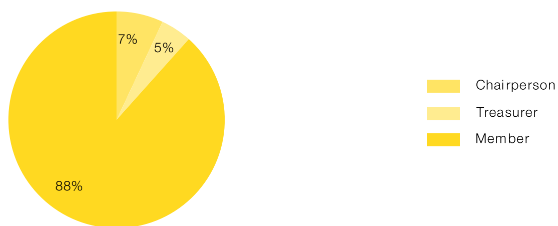
The assessment found that all 16 VOs had the resolutions of their COs present with them and also that the VOs had a 100% attendance of its members when they selected the final list of beneficiaries. In addition to this, all 16 VOs agreed with the selection of the COs and did not reject any members. This again shows that the majority of work regarding CIF beneficiary identification has to take place at the CO level. The reason for this is because they are the organisation which has the most knowledge about the women in their neighbourhood. In addition to this, it shows that the COs were using the PSC lists and had a good understanding that only those women with PSC scores below 18 could get loans.

Furthermore, the assessment also found that only a minority of beneficiaries were members of a VO, i.e. 43 beneficiaries or 23% of beneficiaries. This again shows that there was no issue of elite capture where the majority of loans are being disbursed to 'leaders'. This can be seen in Figure 20. In addition to this, the assessment further highlighted the fact that even out of the 23% that were VO members, the majority, i.e. 88% were VO members rather than the Chairperson or Treasurer, as seen in Figures 21 and 22.

**Number of Beneficiaries in VO** Figure 20

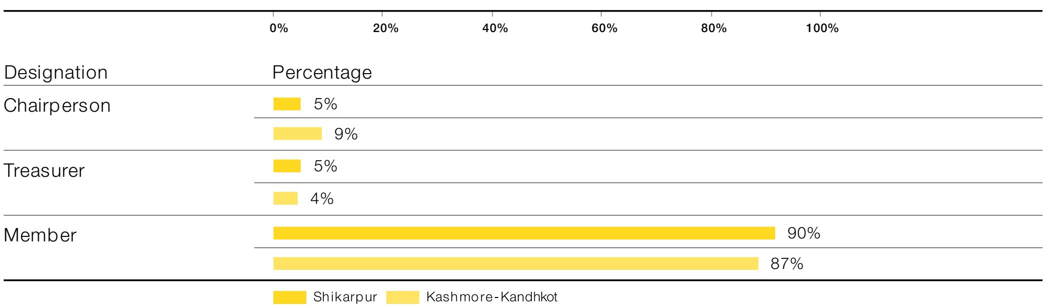
**Designation of Total Sample CIF Beneficiaries in VO**

Figure 21




**Designation of CIF Beneficiaries in VO**

Figure 22



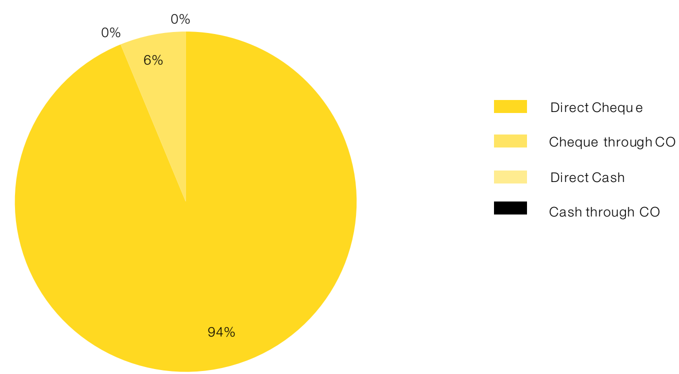

## TRANSFER OF MONEY

After the final list of CIF beneficiaries have been selected at both the CO and VO level, the VO starts to disburse the loans to the selected beneficiaries. Since the fund is present at the village level with the VO, the beneficiaries are meant to be provided with their loans from the VO directly. In addition to this, to make the transfer more secure, all loans must be provided in the form of a cheque in the name of the beneficiary and not cash.

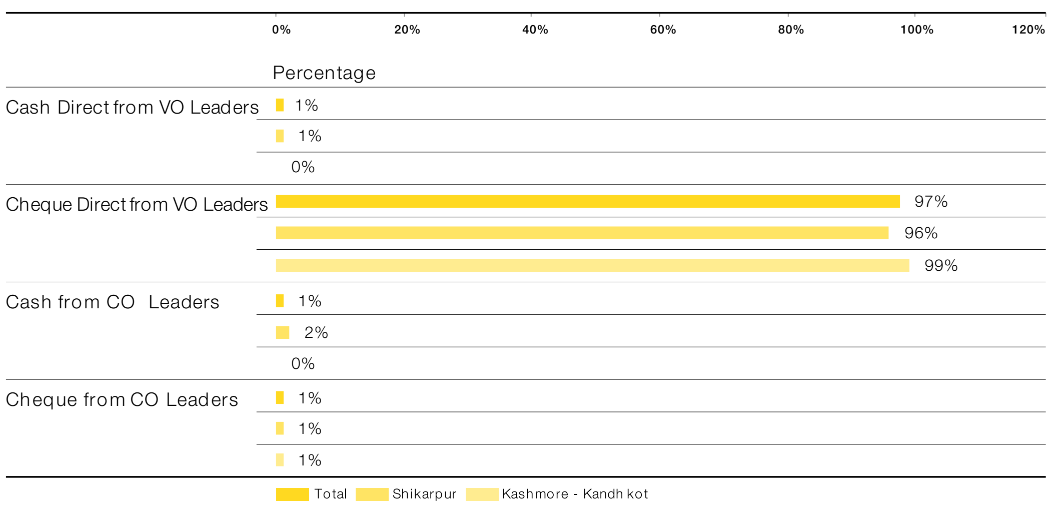
The assessment looked into whether the VO was aware of how they are meant to distribute loans to beneficiaries. In this regard, 94% of VOs said that they distributed loans directly to the beneficiaries in the form of cheques, as seen in Figure 23. The remaining 6% of VOs provided their loans in the form of cheques but through the CO.

The assessment also looked into how beneficiaries actually received their loans. Again it demonstrated the fact that the security of the loan was being taken into consideration by the VO which manages the fund. According to Figure 24, the majority of beneficiaries, i.e. 97% obtained their loans in the form of a cheque directly from their VO. In the case of the remaining beneficiaries, the method of disbursement ranged from cheque from CO and cash from VO or CO. The total number of beneficiaries that obtained cash was three; the reason being that these beneficiaries (due to disability, illness or old age) could not go to town in order to cash their cheque in the bank. In those cases, they were provided with cash so that they could carry out their investment.

**Method of CIF Loan Disbursement According to VO** Figure 23




**Method of Receiving CIF Loan by Beneficiaries** Figure 24



## FOLLOW-UPS

In the CIF programme, because the management lies with the CO and VO, it is their responsibility to monitor the use of the loan amount once it has reached the beneficiaries. In this regard, all 31 COs said that follow-ups were a necessary part of the CIF programme. When asked why they were necessary, the majority of COs, i.e. 94% said that it was to ensure that the beneficiaries had used it for the utilisation they had stated in their CIF Appraisal Forms, as can be seen in Figure 25.

Regarding VOs, all 16 VOs also said that follow-ups were necessary, with 94% stating the reason for follow-ups as being to ensure that the loan amount had been utilised properly or not (Figure 26).

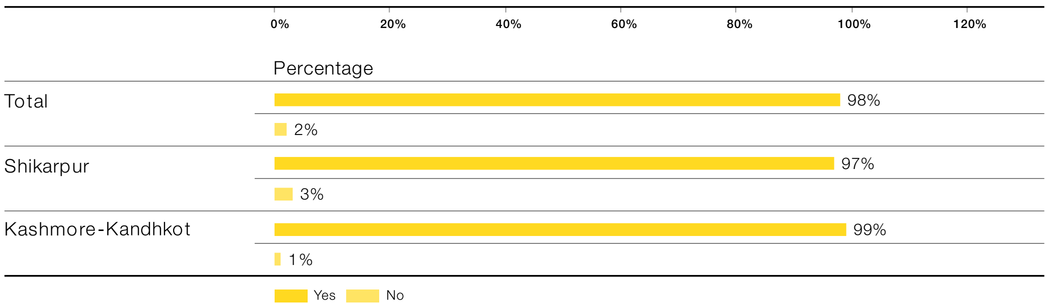
The assessment also found further evidence to this aspect, when it looked at how many beneficiaries had invested their loan amount in the same utilisation as stated in their MIPs. As can be seen from Figure 27, 98% of the beneficiaries had invested their loans in investments as stated in their MIPs. This again shows the monitoring effect of the grassroots organisations, i.e. the CO and VO and how it plays a role in ensuring that no money is wasted in non-income generating activities. This level of monitoring and that also right down to the household-level, can be only possible with local grassroots organisations which live within and consist of the beneficiaries.

**Reason for Follow-ups According to CO** Figure 25


**Reason for Follow-ups According to VO** Figure 26

**Match of Utilisation in Beneficiary MIPs and Actual Utilisation**

Figure 27




## COMMUNITY BOOK KEEPERS

As is the case with any programme in which money is involved, especially the lending and receiving of money, record-keeping is of the utmost importance. Past experience has demonstrated that things can go awry if beneficiaries feel or see that the records are not accurate or there is some discrepancy. Secondly, it was seen that in some areas where there were not many educated women, the CIF programme suffered in terms of record-keeping. The reason for this was that not enough support was provided to the women, especially when they were women who had never come across such a responsibility before.

It is these lessons which allowed SRSO to bring key changes to CIF when it came to introducing it in the UCBPRP project. In the UCBPRP project, the CIF programme provides immense support to members of COs and VOs. One type of support provided is in the form of a Community Book Keeper (CBK). CBKs are those individuals who help the COs and VOs to maintain their records in good condition. In order to become a CBK, the individual must be living in the same village (or nearby) and who is educated. In most cases, these CBKs are educated men who are known to the women in the village. In terms of the literacy level of the sample beneficiaries, the assessment found that 81% of them were not literate; thus highlighting the great need for CBKs. The CBKs in the UCBPRP project work voluntarily for the benefit of the CO and VO members. The duties of the CBK include book-keeping at the VO level, such as writing the minutes of their meetings, maintaining records such as the CIF register, receipt book and cash book. At the CO level, the CBKs write down minutes of the CO meetings, record their savings and help potential beneficiaries to fill their CIF Appraisal forms.

The sample villages had a total of 20 CBKs as seen in Table 5. The CIF programme states that a realistic work-load for a CBK is to look after three COs, i.e. a ratio of one CBK to three COs. Table 5 shows that in 13 villages, this ratio was being met, i.e. 81% of VOs. Just one of the sample villages had an unhealthy ratio of having one CBK look after six COs.

In addition to this, CBKs must go through a book-keeping training before they start any work. In this regard, the assessment found that all the CBKs had received training. Once the training is complete, CBKs are provided with Terms of References (ToRs) in which their duties are detailed. The assessment found that the CBKs of 11 VOs had obtained their ToRs, i.e. 69%.

A Community Book Keeper in Kashmore-Kandhkot

**Number of CBKs in Sample Villages** Table 5

| District | Taluka | UC | Village/VO | No. of COs | No. of CBKs |
|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | 3 | 1 |
| | | Dolatpur | Ali Mohd. Khoso | 3 | 1 |
| | | | Horan Khoso | 3 | 1 |
| | Kashmore | Malheer | Abdul Rahman Mangi | 2 | 1* |
| | | Ghulanpur | Allah Ditto Solangi | 2 | 1 |
| | | | Dakhan School | 4 | 1 |
| | Tangwani | Tangwani | Imam Bux Gabol | 2 | 2 |
| | | | Malhar Bajkani | 2 | 2 |
| Kashmore-Kandhkot Total | | | | 21 | 10 |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | 4 | 1 |
| | | | Lashari | 2 | 1 |
| | Lakhi | Bhirkan | Ameen Goth | 3 | 1 |
| | | | Samano | 2 | 1* |
| | | Lakhi | Jumma Khan | 6 | 1 |
| | | | Makka | 6 | 2 |
| | | Wazirabad | Geo Mahar | 5 | 2 |
| | | | Mohd. Nawaz Magsi | 2 | 1 |
| Shikarpur Total | | | | 30 | 10 |
| Grand Total | | | | 51 | 20 |

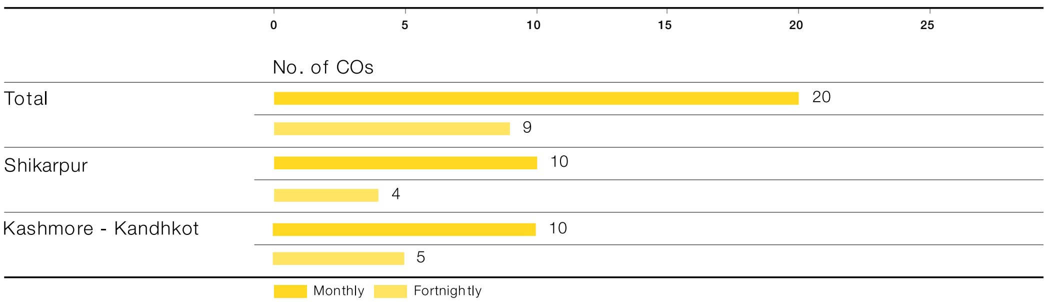
* In addition to these CBKs, one CO in each of these two villages does not have the CBK visit their CO. The reason for this is because the CO Manager is educated and maintains the records herself.

In terms of frequency of visits of CBKs to COs, the assessment found that the CBKs in 20 COs (or 69%) made monthly visits to the COs in order to maintain their records, as seen in Figure 28. This again shows that since most of the COs in the sample area met every month, thus the CBKs also visited monthly. In addition to this, the frequency of visits of CBKs to VOs was found to be that the majority of CBKs visited their VOs monthly (11 VOs or 69%), as seen in Figure 29. What is very commendable is that 31% of CBKs visited their VOs fortnightly to maintain their records.

The actual importance of these CBKs can be seen in the fact that all the COs and VOs said that they were ‘very satisfied’ with the work of their CBKs. Furthermore, in the next section, the result of these frequent visits to the COs and VOs will show in the quality of the records at the CO and VO level.

**Frequency of Visits of CBKs to COs**

Figure 28




**Frequency of Visits of CBKs to VOs**

Figure 29


## RECORDS

As mentioned before, one of the most important aspects of any programme is the accuracy and maintenance of records. In the CIF programme, there are records which are maintained at all levels, i.e. at the village, community and beneficiary levels. Thus this section will be split into the aforementioned levels. In the assessment, each record was given a score based on its condition. These scores are:

1. Does not exist - where the record in question is not present
2. Partially updated - where the record has been filled and maintained sporadically with frequent mistakes
3. Mostly updated - where the record has been filled in and updated to a large extent, with some minor mistakes
4. Fully updated - where the record is filled in and maintained completely with few mistakes

### CO Records

A CO maintains primarily two types of records; the first of which is the Saving/Attendance register. The Savings/Attendance register contains the attendance of the members in each meeting and also the details of any saving they deposited or withdrew. The assessment found that in all the COs, the condition of the Savings/Attendance register was fully up to date.

The Karwai register is the record which maintains the minutes of each and every meeting that the CO holds. In it are details such as the date, attendance, what the major agenda points were, what the key decisions taken during the meeting were and also the signatures of present members. The assessment found that 29 COs had fully updated records while two COs had partially updated records, as seen in Figure 30 and Table 6.

**Condition of COs' Karwai Registers**

Figure 30


**Condition of CO Records**

Table 6

| | Savings/Attendance Register | | Karwai Register | |
|---|---|---|---|---|
| | Partially Updated | Fully Updated | Partially Updated | Fully Updated |
| Kashmore-Kandhkot | 0 | 16 | 2 | 14 |
| Shikarpur | 0 | 15 | 0 | 15 |
| Total | 0 | 31 | 2 | 29 |

### VO Records

At the village level the number of records increases as this is the level where the CIF fund is present. In addition to records regarding meetings and attendance, it also maintains the CIF records for all the beneficiaries in the village.

From Table 7, it can be seen that VOs have three extra records to maintain in comparison to COs. The assessment found that 94% of VO Savings/Attendance registers were fully maintained, while the rest were mostly updated as seen in Figure 31. As for the Karwai registers, what is admirable is that all the VOs had fully updated Karwai registers.

**Condition of VO Records**

Table 7

| | Savings/Attendance Register | | Karwai Register | | CIF Register | | Cash Book | | Receipt Book | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Mostly Updated | Fully Updated | Mostly Updated | Fully Updated | Mostly Updated | Fully Updated | Mostly Updated | Fully Updated | Mostly Updated | Fully Updated |
| Kashmore-Kandhkot | 1 | 7 | 0 | 8 | 3 | 5 | 0 | 8 | 1 | 7 |
| Shikarpur | 0 | 8 | 0 | 8 | 2 | 6 | 0 | 8 | 3 | 5 |
| Total | 1 | 15 | 0 | 16 | 5 | 11 | 0 | 16 | 4 | 12 |

**Condition of VO Savings/Attendance Registers**

Figure 31


The following figures represent the findings of the assessment regarding those records which were unique to the VOs.

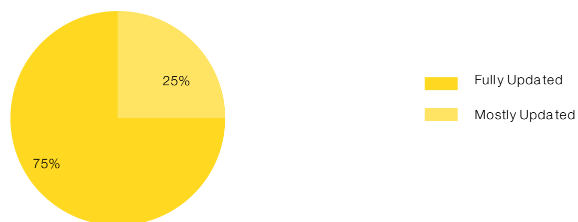
The CIF register of a VO maintains all the details regarding CIF loans which have been disbursed and their repayments and whether they have been fully repaid or not. The CIF register contains this information beneficiary-wise. It was seen that 69% of CIF registers were fully updated while the rest were mostly updated. The reason for some CIF registers being mostly updated was because in some cases, beneficiaries had repaid back their loan but that detail had not been recorded in the register. During discussions with VO members, it seemed that they were not that concerned with this absent information as they said that they all knew that those women had repaid the loan. However experience has shown that in cases where money is involved, ‘everything’ should be recorded. In the case of UCBPRP CIF, the reason distils down to the fact that if an individual wanted to create confusion or a conflict amongst members, it would be very easy to carry it out in the absence of complete records. More commonly, if the CBK leaves or new members come in, not everyone will have that previous knowledge regarding the repayment of members’ loans. Therefore to reduce chances of conflict, each and every detail should be recorded.

The VO because of the fact that it has to frequently withdraw and deposit money, has to maintain a cash book which can record these financial transactions. The assessment saw that in all VOs, the condition of the cash books was fully updated.

The VO also maintains receipt books which were designed to provide a source of evidence for beneficiaries and the VO alike, that repayments or money had been given to the VO. If a member repays an instalment or her loan off completely, she is provided with a receipt from the VO. One copy is given to the beneficiary while a second copy is kept with the VO. The assessment found that 75% of receipt books were fully updated while the rest were mostly updated. In these cases, the receipt book had either blank pages or in some cases, no VO copy of certain receipts.

**Condition of VOs' Receipt Books**

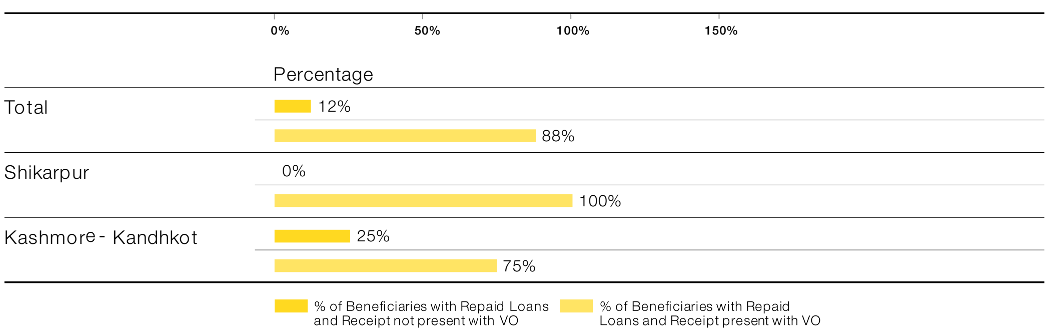
Figure 32




In addition to this, the assessment also looked at how many of the sample beneficiaries' repayment transactions were present with their VOs. To this end, the assessment found that 88% of beneficiaries' repayment receipts were present with their respective VOs. The remaining receipts could not be found with their VOs. Again this demonstrates the fact that the members and CBK might know that these women have repaid the loan but it still does not excuse the fact that receipts should be absent.

**Presence of CIF Repayment Receipts with VO**

Figure 33




Lastly, due to the fact that the VO is the only organisation in the CIF programme which maintains a bank account, the assessment also looked at whether VOs were keeping their bank statements. It found that all 16 VOs had their bank statements intact and present alongside their cash books.

What this section has demonstrated is that despite being a community-managed programme and that too entirely by women, record-keeping has not suffered. The main difference between this CIF programme and the pilot programme in Layyah, is the presence of support in the form of CBKs. It is because of the

CBKs that all the records at various tiers have been well maintained. The assessment did not find any case where either entire registers were missing or did not exist or where they were partially updated. At its most extreme, some VOs had minor cases of missing entries or had not given out receipts for some payments made by beneficiaries. In the larger scheme of things, SRSO has managed to ensure that record-keeping is kept at an exceptionally well level; all the while from a distance.

### CIF LOANS

The assessment looked at a total of 192 beneficiaries across 16 villages. The details of their loans will be presented in this section. Since the assessment selected villages where CIF had been given a chance to 'mature', in some villages the CIF fund has already been revolved with some beneficiaries taking their second loans. In order to look at each cycle, the results have been presented in two forms; firstly cycle-wise and then aggregated.

Table 8 shows the situation of the CIF fund in the first cycle in which all the villages disbursed loans. A total of Rs. 1,880,700 was disbursed to the sample beneficiaries in the first cycle. The average loan size was just under Rs. 10,000; however between the villages, great variation can be seen where some villages decided upon disbursing an average loan size of around Rs. 5,000. In terms of repayment, 128 loans have been fully repaid out of a total of 192 loans, or 67%. This however does not distinguish between unpaid loans which are in default and those whose repayment date has not arrived as yet. The second-last column shows that actual loans which as of the time of the assessment were in default are at 25%; a notably low figure keeping in mind that these were women who had to flee their homes due to flood-alerts. More of this will be discussed in the report regarding why some women defaulted, in the upcoming sections; the primary reason being the floods.

Table 9, on the other hand shows the situation of CIF in cycle 2 where only half of the villages have revolved their fund. What is noteworthy is that a second cycle has not taken place in those villages where default loans exist. This shows the responsibility of the community in wanting to get their CIF fund well in control before a second cycle begins. This also demonstrates the ownership of the community regarding the fund present with their VO, that they would completely collect the outstanding loans rather than start giving fresh loans.

Secondly, another positive trend which can be highlighted is that the average loan size has decreased to a little over Rs. 8,000. The benefit of small but more frequent loans is that it allows for more women to be able to get a chance at obtaining loans.

Members of a CO

**CIF Loans in Cycle 1-Rs**

Table 8

| District | Taluka | UC | Village/VO | Amount of CIF Disbursed to Sample Beneficiaries in 1st Cycle | No. of loans taken out in 1st Cycle | Average Loan Size in 1st Cycle | No. of Loans Fully Repaid in 1st Cycle | Amount of CIF Repaid in 1st Cycle | No. of Loans in Default in 1st Cycle | Amount of Loans in Default in 1st Cycle (inc Service Charge) |
|---|---|---|---|---|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | 105,000 | 12 | 8,750 | 2 | 21,000 | 10 | 89,750 |
| | | Dolatpur | Ali Mohd. Khoso | 240,000 | 12 | 20,000 | 3 | 63,000 | 9 | 189,000 |
| | | | Horan Khoso | 70,000 | 12 | 5,833 | 12 | 73,500 | 0 | - |
| | | Malheer | Abdul Rahman Mangi | 243,000 | 12 | 20,250 | 4 | 89,000 | 7 | 144,000 |
| | Kashmore | Ghulanpur | Allah Ditto Solangi | 71,000 | 12 | 5,917 | 12 | 72,500 | 0 | - |
| | | | Dakhan School | 67,000 | 12 | 5,583 | 9 | 51,680 | 1 | 6,100 |
| | Tangwani | Tangwani | Imam Bux Gabol | 97,000 | 12 | 8,083 | 12 | 97,000 | 0 | - |
| | | | Malhar Bajkani | 99,000 | 12 | 8,250 | 6 | 51,500 | 0 | - |
| Kashmore-Kandhkot Total | | | | 992,000 | 96 | 10,333 | 60 | 519,180 | 27 | 428,850 |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | 92,000 | 12 | 7,667 | 12 | 92,000 | 0 | - |
| | | | Lashari | 130,500 | 12 | 10,875 | 6 | 80,000 | 0 | - |
| | Lakhi | Bhirkan | Ameen Goth | 108,000 | 12 | 9,000 | 12 | 110,180 | 0 | - |
| | | | Samano | 117,000 | 12 | 9,750 | 12 | 119,340 | 0 | - |
| | | Lakhi | Jumma Khan | 109,000 | 12 | 9,083 | 3 | 31,600 | 9 | 81,250 |
| | | | Makka | 108,000 | 12 | 9,000 | 12 | 110,800 | 0 | - |
| | | Wazirabad | Geo Mahar | 113,000 | 12 | 9,417 | - | 37,900 | 12 | 80,100 |
| | | | Mohd. Nawaz Magsi | 111,200 | 12 | 9,267 | 11 | 102,200 | 0 | - |
| Shikarpur Total | | | | 888,700 | 96 | 9,257 | 68 | 684,020 | 21 | 161,350 |
| Grand Total | | | | 1,880,700 | 192 | 9,795 | 128 | 1,203,200 | 48 | 590,200 |

**CIF Loans in Cycle 2-Rs**

Table 9

| District | Taluka | UC | Village/VO | Amount of CIF Disbursed to Sample Beneficiaries in 2nd Cycle | No. of loans taken out in 2nd Cycle | Average Loan Size in 2nd Cycle | No. of Loans Fully Repaid in 2nd Cycle | Amount of CIF Repaid in 2nd Cycle | No. of Loans in Default in 2nd Cycle | Amount of Loans in Default in 2nd Cycle (inc Service Charge) |
|---|---|---|---|---|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | - | 0 | - | - | - | - | - |
| | | Dolatpur | Ali Mohd. Khoso | - | 0 | - | - | - | - | - |
| | | | Horan Khoso | 70,000 | 12 | 5,833 | 2 | 10,500 | 0 | - |
| | | Malheer | Abdul Rahman Mangi | - | 0 | - | - | - | - | - |
| | Kashmore | Ghulanpur | Allah Ditto Solangi | 71,000 | 12 | 5,917 | - | - | - | - |
| | | | Dakhan School | - | 0 | - | - | - | - | - |
| | Tangwani | Tangwani | Imam Bux Gabol | 72,000 | 9 | 8,000 | 1 | 8,000 | 0 | - |
| | | | Malhar Bajkani | 49,000 | 6 | 8,167 | - | - | - | - |
| Kashmore-Kandhkot Total | | | | 262,000 | 39 | 6,718 | - | 18,500 | 0 | - |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | - | 0 | - | - | - | - | - |
| | | | Lashari | - | 0 | - | - | - | - | - |
| | Lakhi | Bhirkan | Ameen Goth | 108,000 | 12 | 9,000 | - | - | - | - |
| | | | Samano | 117,000 | 12 | 9,750 | - | - | - | - |
| | | Lakhi | Jumma Khan | - | 0 | - | - | - | - | - |
| | | | Makka | 108,000 | 12 | 9,000 | - | - | - | - |
| | | Wazirabad | Geo Mahar | - | 0 | - | - | - | - | - |
| | | | Mohd. Nawaz Magsi | 101,000 | 11 | 9,182 | - | - | - | - |
| Shikarpur Total | | | | 434,000 | 47 | 9,234 | - | - | - | - |
| Grand Total | | | | 696,000 | 86 | 8,093 | 3 | 18,500 | 0 | - |

**CIF Loans in Cycles 1 and 2-Rs** Table 10

| District | Taluka | UC | Village/VO | Amount of CIF Disbursed to Sample Beneficiaries | No. of loans taken out | Average Loan Size | No. of Loans Fully Repaid | Amount of CIF Repaid | No. of Loans in Default | Amount of Loans in Default (inc Service Charge) |
|---|---|---|---|---|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | 105,000 | 12 | 8,750 | 2 | 21,000 | 10 | 89,750 |
| | | Dolatpur | Ali Mohd. Khoso | 240,000 | 12 | 20,000 | 3 | 63,000 | 9 | 189,000 |
| | | | Horan Khoso | 140,000 | 24 | 5,833 | 14 | 84,000 | 0 | - |
| | | Malheer | Abdul Rahman Mangi | 243,000 | 12 | 20,250 | 4 | 89,000 | 7 | 144,000 |
| | Kashmore | Ghulanpur | Allah Ditto Solangi | 142,000 | 24 | 5,917 | 12 | 72,500 | 0 | - |
| | | | Dakhan School | 67,000 | 12 | 5,583 | 9 | 51,680 | 1 | 6,100 |
| | Tangwani | Tangwani | Imam Bux Gabol | 169,000 | 21 | 8,048 | 13 | 105,000 | 0 | - |
| | | | Malhar Bajkani | 148,000 | 18 | 8,222 | 6 | 51,500 | 0 | - |
| Kashmore-Kandhkot Total | | | | 1,254,000 | 135 | 9,289 | 63 | 537,680 | 27 | 428,850 |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | 92,000 | 12 | 7,667 | 12 | 92,000 | 0 | - |
| | | | Lashari | 130,500 | 12 | 10,875 | 6 | 80,000 | 0 | - |
| | Lakhi | Bhirkan | Ameen Goth | 216,000 | 24 | 9,000 | 12 | 110,180 | 0 | - |
| | | | Samano | 234,000 | 24 | 9,750 | 12 | 119,340 | 0 | - |
| | | Lakhi | Jumma Khan | 109,000 | 12 | 9,083 | 3 | 31,600 | 9 | 81,250 |
| | | | Makka | 216,000 | 24 | 9,000 | 12 | 110,800 | 0 | - |
| | | Wazirabad | Geo Mahar | 113,000 | 12 | 9,417 | 0 | 37,900 | 12 | 80,100 |
| | | | Mohd. Nawaz Magsi | 212,200 | 23 | 9,226 | 11 | 102,200 | 0 | - |
| Shikarpur Total | | | | 1,322,700 | 143 | 9,250 | 68 | 684,020 | 21 | 161,350 |
| Grand Total | | | | 2,576,700 | 278 | 9,269 | 131 | 1,221,700 | 48 | 590,200 |

Table 10 displays the aggregation of loans in both cycle 1 and 2. When looked from an overall point of view, until now in the case of the sample beneficiaries, a total of Rs. 2,576,700 has been disbursed in a total of 278 loans. Until now, 47% of loans have been fully repaid back into the CIF funds of the 16 villages. In addition to this, the overall rate of default, in terms of number of loans, is 17% and in terms of amount is Rs. 590,200 (23% of the total disbursed amount).

### Service Charge

In terms of service charge cycle-wise, Figure 34 shows that in cycle 1, 131 loans were taken out with service charge, i.e. 68% of loans. In cycle 2, 56 loans were taken out with service charge coming to 65%. This trend shows that the number of beneficiaries taking out loans with service charge is remaining steady, despite the fact that it is up to them whether they want to pay service charge or not.

**Number of Loans with Service Charge** Figure 34

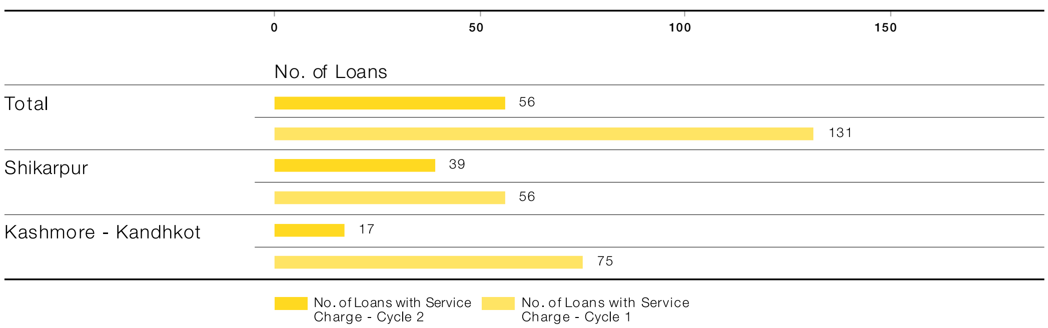



Table 11 shows the amount of service charge that has been generated in both cycles. The majority of villages have contributed to their CIF funds, except for two villages.

**Amount of Service Charge Generated Cycle-Wise -Rs** Table 11

| District | Taluka | UC | Village/VO | Amount of Service Charge in Cycle 1 | Amount of Service Charge in Cycle 2 |
|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | 5,750 | N/A |
| | | Dolatpur | Ali Mohd. Khoso | 12,000 | N/A |
| | | | Horan Khoso | 3,500 | 800 |
| | | Malheer | Abdul Rahman Mangi | 11,000 | N/A |
| | Kashmore | Ghulanpur | Allah Ditto Solangi | 1,500 | 1,000 |
| | | | Dakhan School | 780 | N/A |
| | Tangwani | Tangwani | Imam Bux Gabol | - | - |
| | | | Malhar Bajkani | 4,500 | 3,500 |
| Kashmore-Kandhkot Total | | | | 39,030 | 5,300 |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | - | N/A |
| | | | Lashari | - | N/A |
| | Lakhi | Bhirkan | Ameen Goth | 2,180 | 1,980 |
| | | | Samano | 2,340 | 2,160 |
| | | Lakhi | Jumma Khan | 3,850 | N/A |
| | | | Makka | 2,800 | 5,300 |
| | | Wazirabad | Geo Mahar | 5,000 | N/A |
| | | | Mohd. Nawaz Magsi | 1,000 | 3,000 |
| Shikarpur Total | | | | 17,170 | 12,440 |
| Grand Total | | | | 56,200 | 17,740 |

The assessment found that the average rate of service charge paid was just 4% per annum, as shown by Table 12. It shows the average rate of service charge given on loans in each village and in both cycles.

**Average Rate of Service Charges** Table 12

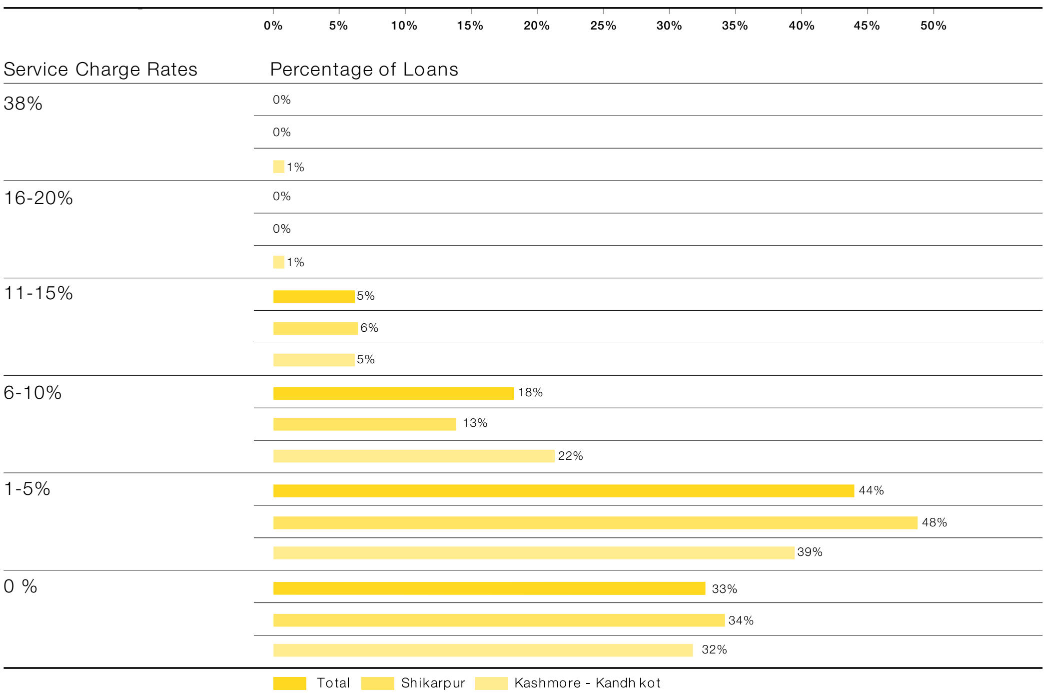
| District | Taluka | UC | Village/VO | Average Rate of Service Charge per annum in Cycle 1 | Average Rate of Service Charge per annum in Cycle 2 |
|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | 11% | - |
| | | Dolatpur | Ali Mohd. Khoso | 5% | - |
| | | | Horan Khoso | 10% | 3% |
| | | Malheer | Abdul Rahman Mangi | 5% | - |
| | Kashmore | Ghulanpur | Allah Ditto Solangi | 2% | 1% |
| | | | Dakhan School | 2% | - |
| | Tangwani | Tangwani | Imam Bux Gabol | 0% | 0% |
| | | | Malhar Bajkani | 6% | 15% |
| Kashmore-Kandhkot Total | | | | 5% | 3% |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | 0% | - |
| | | | Lashari | 0% | - |
| | Lakhi | Bhirkan | Ameen Goth | 2% | 2% |
| | | | Samano | 2% | 2% |
| | | Lakhi | Jumma Khan | 7% | - |
| | | | Makka | 3% | 9% |
| | | Wazirabad | Geo Mahar | 4% | - |
| | | | Mohd. Nawaz Magsi | 2% | 6% |
| Shikarpur Total | | | | 2% | 5% |
| Grand Total | | | | 4% | 4% |

What can also be seen in this report is the number of loans according to the amount of service charge they include. Figure 35 shows that the biggest chunk of loans have a service charge of between 1-5%, i.e. 44% of loans. This is followed by loans which have no service charge at all.

Figures 36 and 37 show the loans and rates of service charge per annum in cycles 1 and 2 respectively.

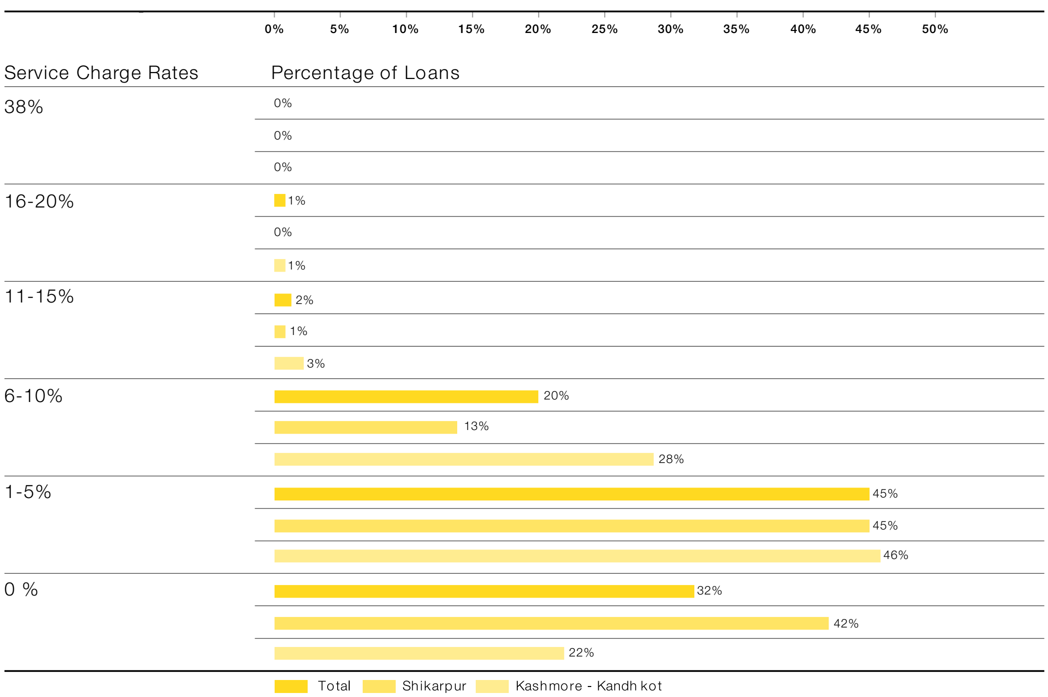
**Rates of Service Charge in Loans**

Figure 35



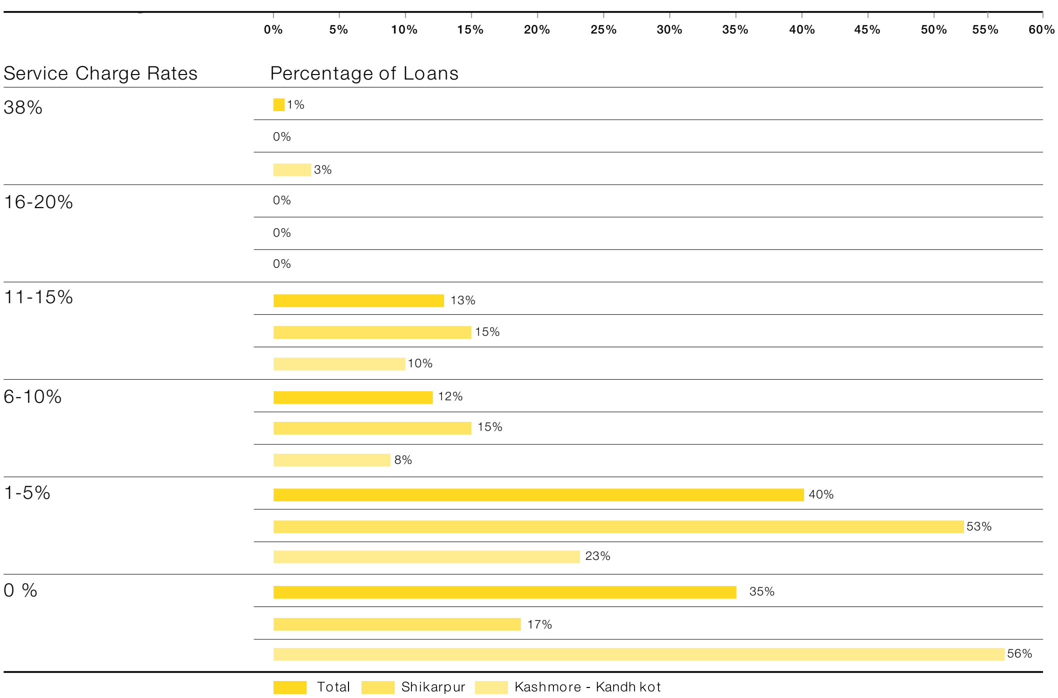
**Rates of Service Charge in Cycle 1 Loans**

Figure 36



**Rates of Service Charge in Cycle 2 Loans**

Figure 37



### Growth in the CIF Fund

Having seen the details regarding levels of service charges, the assessment found that overall the CIF fund was growing. However the percentage by which it was growing was not found to be immense. As seen in Table 13, the loan amounts distributed amongst the sample villages are set to grow at 3% after all loans had been repaid. The source of this increase is purely from service charges shedding some light on the fact that because this is a new concept for these beneficiaries, they have chosen to risk as little as possible in case the programme should not work out. Secondly, it also shows the reluctance of some beneficiaries to contribute to the CIF fund; which as will be discovered later in the report stem from their confusion with the service charge that local money-lenders charge. Lastly, this finding also demonstrates that in order for the financial strength of the CIF funds to withstand growing inflation, other means of increasing the fund should be explored by SRSO in the form of a strategy for sustaining the CIF post-UCBPRP. As will be discussed later in this report, some potential sources of growth have already been highlighted by the beneficiaries themselves.

**Growth in CIF Fund-Rs** Table 13

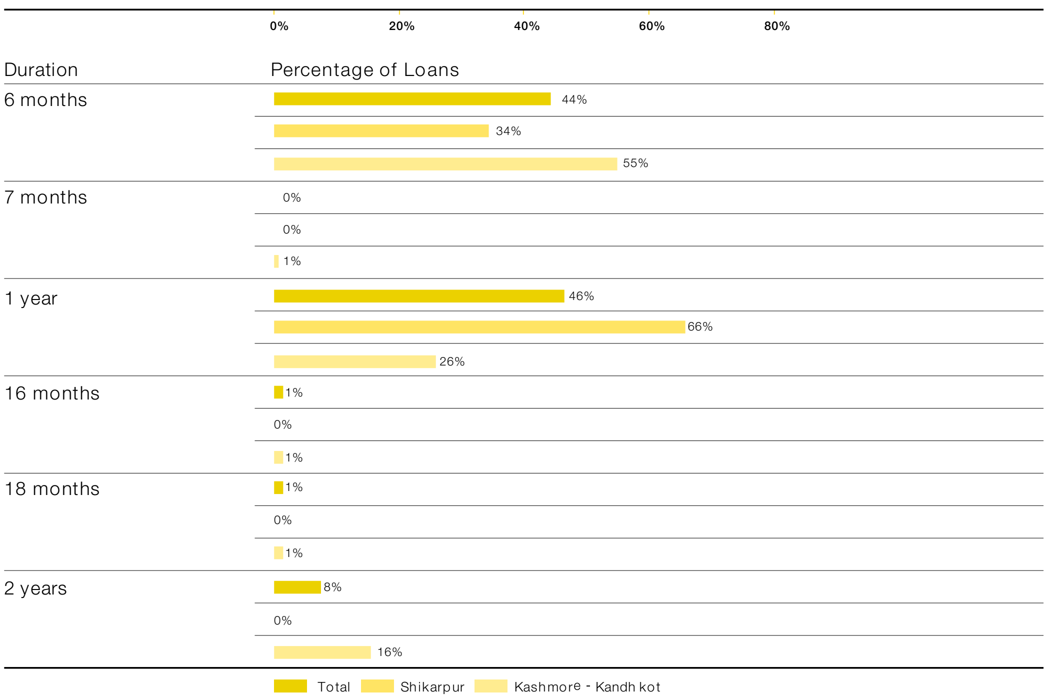
| District | Taluka | UC | Village/VO | Loan Amount Distributed | Loan Amount Returned/ to be Returned | Increase of Amount in the Fund | % Increase in the Fund |
|---|---|---|---|---|---|---|---|
| Kashmore-Kandhkot | Kandhkot | Akhero | Nabi Bux Golo | 105,000 | 110,750 | 5,750 | 5% |
| | | Dolatpur | Ali Mohd. Khoso | 240,000 | 252,000 | 12,000 | 5% |
| | | | Horan Khoso | 140,000 | 144,300 | 4,300 | 3% |
| | | Malheer | Abdul Rahman Mangi | 243,000 | 254,000 | 11,000 | 5% |
| | Kashmore | Ghulanpur | Allah Ditto Solangi | 142,000 | 144,500 | 2,500 | 2% |
| | | | Dakhan School | 67,000 | 67,780 | 780 | 1% |
| | Tangwani | Tangwani | Imam Bux Gabol | 169,000 | 169,000 | - | 0% |
| | | | Malhar Bajkani | 148,000 | 156,000 | 8,000 | 5% |
| Kashmore-Kandhkot Total | | | | 1,254,000 | 1,298,330 | 44,330 | 4% |
| Shikarpur | Garhi Yaseen | Dakhan | Hotani | 92,000 | 92,000 | - | 0% |
| | | | Lashari | 130,500 | 130,500 | - | 0% |
| | Lakhi | Bhirkan | Ameen Goth | 216,000 | 220,160 | 4,160 | 2% |
| | | | Samano | 234,000 | 238,500 | 4,500 | 2% |
| | | Lakhi | Jumma Khan | 109,000 | 112,850 | 3,850 | 4% |
| | | | Makka | 216,000 | 224,100 | 8,100 | 4% |
| | | Wazirabad | Geo Mahar | 113,000 | 118,000 | 5,000 | 4% |
| | | | Mohd. Nawaz Magsi | 212,200 | 216,200 | 4,000 | 2% |
| Shikarpur Total | | | | 1,322,700 | 1,352,310 | 29,610 | 2% |
| Grand Total | | | | 2,576,700 | 2,650,640 | 73,940 | 3% |

### Duration of Loans

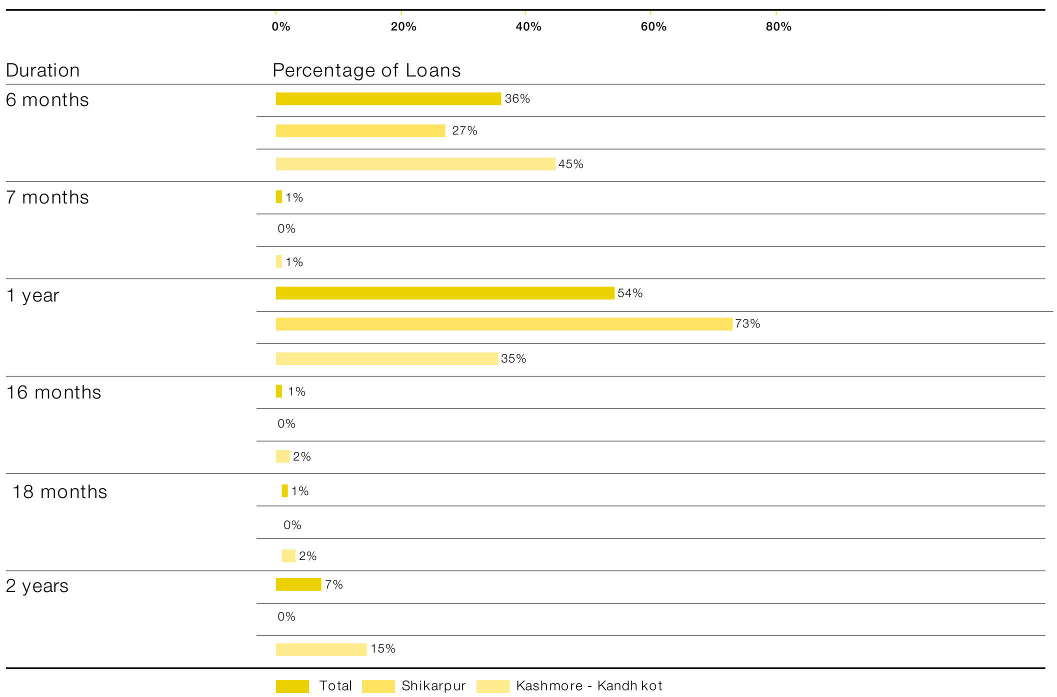
The assessment also found that the most popular duration for loans was one year (46%), as shown in Figure 38. What is also encouraging is the fact that the next most popular duration was six months; something that is advised heavily upon since it ensures the quick revolving of the CIF fund. In addition to this, if a breakdown of cycle 1 and 2 is seen (in Figures 39 and 40), it shows that more loans are being taken for a duration of six months, rather than one year. However in the future, there is no doubt that one year loans will continue as it allows women to ensure that their livestock grows and gives offspring once, if not twice.

**Duration of Loans**

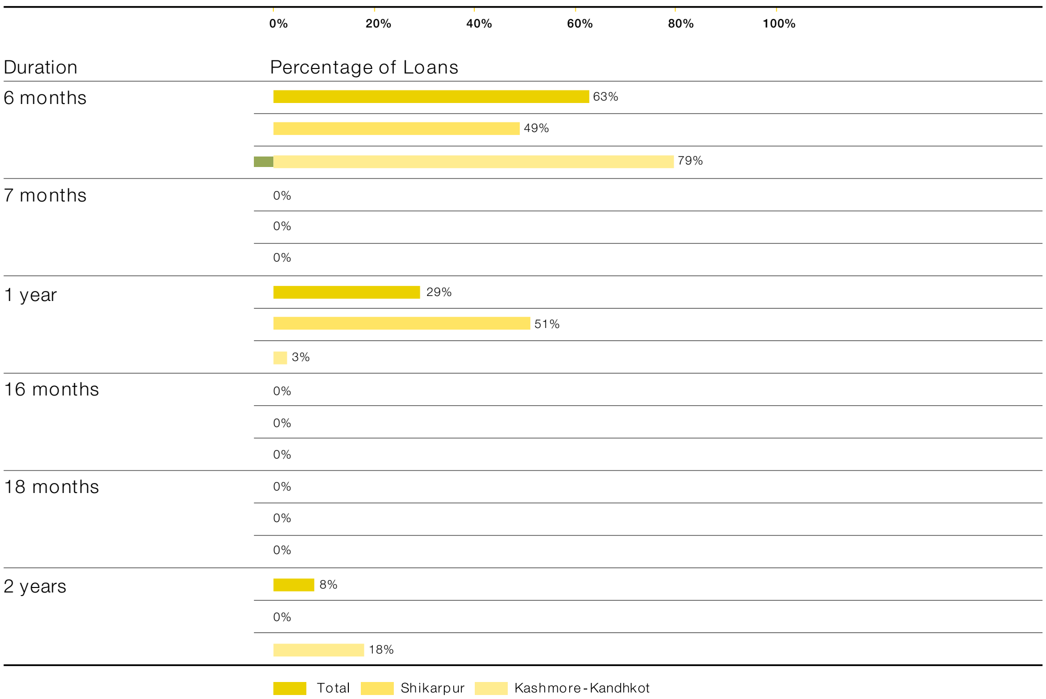
Figure 38



**Duration of Loans in Cycle 1** Figure 39



**Duration of Loans in Cycle 2** Figure 40

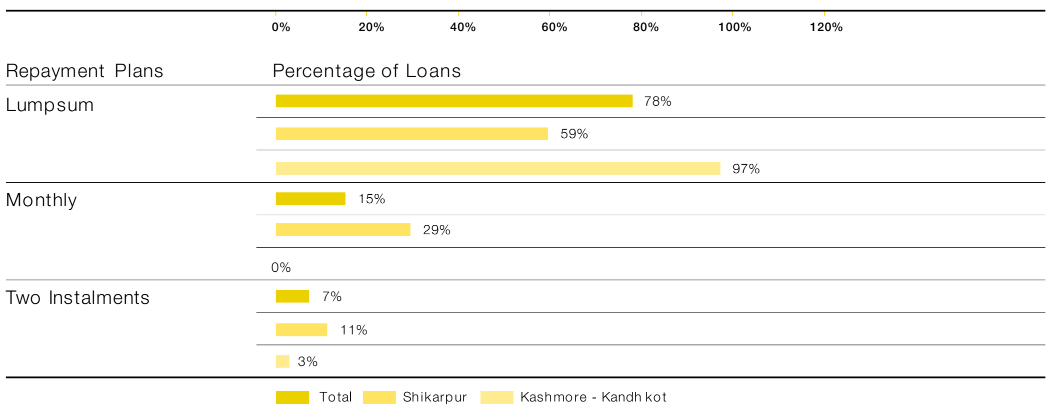



### Repayment Plans

In the CIF programme, decisions regarding issues such as repayment options or plans are decided by the beneficiaries. The assessment found that the majority of loans had been and were going to be repaid lump sum, as seen in Figure 41. The reason for this is that purchasing livestock is one of the most popular uses for women and because the nature of the investment is such, women have to wait until their livestock has either grown so that they can sell it or until their livestock has given offspring so that it can be sold. In those cases, where investments were made in enterprise such as sewing clothes or opening a shop, monthly or two-instalment plans were chosen. The popularity of lump sum repayment plans can also be seen in Figures 42 and 43, where the levels of lump sum repayment plans continue to be the highest.

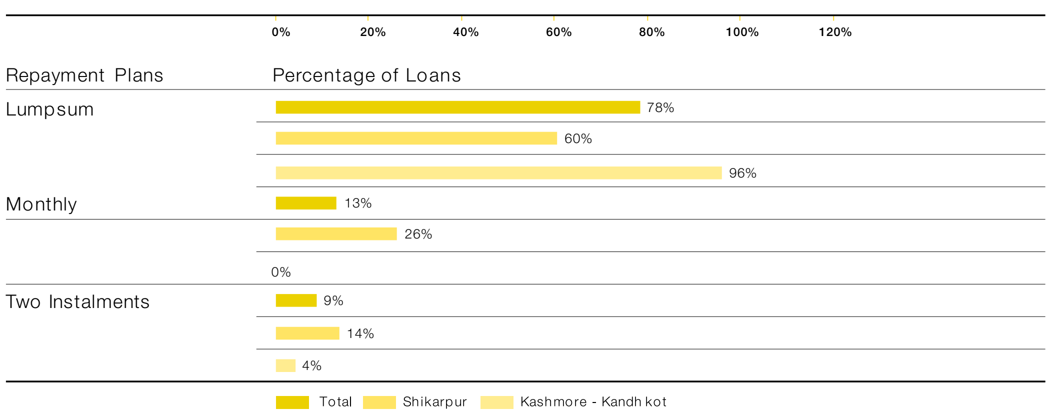
**Repayment Plans of Loans**

Figure 41



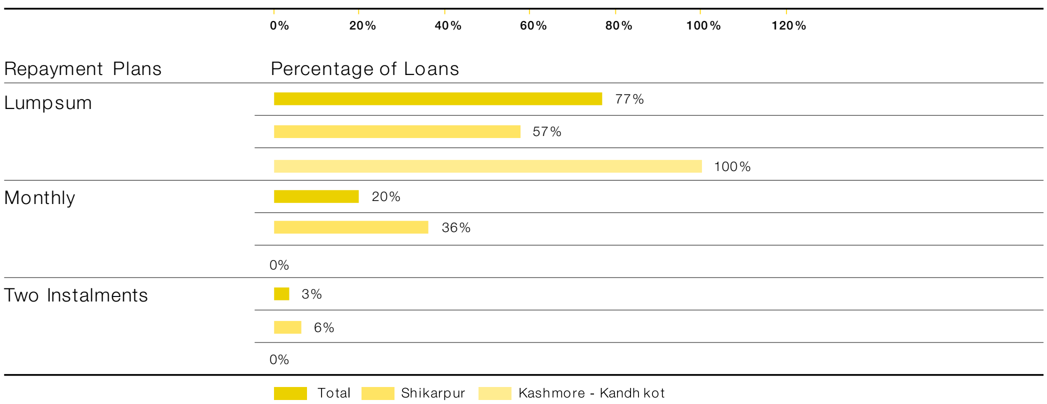

**Repayment Plans of Cycle 1 Loans**

Figure 42



**Repayment Plans of Cycle 2 Loans**

Figure 43

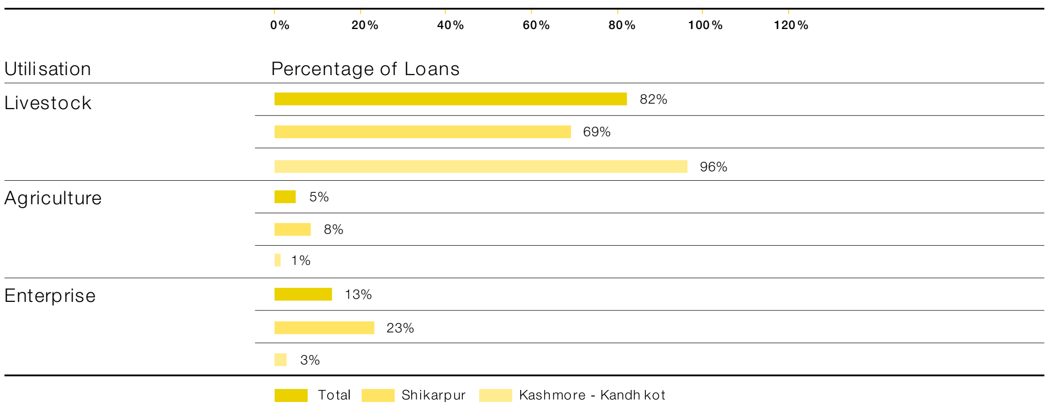



### Utilisation of Loans

Since the CIF programme has always been implemented in rural and remote areas, the utilisation of the loans has always been similar. In rural areas, the options for investment are markedly reduced, especially for women. The most popular utilisation is to purchase livestock, which can also be seen in the case of this report, in Figure 44. The reason for this is that women in rural areas have traditionally tended to livestock and it is seen as their foray. In addition to this, it is expected that the income from livestock will be the income of the woman in the household. Another reason for its popularity is the multiplication of investment. By far, the most popular choice of livestock is the female goat. The reason for this is that most goats give offspring every six months, usually ranging from 1-3 kids. Therefore, in a period of just six months, a woman can find herself with her original goat and a couple of its kids. This way, she can sell either the kids or the female goat in order to a) repay her loan and b) to use the remaining profit on her household. Having done this, she is still left with livestock. The popularity of livestock can also be seen in Figures 45 and 46, which show that livestock remains the highest in both cycles.

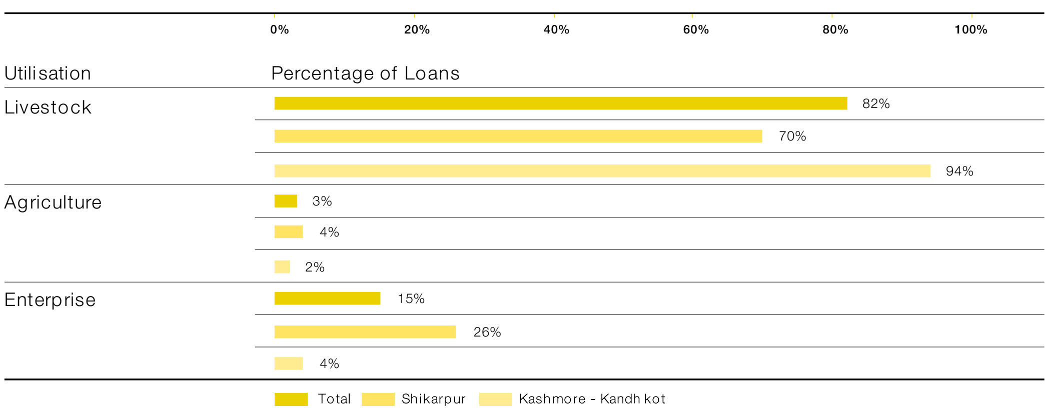
**Utilisation of Loans**

Figure 44



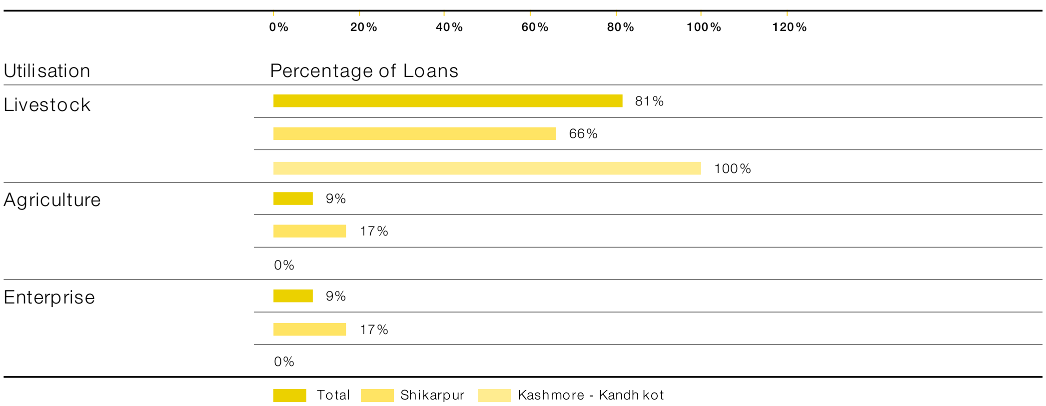

**Utilisation of Loans in Cycle 1**

Figure 45



**Utilisation of Loans in Cycle 2**

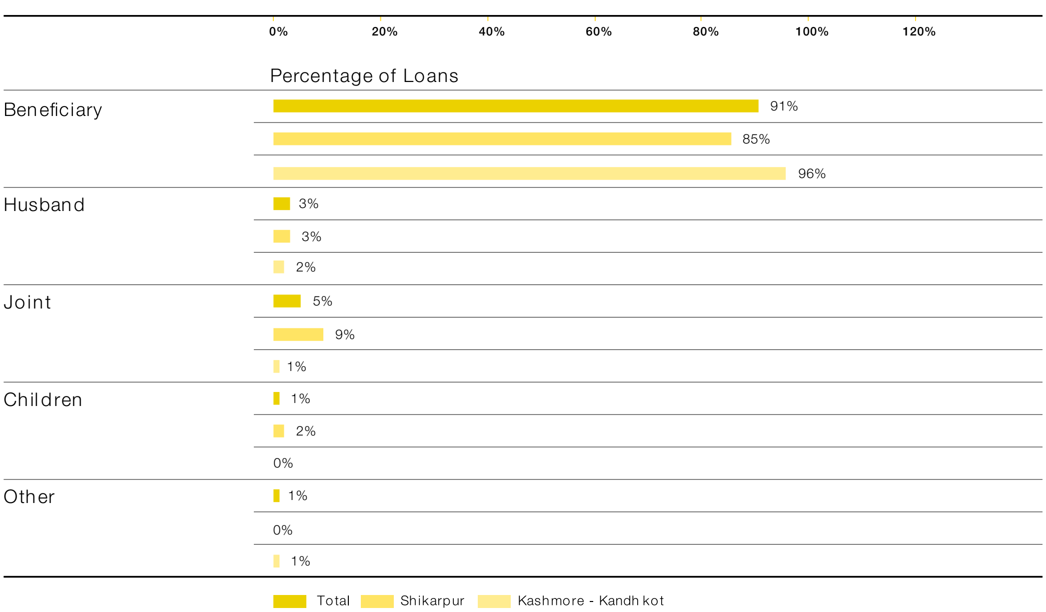
Figure 46




Looking into who actually utilised the loans sheds light on an important issue of women being used by men in order to access capital. In the case of CIF, this study finds that the majority of loans, i.e. 91% were utilised by the beneficiaries themselves, as seen in Figure 47. This is followed by a large gap where 5% of loans were utilised by both husband and wife in consultation.

**Who Utilised Loans?**

Figure 47



### Repeat Loans

The CIF programme allows for women to take repeat loans, if their CO decides upon it. In the case of the sample, 86 women took out a second loan in cycle 2. In terms of any change in their behaviour, Table 14 shows that the only area in which change came about was in service charge. Women chose to take the same loan amount, loan duration and utilisation as their first loans. However one beneficiary chose to reduce her level of service charge while six increased theirs. In addition to this, the assessment found that 28 women stopped paying service charges in their second cycle. One of the explanations for this is the floods of 2010. Some villages were completely evacuated thus forcing women to use their profits or even to abandon their investments in order to leave the village. During the assessment, it was clear to see that people in some villages were still in the process of trying to get back to normal conditions, such as fixing their houses and collecting their possessions. It is due to this that some beneficiaries are being cautious in terms of getting a loan that can ensure them the maximum amount of profit. However the assessment also found encouraging aspects as well. For example, in cycle 2, nine beneficiaries took out loans with service charge; something which they had not done in the previous cycle.

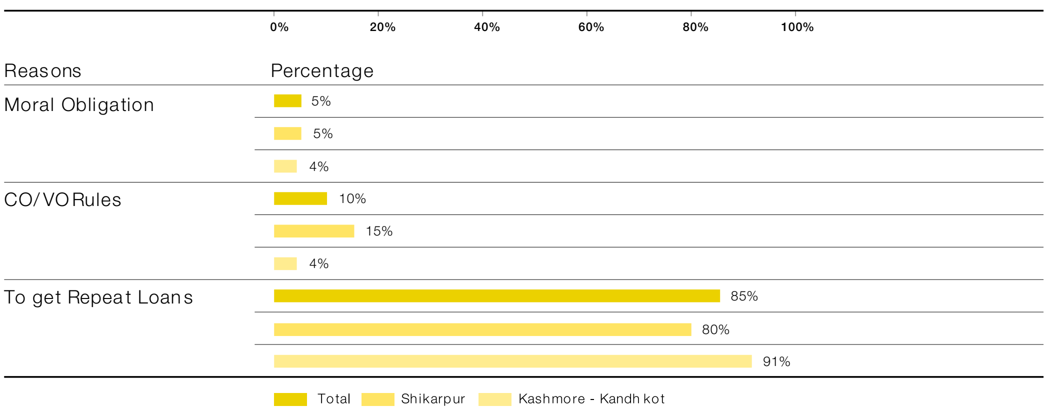
**Change in Repeat Loans** Table 14

| | Increase in Loan size | Change in Duration | Decrease in Service Charge | Increase in Service Charge | No. of Beneficiaries Who are not paying Service Charge | No. of Beneficiaries Who have started paying Service Charge | Changed utilisation |
|---|---|---|---|---|---|---|---|
| Kashmore-Kandhkot | 0 | 0 | 1 | 1 | 13 | 3 | 0 |
| Shikarpur | 0 | 0 | 0 | 5 | 15 | 6 | 0 |
| Total | 0 | 0 | 1 | 6 | 28 | 9 | 0 |

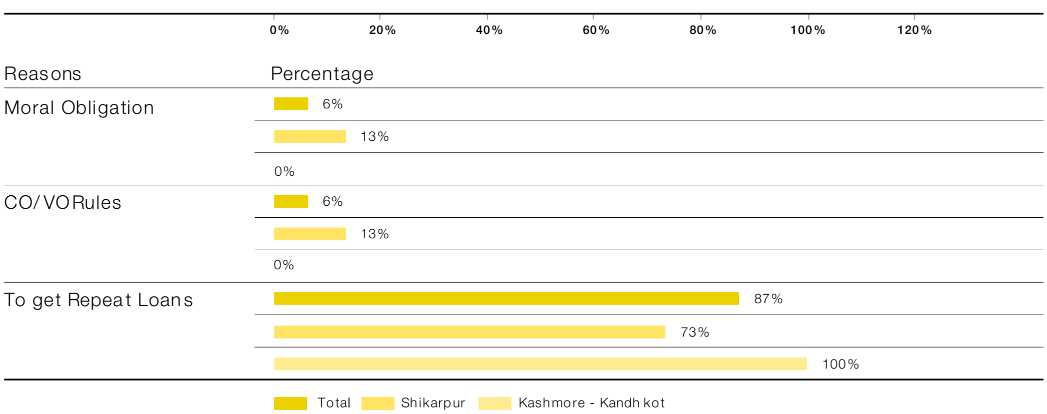
### Repayment of Loans

One of the most vital aspects of any credit programme, repayment of loans is essential in order to ensure the continuation of the programme. The assessment went into the different aspects of repayment, such as why beneficiaries chose to repay their loans. According to the findings, the majority of beneficiaries chose to repay their loan in order to obtain a repeat loan. As seen in Figure 48, 85% of those beneficiaries that had either repaid instalments or repaid in full, said that the reason for them repaying was in order to get a repeat loan. This same sentiment was seen when talking to the CO leaders and VO as seen in figures 49 and 50.

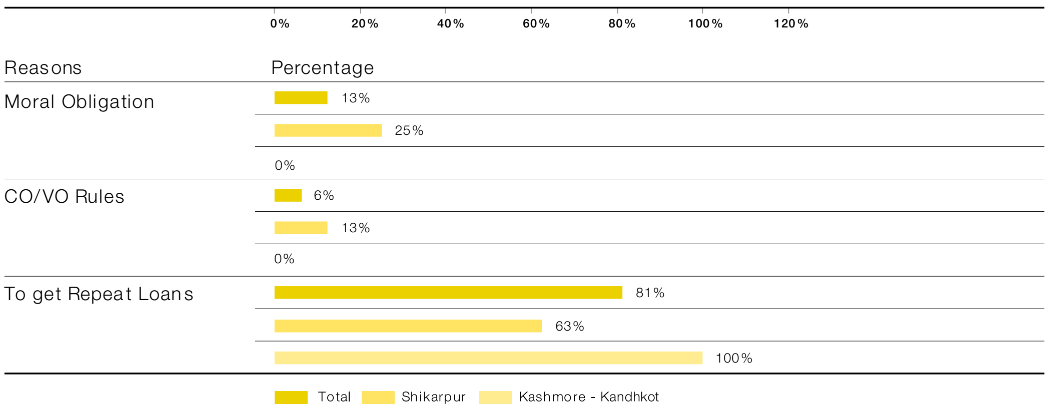
**Reasons for Repaying Loans According to Beneficiaries** Figure 48




**Reasons for Repaying Loans According to CO** Figure 49

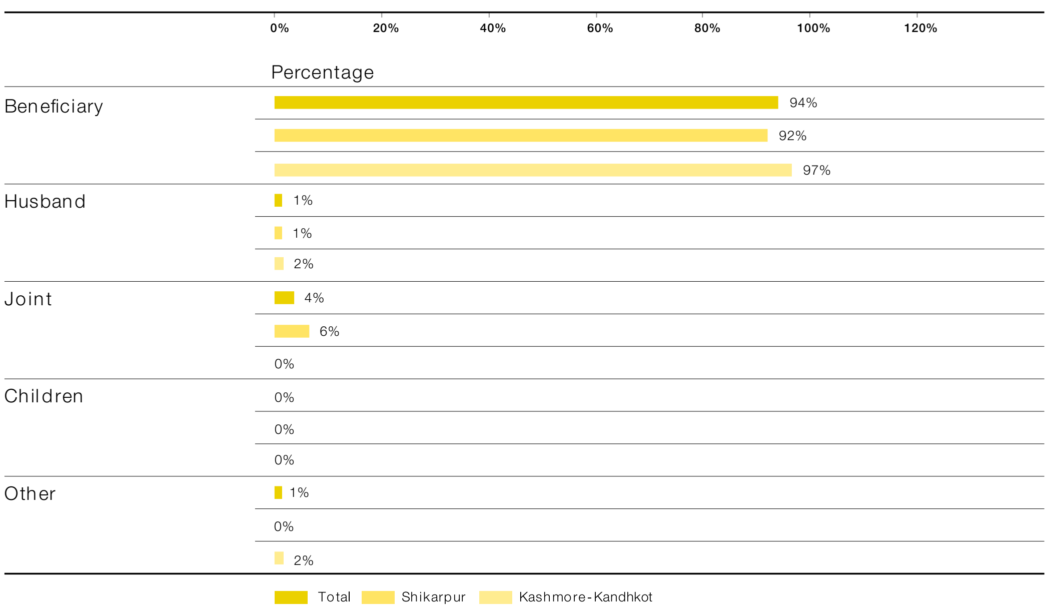


**Reasons for Repaying Loans According to VO** Figure 50



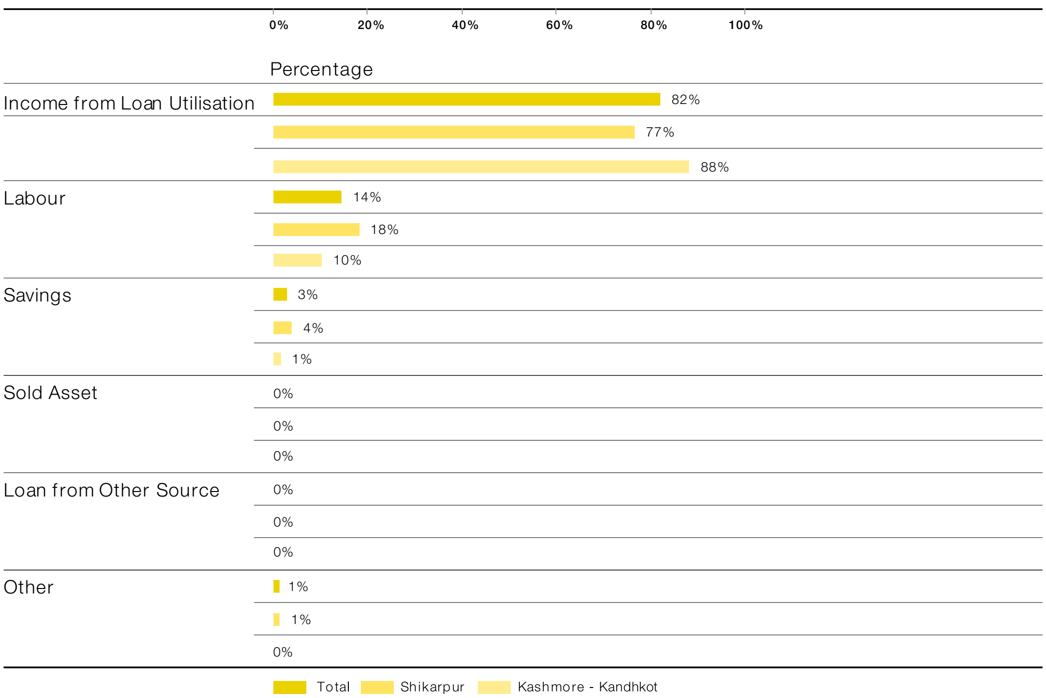

Regarding who made loan repayments, what is reassuring is the fact that the majority of repayments were made by the beneficiaries themselves, i.e. 94%. This goes in-line with the trend of who utilised the loans, in which the majority were the beneficiaries as well.

**Who Made Loan Repayments?** Figure 51



As mentioned earlier in this report, one of the negative outcomes of regular microfinance has been the struggle that many beneficiaries find themselves in regarding repaying their loans, or getting into the debt trap. The assessment probed into the source of instalments or final repayments that had been deposited. As seen in Figure 52, 82% of loans which had been repaid in part or full, had been done so with income from their loan investment.

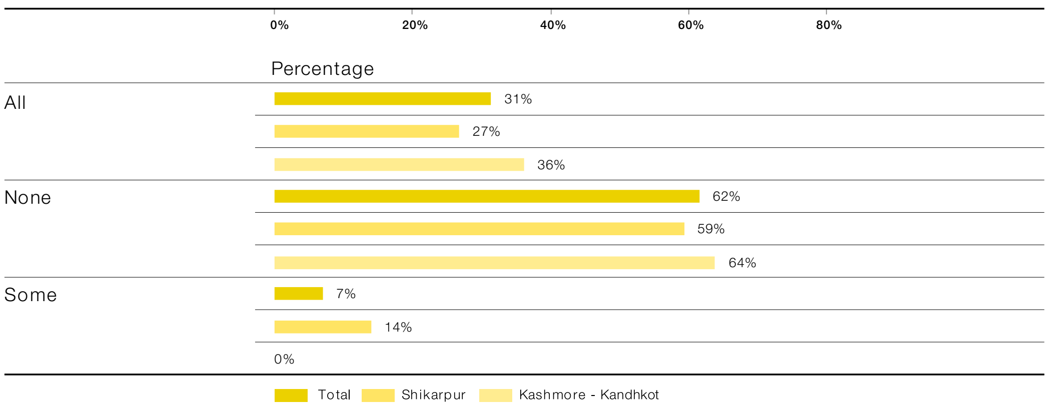
**Source of Loan Repayments** Figure 52




What this entails is the start or increase in income from investments such as purchasing a sewing machine or stocking a shop or selling the milk or offspring of their livestock. The second most popular source of repayment was through labour. What this demonstrates is the success of the CIF programme (in terms of it being community-managed) in avoiding issues or situations where the beneficiaries end up in a worse position than they originally were.

The assessment also looked into the trend regarding late or non-payment of loans in which positive aspects can be seen. Figure 53 shows that the majority of beneficiaries that repaid instalments or their entire loan, did not repay them late. What can also be seen is that a number of beneficiaries had repaid all of their repayments late. The reasons for this as stated before in this report are the floods which took place last year. According to Figure 54, 98% of beneficiaries quoted this as their reason for late or non-repayments. The rest of the beneficiaries repaid late or have not paid because of some family emergencies.

**Percentage of Late Repayments** Figure 53



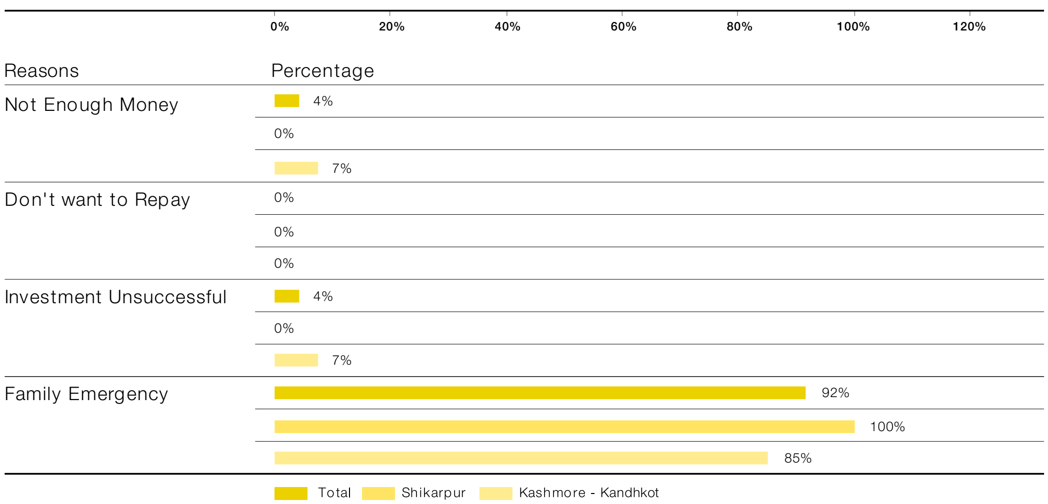

**Reason for Late/Non-Payment of Loan** Figure 54


In addition to this, Figure 55 shows that in the case of beneficiaries who were in default, the majority of defaulting beneficiaries said that it was due to family emergencies, which upon more discussion, was narrowed down to being due to the floods.

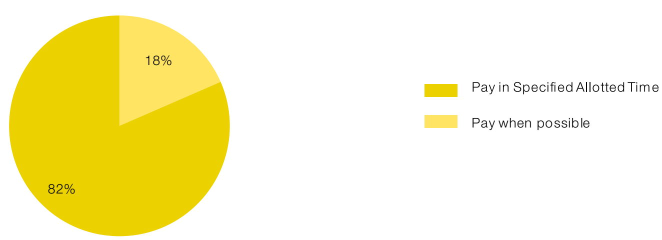
At this point, readers might be wondering about the fate of these default loans. The assessment found that in case of late or default loans, the majority of COs and VOs had given those beneficiaries more time to repay. As seen in Figure 56, 82% of COs and VOs went with this decision instead of deciding to let the loan lapse. The duration of time given to beneficiaries ranged from one month to six months.

It is decisions such as these which reveal the difference between regular microfinance and community-managed microfinance. Had this been the case in microfinance, steps such as directing inappropriate pressure, etc would have been taken. However decisions such as allowing defaulting beneficiaries with genuine reasons to repay in more time are what CIF is made up of. This flexibility and legitimate freedom in decision-making of communities has always resulted in communities choosing what the best is for everyone concerned. Examples of these kinds of behaviour could be seen in the case of Layyah where

**Reasons for Default** Figure 55




**Decision of CO/VO in case of Default/Late Repayments** Figure 56




beneficiaries with genuine setbacks were provided with sympathy, understanding and support rather than pressure. In one case, a beneficiary in Layyah had invested her loan as well as her own savings in purchasing a buffalo. Unfortunately her buffalo died due to some illness; leaving her with no means of repaying her CIF loan. Her VO, upon hearing of the animal's demise, reassured the beneficiary and told her that they would extend her repayment date, let her service charge lapse and provide her with a second CIF loan so that she could get up on her feet again.

## BENEFIT OF CIF

This section of the report attempts to detail the benefits accrued by the beneficiaries and the community in general because of the CIF programme. In order to do this, this section of the report will be split between benefits obtained by beneficiaries and benefits obtained by the community.

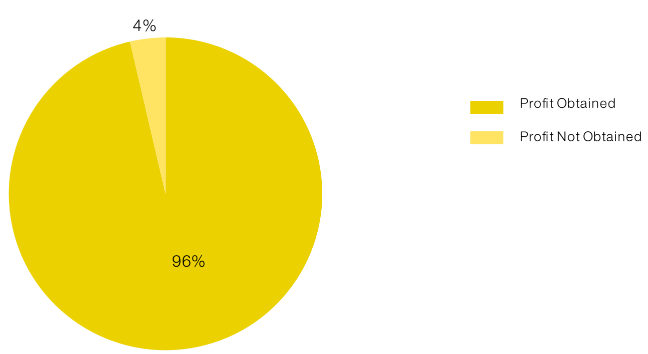
### Benefits to Beneficiaries

Benefits can be of various kinds and types. This assessment looked at two types of benefits which occurred because of CIF. The first is the monetary benefit that CIF provides while the second is the empowerment that comes from being able to access capital as well as the empowerment gained from a programme where the decisions rest with the beneficiary.

### Monetary Benefits

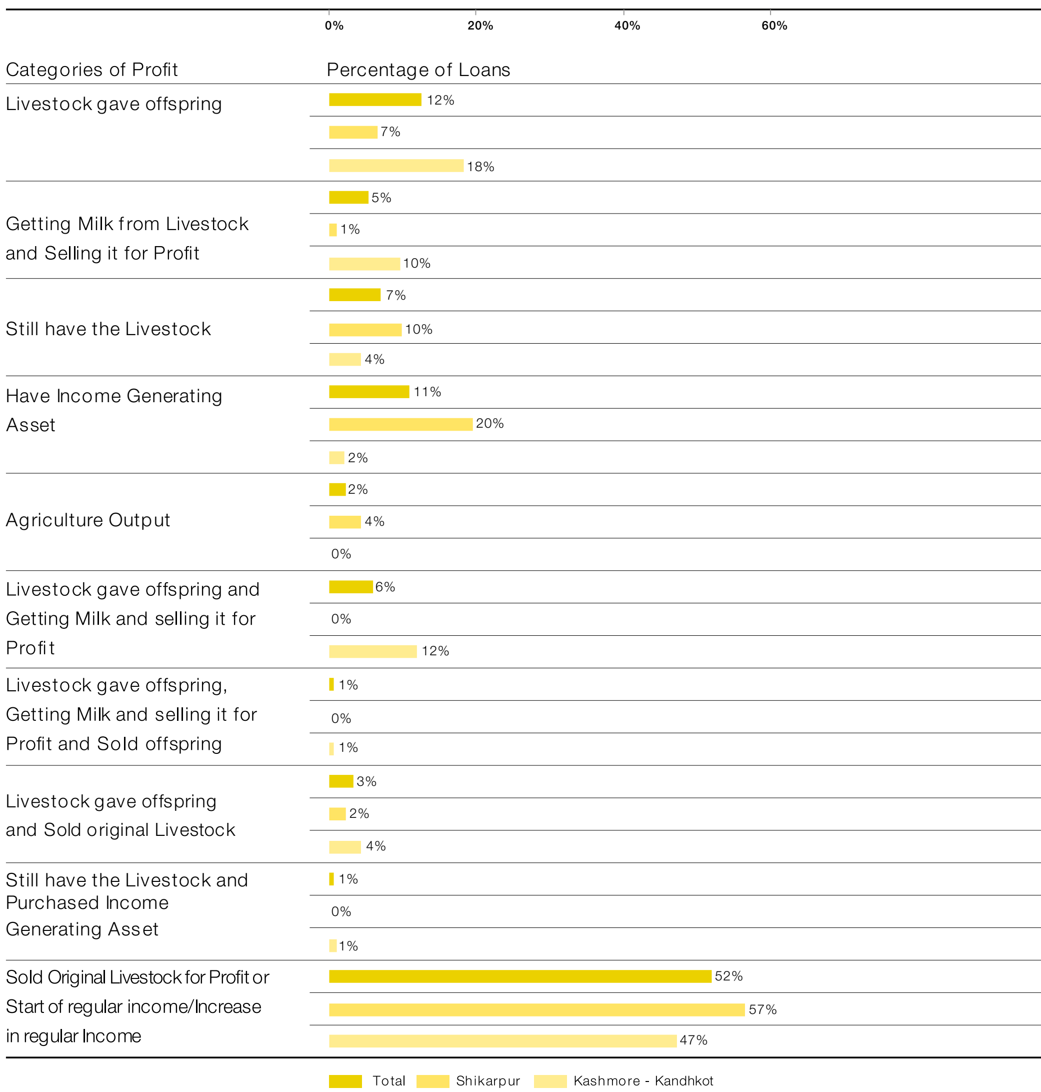
Due to the nature of CIF, i.e. to provide a way for poor women to access capital, monetary benefits are one of the primary objectives. Monetary benefits are those benefits in which a beneficiary obtains profit on their investment. The assessment found that a vast number of beneficiaries were able to get a profit on their investment, using their CIF loan. As seen in Figure 57, 96% of beneficiaries received a profit on their investment. In the case of those who did not receive any profit, the reasons for those were seen to be because of the flood.

**Percentage of Beneficiaries that Obtained Profit** Figure 57



Additional beneficiaries of CIF

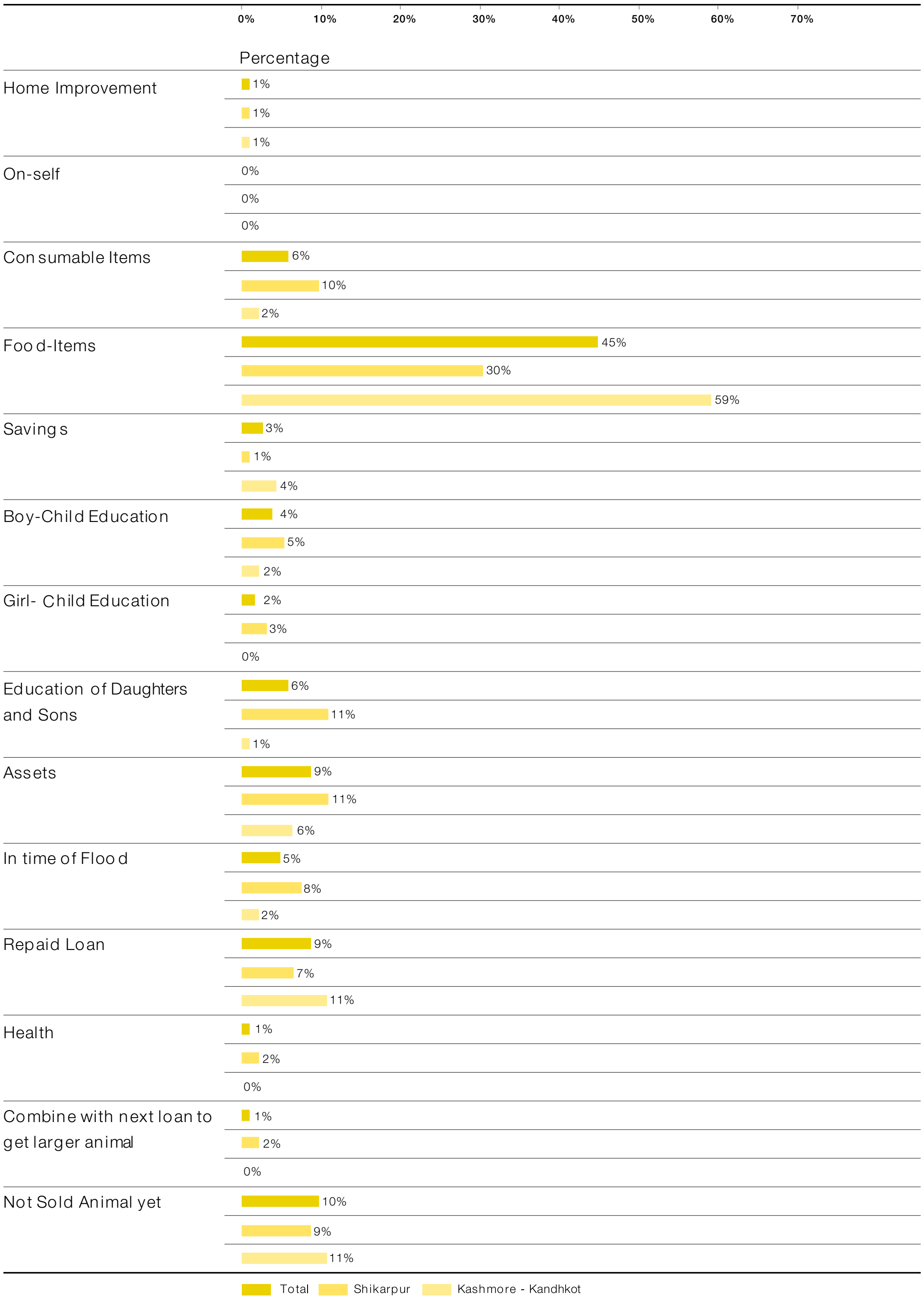
**Details of Profit of Beneficiaries** Figure 58




In terms of what kind of profit the beneficiaries obtained, Figure 58 details the range of profit. By far the chief type of profit gained was by selling the livestock that they purchased with their loan or by the increase in income that they are now able to receive (for example by opening a shop, they have a regular income coming into the household). The second highest kind of profit that beneficiaries were able to receive was that they were able to get an income-generating asset, such as a sewing machine or cart (some were donkey carts while others were carts to sell produce such as coconuts, etc).

**Utilisation of Profit**

Figure 59



The assessment also looked into the utilisation of the profit gained by beneficiaries. The reason for this is to get an idea of the multiplier effect of the benefits accrued by beneficiaries. The biggest use of the profit gained because of CIF, was in the purchase of food-items. 45% of the beneficiaries utilised their profit for this purpose, as shown by Figure 59. The other use for the profit ranged from repaying their loans, on education of children, on home improvement; to name a few. What is interesting and also well documented in existing development literature is the fact that when money is in the hands of women, they tend to spend it on others in the household. According to the assessment, not even one beneficiary spent her profit on herself!

The assessment also included a survey of beneficiaries using the PSC tool. The PSC is a tool used to measure and categorise the poverty of households according to their score (ranging from 0-100). There are four poverty bands namely:

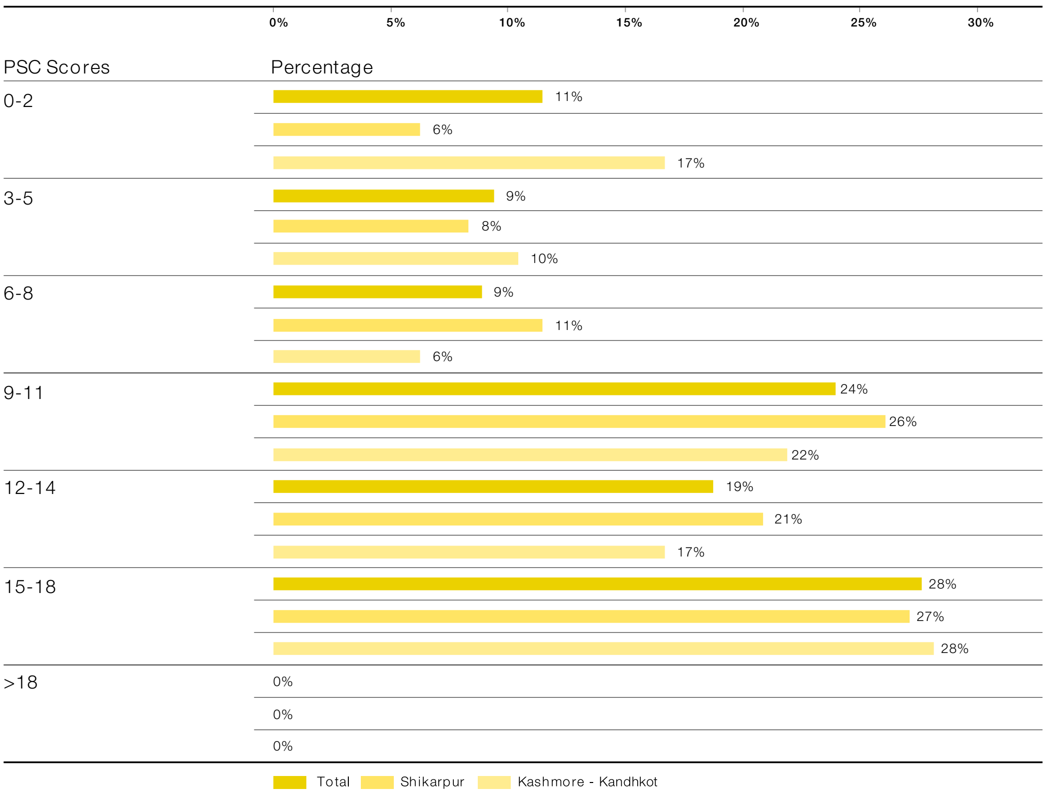
- Extremely Poor/Destitute: 0-11
- Chronically Poor: 12-18
- Transitory Poor: 19-23
- Non-Poor: 24-100

This survey was carried out in the beginning of the UCBPRP project and was used as a baseline for this assessment. CIF loans are only meant for poor women with PSC scores from 0-18. While all the CIF beneficiaries were within this target category, Figure 60 shows the distribution of the PSC scores of beneficiaries within this category. The majority of beneficiaries (53%) had PSC scores ranging from 0-11.

At the time of carrying out the field work for the CIF assessment, sample CIF beneficiary households were resurveyed by using the same PSC. Comparative analysis of PSC scores showed an increase in the PSC scores of the beneficiary households, i.e. the poverty status of the beneficiary households improved. Table 15 presents the distribution of PSC scores of the beneficiary households ‘before project’ and ‘after project’. In the former scenario, 103 sample beneficiary households were in the poorest bottom category. At the time of the CIF assessment, this number had decreased to 30, i.e. 73 beneficiary households had seen an improvement in their poverty status, and had moved into the next category, or even higher category. In other words, 71% of the beneficiary households from the extremely poor/destitute category saw verifiable improvement in their poverty status. This is a major achievement. However, it should be noted that these astounding results should not be attributed solely to the CIF programme; rather it is a result of a holistic approach of the UCBPRP project in which a collection of essential services are provided in a targeted manner to the poorest households. Therefore, this verifiable decrease in poverty can be attributed to UCBPRP, of which CIF is an integral component.

**Poverty Status of Beneficiaries before CIF**

Figure 60




**Poverty Levels of Beneficiaries Before and After CIF**

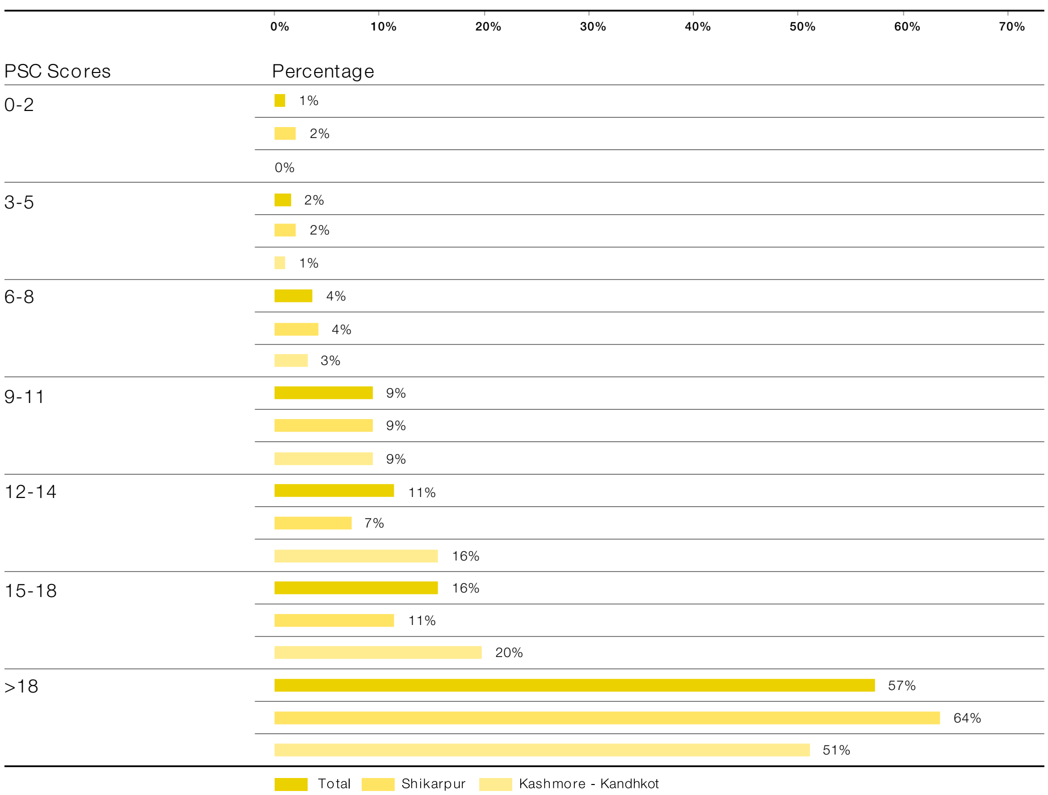
Table 15

| Poverty Bands | No. of Beneficiaries before CIF | Current No. of Beneficiaries |
|---|---|---|
| Extremely Poor/Destitute (0-11) | 103 | 30 |
| Chronically Poor (12-18) | 89 | 52 |
| Transitory Poor (19-23) | 0 | 35 |
| Non-Poor (24-100) | 0 | 75 |
| Total | 192 | 192 |

Figure 61 shows that more than half of the beneficiaries have a PSC score above 18. In addition to this, the number of beneficiaries with very low scores has decreased dramatically. In terms of the poverty scores of the beneficiaries now having a score above 18, Figure 62 shows their new position in the PSC poverty bands. 39% of those beneficiaries now come in the 'Non-Poor' poverty band, with PSC scores above 24.

**Current Poverty Status of Beneficiaries**

Figure 61



**PSC Band of those Beneficiaries Above 18 PSC Score** Figure 62

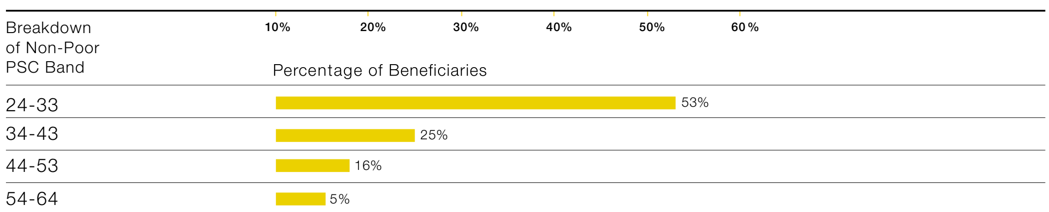

However, when looked in further detail, a majority of the beneficiaries are towards the lower end of the 'Non-Poor' poverty band, as demonstrated by Table 16 and Figure 63. Figure 63 shows that 53% of beneficiaries in the 'Non-Poor' poverty band have PSC scores of 24-33. What this indicates is the fact that even though these beneficiaries have technically come into the highest poverty band, they are still at risk of falling back into poverty should they face an income shock or even medical shock.

**PSC Breakdown of Beneficiaries in Non-Poor Poverty Band** Table 16

| PSC Scores | Current No. of Beneficiaries |
|---|---|
| 24-33 | 40 |
| 34-43 | 19 |
| 44-53 | 12 |
| 54-64 | 4 |
| Total | 75 |

Keeping in view the great movement between the poverty bands and also the fact that many beneficiaries have just moved into the 'Non-Poor' poverty band, SRSO must look into introducing an additional step of re-checking the poverty status of potential beneficiaries in future cycles. The reason for this is that it would allow for other poor women to benefit from the CIF fund as beneficiaries which have advanced to higher income-bands, would no longer be eligible for the CIF loans; thus freeing up funds. The re-checking would also allow the CO and VO members to decide whether some of those beneficiaries in the 'Non-Poor' poverty band are truly able to stand on their own feet or still require further support from the CIF.

**Breakdown of Beneficiaries in Non-Poor Category** Figure 63




### Empowerment Benefits

The CIF programme is able to provide benefits in several forms to women. In addition to monetary benefit, as detailed in the previous section, CIF is also able to provide benefits to women in terms of their empowerment for two reasons. Firstly, because women are able to access and use loans independently, they enable themselves to create a source of livelihood for themselves and their children and families. Secondly, because CIF provides an arena and opportunity to women to take decisions wholly by themselves and to manage large sums of money, it results in an increase of self-confidence and self-esteem of women. This section will go into these changes and how many women have been able to actually feel a change in themselves and their attitude.

As can be seen from Figure 64, the assessment looked at a thorough and vast range of indicators which can gauge a woman's level of empowerment. Beneficiaries were asked whether any change had occurred in the indicators after they had obtained CIF. These were indicators such as:

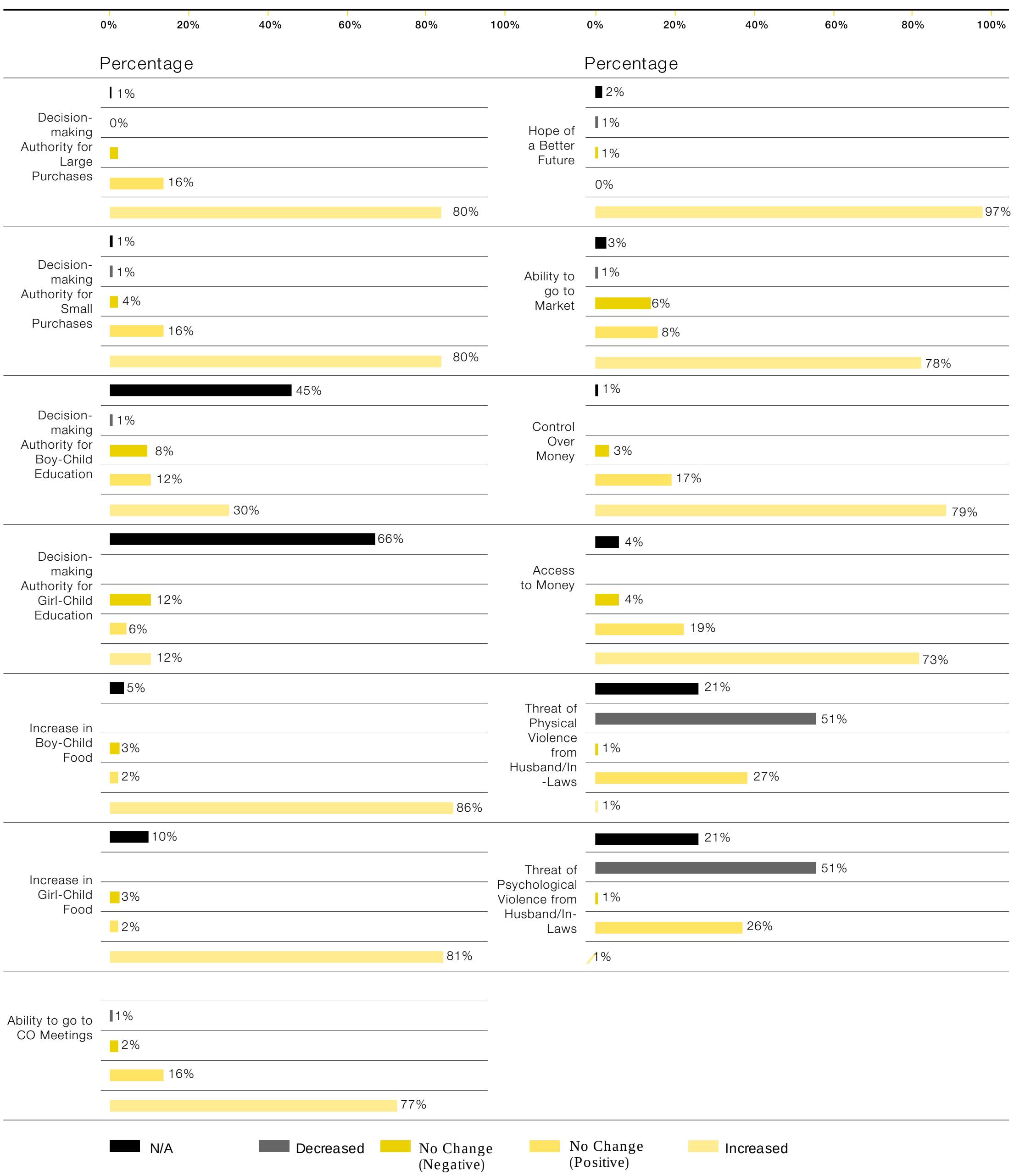
- Decision-making authority for purchase of large items: whether a woman has the authority and is allowed to make large purchases by herself, such as purchasing a fan or crockery. This indicator sheds some light on how independent the woman is and whether she is allowed to spend fairly large sums of money on her own
- Decision-making authority for purchase of small items: whether a woman has the authority and is allowed to make small purchases by herself, such as items for the house, food, etc.
- Decision-making authority for boy-child education: whether a woman has the authority to make decisions regarding her son's education, i.e. either to enrol him or change his school
- Decision-making authority for girl-child education: whether a woman has the authority to make decisions regarding her daughter's education. The reason why this indicator was included is to see whether CIF has an impact on the beneficiary's or her husband's attitude regarding what women are able to do; based on the fact that the beneficiary has been able to handle a large sum of money and invested it. Thus bringing a change in how they view their daughters and realising that they too should be educated in order to contribute to the family.
- Increase in boy-child's food consumption: whether the food quantity or quality has increased for the beneficiary's son(s) after CIF.
- Increase in girl-child's food consumption: again this indicator was included in order to gauge the change in attitude regarding the girls in the household and their usefulness and belief in their ability.

- Ability to go to CO meetings: whether a woman is able to go to her CO meetings without having to get permission from her husband. This indicator demonstrates the mobility and freedom of the woman.
- Ability to go to market: whether a woman can go to the market without her husband's permission.
- Control over money: whether a woman is able to spend the money present in the household by herself without having to ask permission from her husband to spend it.
- Access to money: whether a woman is able to get money from her husband. This demonstrates whether a husband has a belief in his wife about her intelligence in handling and spending money wisely.
- Threat of physical violence: whether a woman is the target of physical violence from either her husband or in-laws.
- Threat of psychological violence: whether a woman is the target of verbal abuse such as swearing, is talked down to or is verbally ridiculed.
- Hope of a better future: whether a woman is more positive in her outlook and attitude towards life in general and the future

The assessment remarkably showed an improvement in all these indicators, as seen in figure 64. By far the biggest improvement has come about in the attitude and outlook of the beneficiaries regarding their future. It demonstrates that besides the monetary benefit, CIF as a whole has the ability to bring some comfort in the hearts of beneficiaries. What is also gratifying to see is that the benefits of CIF have been able to reach the children in a household, with improvement in the quantity and quality of food of boys and girls. Another improvement in an important indicator is the decrease in physical and psychological threats that women receive from their husbands or in-laws. Most of these beneficiaries said that their husbands are much friendlier, kinder and harder to anger after they took out a CIF loan. Several women have said that their husbands dare not hit them now because they were the ones to give them a source of livelihood, such as provide them with a shop or a donkey-cart, etc. It was the observation of the beneficiaries that when worry regarding income and money is reduced, the attitude and personality of their husbands improve.

CIF has no bounds regarding age

**Empowerment of Women with CIF** Figure 64



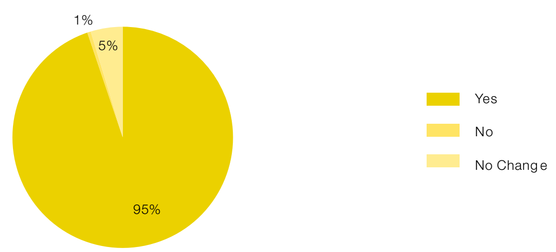
Similarly, other indicators which were asked in the assessment, showed an overarching increase in the well-being of women. Figure 65 shows the change in self-respect in beneficiaries after CIF, with 95% saying that they now have more respect for themselves.

When asked why they felt this increase in self-respect, the majority of women (74%) said that it was because they were now able to earn money themselves, as seen in Figure 66.

Similarly, 95% of beneficiaries (as seen in Figure 67) said that they were now self-confident because of their CIF loan; the reason being that they were able to handle large sums of money and to invest it for a profit.

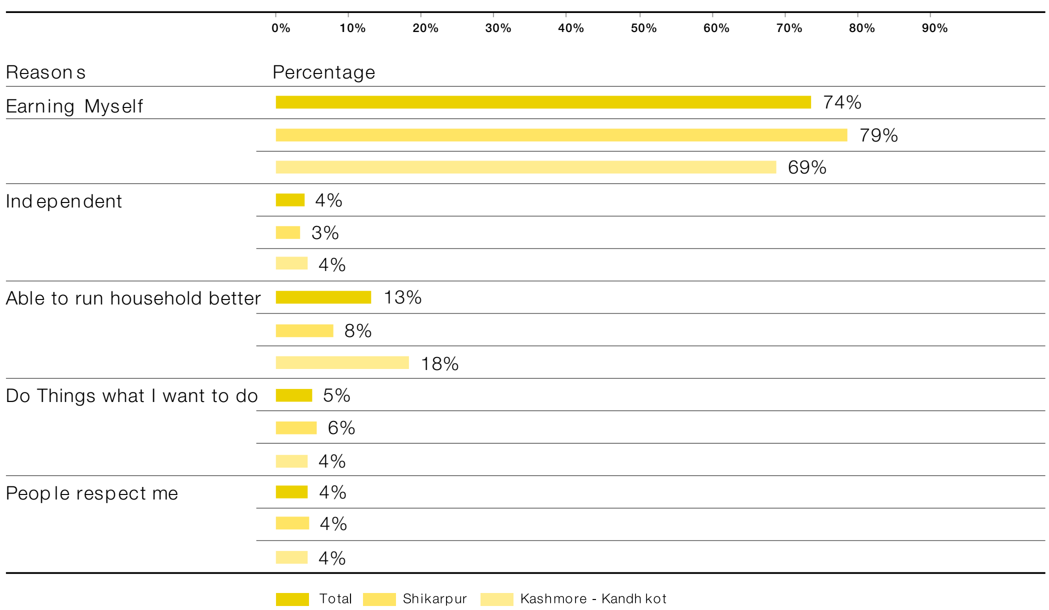
**Self-Respect after CIF**

Figure 65



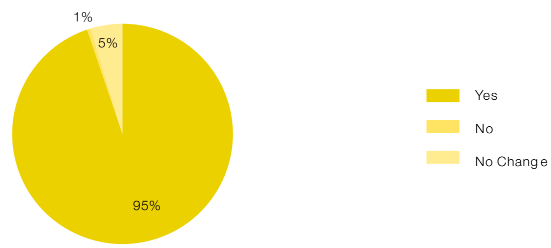

**Reasons for Self-Respect**

Figure 66

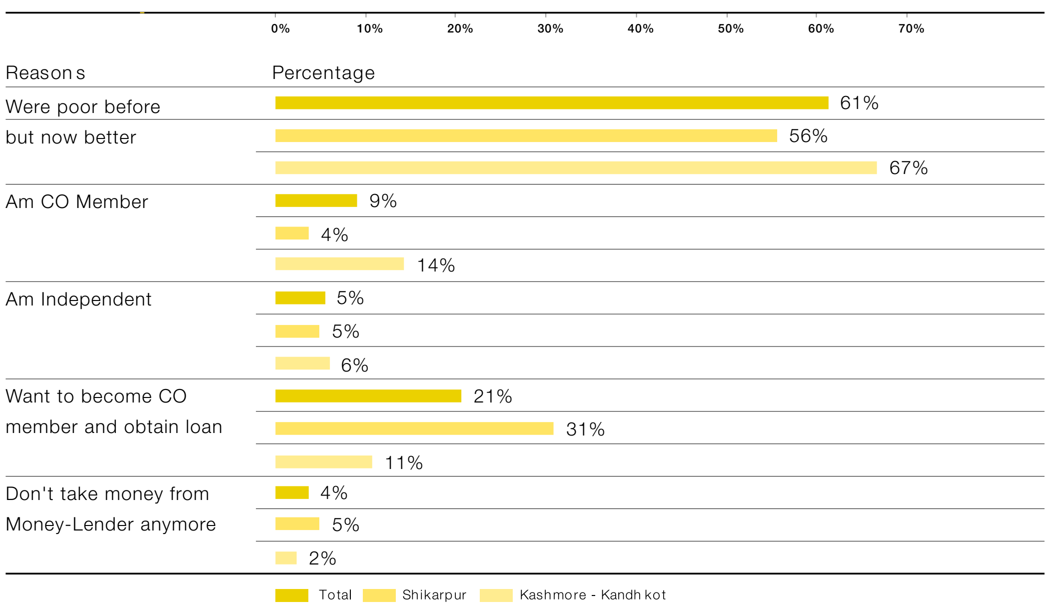


86% of beneficiaries felt that others respected them more after they had obtained their CIF loan, for the reasons shown in Figure 68. The primary reason was because they were poor before but because of the CIF they are better off now.

**Increase in Self-Confidence with CIF** Figure 67




**Reason for Increase in Other's Respect** Figure 68

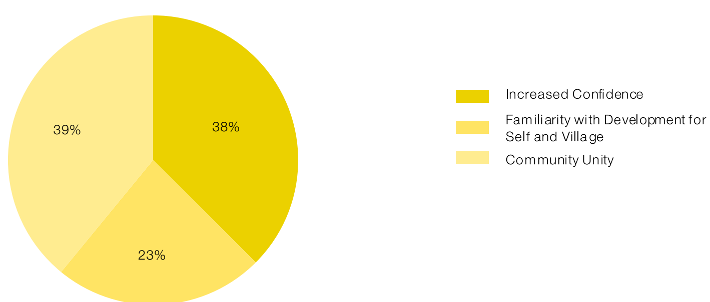


### Benefits to Community

In addition to the benefit received by individual beneficiaries, CIF, because of the fact that it is a programme which is managed by the community is also able to provide some benefits to the community that manages it.

The assessment found that all the beneficiaries said that because of CIF, their interaction with the people of their own village and with outsiders, such as SRSO had increased dramatically. According to Figure 69, the chief benefit of this increased interaction has been increased community unity. Since the CIF programme is such a tightly-knit management system, i.e. all within one village, this has the effect of strengthening the bonds between residents in a village. By working together on one issue, people tend to come closer; something which has happened in the sample villages.

**Benefit of Increased Interaction** Figure 69




This fact is further confirmed when CO leaders and VO members were asked regarding what the effect of CIF has been on their village. 97% of COs said that it had the effect of increased community unity (3% said there had been no change), while all the VOs said that it had resulted in community unity being increased.

Increased interaction amongst community members

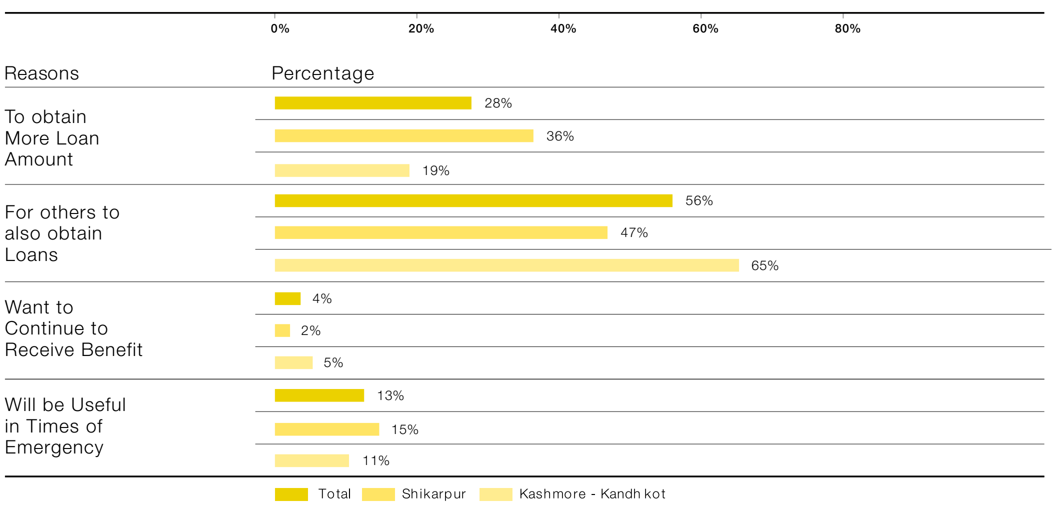
## SUSTAINABILITY OF CIF

The challenge for any programme is to ensure its continuation well after project support has been withdrawn. Sustainability or the ability to sustain is one of the signs which demonstrate the successfulness of a programme. The assessment sees sustainability in two forms. The first is the monetary aspect of sustainability, i.e. maintaining the value of the CIF funds. The second form of sustainability is the operational sustainability. This is sustainability in terms of whether the CIF programme is a programme which is realistically manageable for communities and whether it can be carried forward without SRSO assistance.

### Monetary Sustainability

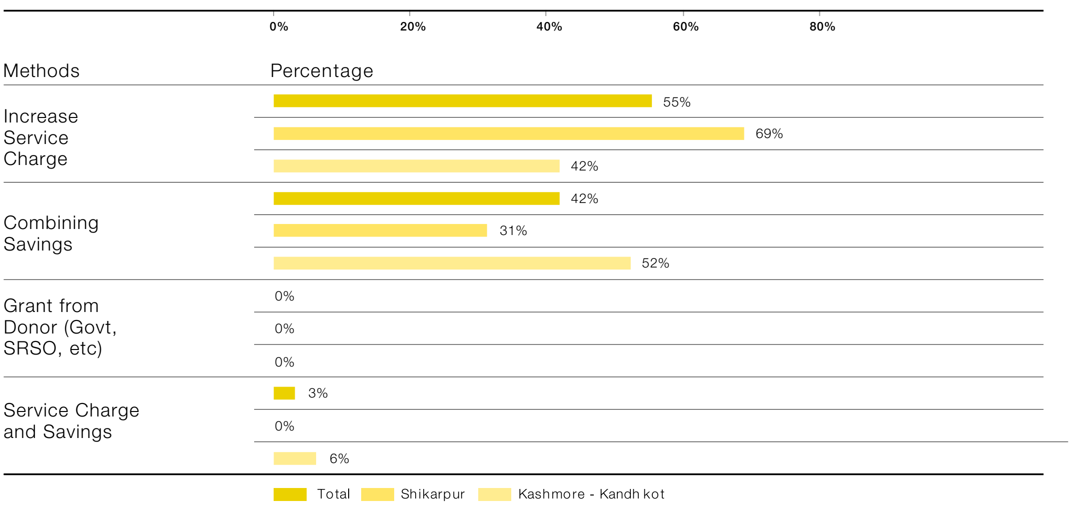
The first question which comes to mind is whether the communities want the CIF fund to grow. The assessment found that all the beneficiaries, except one did want the CIF fund to grow. When asked for the reason, the majority of beneficiaries said that if the CIF fund were increased, other women would be able to obtain loans as well. As seen in Figure 70, 56% of beneficiaries stated this as their answer. This was followed by 28% of beneficiaries wanting to increase the CIF fund in order for them to obtain increased loan amounts.

**Reasons for Wanting to Increase CIF** Figure 70



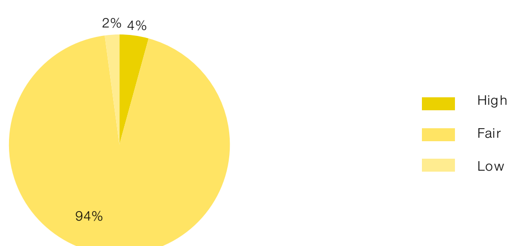

Furthermore, when asked about how the CIF fund could be increased, encouragingly the majority of beneficiaries, i.e. 55% said that it could be done through increasing the level of service charge. This was followed by 42% of beneficiaries saying that their savings could be combined into the fund.

**Methods of Increasing CIF Fund According to Beneficiaries** Figure 71

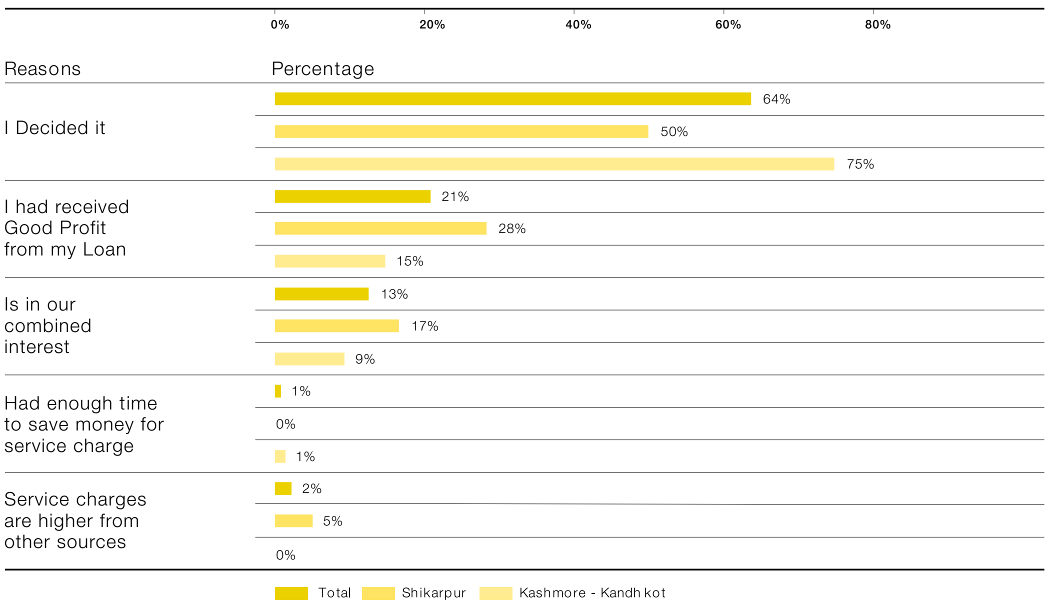



The assessment found that even in practice, the only way in which beneficiaries had increased the CIF fund was through their service charges. In the sample, 141 beneficiaries paid service charges, i.e. 73%. Connected to this fact, the assessment found that the majority of beneficiaries thought that their levels of service charges were fair, as shown in Figure 72. The reason for this is because they were decided by them, as stated by the majority of beneficiaries, i.e. 64%, as shown in Figure 73.

**Feedback of Beneficiaries Regarding Level of Service Charge** Figure 72

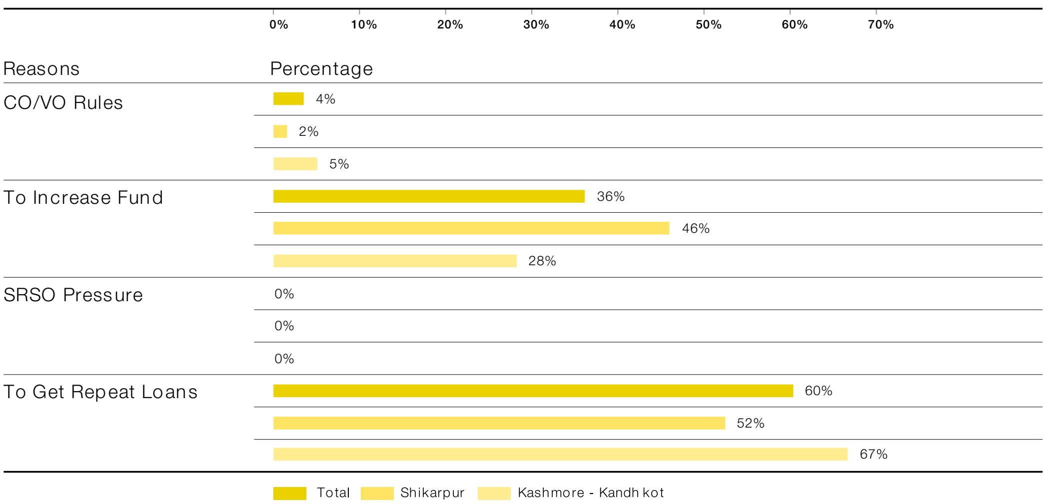


**Reasons for Why Service Charge is Fair/Low** Figure 73



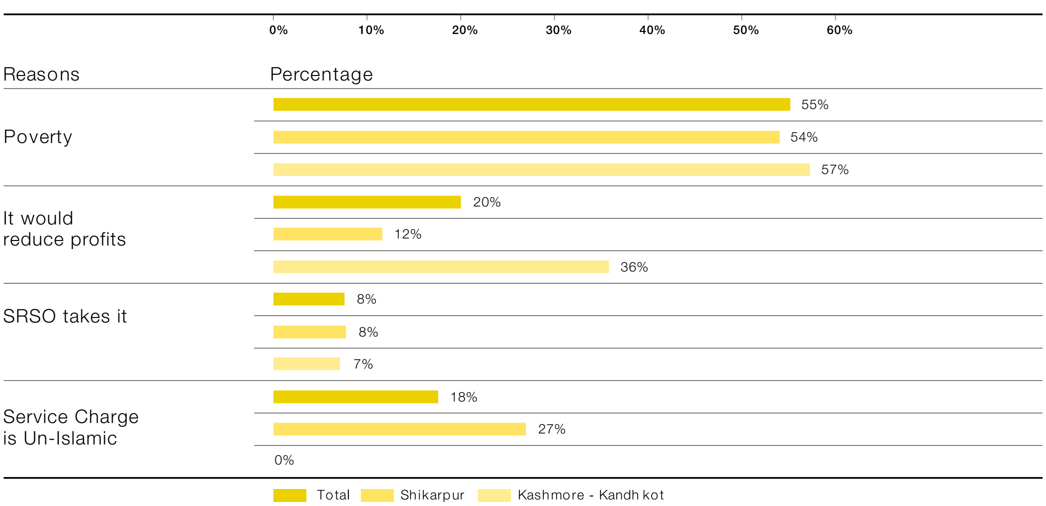

This shows that the beneficiaries are a) aware of why it is important that the CIF fund should increase, b) how it should be increased and c) are practicing what they preach as well. This is also demonstrated by the fact that the majority of beneficiaries said that the reason why they pay service charge is so that they can get repeat loans, i.e. a continuation of the CIF programme (seen in Figure 74).

**Why Beneficiaries Pay Service Charge** Figure 74




On the flip side however, the assessment also looked into why some women did not want to pay service charges. The chief reason provided was that because they were poor and could not afford any service charge. This constituted for a little over half of those beneficiaries, i.e. 55%, as seen in Figure 75.

**Reason for Not Wanting to Pay Service Charge** Figure 75



A beneficiary of the community finance delivered under CIF

As readers will be able to see, there was a significant portion of women who had some confusions regarding CIF. 18% of women said that they did not pay service charge because it was un-Islamic to do so while 8% thought that SRSO takes the service charges and therefore they would not pay any service charge. There is of course no chance that SRSO takes service charges, as it all goes back into the account of the VO; however what this does signify is a weakness in communication. This weakness can be easily mended as even during the assessment, when such cases came across, a mere five minute explanation would clear away the confusion in the minds of these beneficiaries. The conversation would always end with the beneficiary saying 'When I take my next CIF loan, I will definitely pay some service charge - service charge is there to help us'.

The sustainability of the CIF programme, in terms of the fund definitely lies in service charges and their levels. It is the one method which each and every beneficiary can carry out in order to do their part for the increase in the CIF fund. What is incredible is that already the majority of beneficiaries understand this and are taking steps to ensure that their programme remains intact.

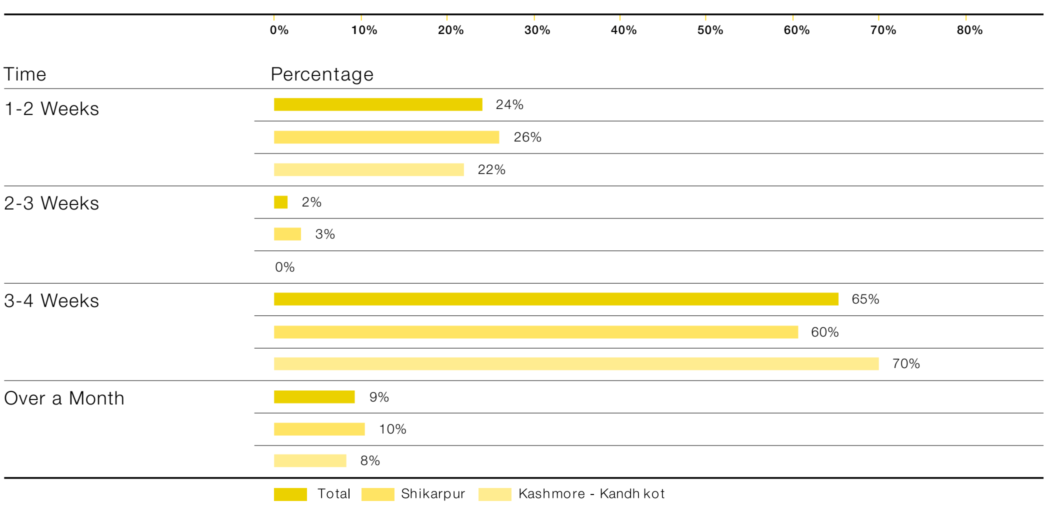
### Operational Sustainability

One way of deciphering whether a programme is sustainable, is to look at the ease in which it is managed and also how much it is in demand. The assessment has looked into the various aspects of the operations or management of the CIF in order to ascertain how the community, i.e. the actual women, feel about managing the fund and whether there is an actual need for it.

#### Speed of CIF

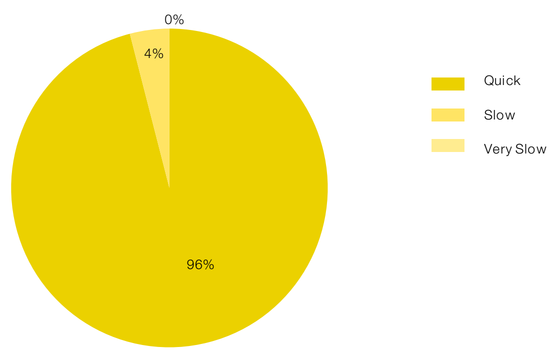
In terms of the speed of obtaining a CIF loan, the assessment found that the majority of loans were received in 3-4 weeks, as seen in Figure 76.

**Length of Time to Get Loan** Figure 76



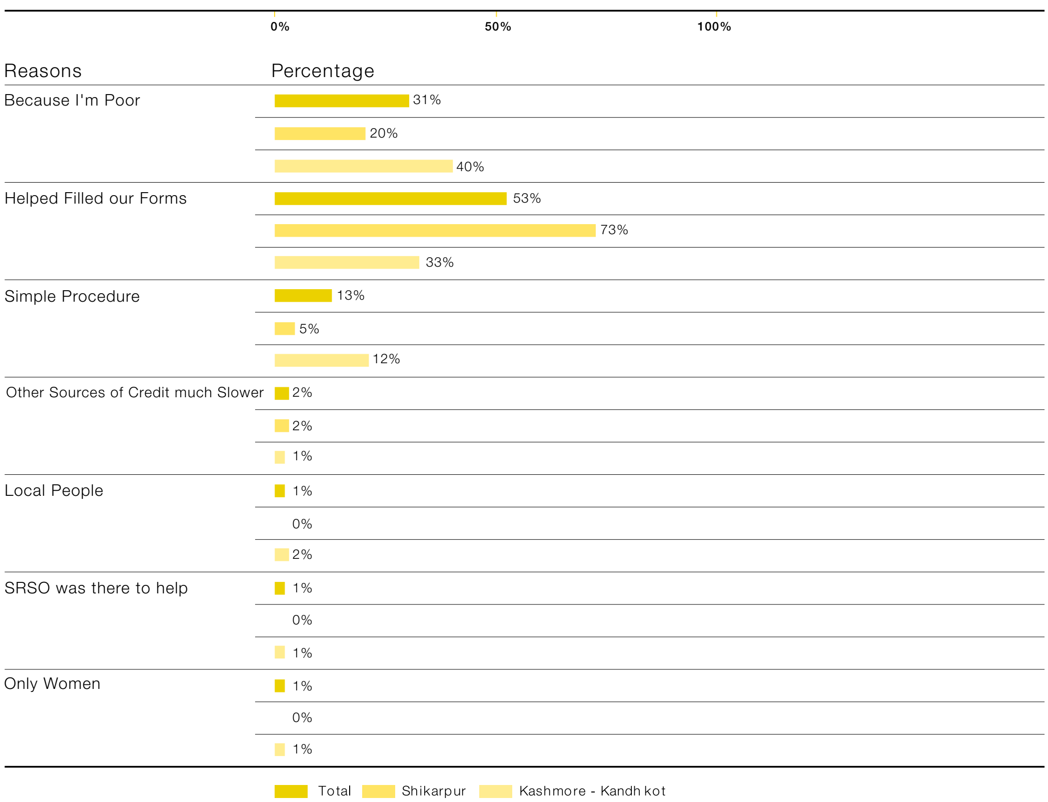
According to the beneficiaries that received their loans in 1-2 weeks and 2-3 weeks, they thought that this was quick according to them. As for the majority of beneficiaries that obtained their loans in 3-4 weeks, the assessment found that 96% (Figure 77) of them thought that this was quick for them as well. As for those beneficiaries that received loans in over four weeks time, half of them thought that it was still quick according to their requirements, with the other half saying that this duration was slow and very slow.

**Opinion of Beneficiaries Regarding Time: 3-4 Weeks** Figure 77




In terms of 'why' beneficiaries thought their loans were quick to reach them, an overwhelmingly majority said that it was because the procedures of CIF were very simple, as seen in Figure 78. What this is highlighting, again is the fact that in terms of operational sustainability, the CIF programme is a programme which is found to be a very simple one and one which is easy to manage; according to the beneficiaries.

**Opinion of Beneficiaries Regarding Why they Received Loan Quickly** Figure 78



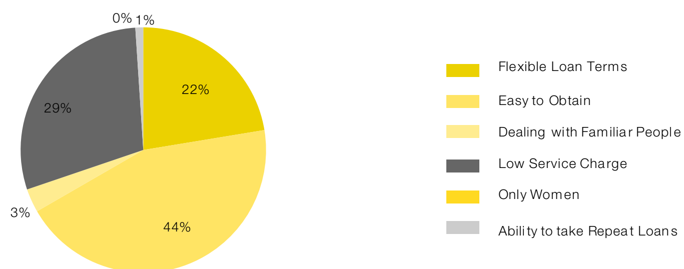

## Ease of CIF

In continuation, the assessment looked into what women found as advantageous in CIF loans (in comparison to other sources of capital). The majority of beneficiaries (44%) said that the biggest advantage of CIF was that it was easy to obtain, as can be seen in Figure 79.

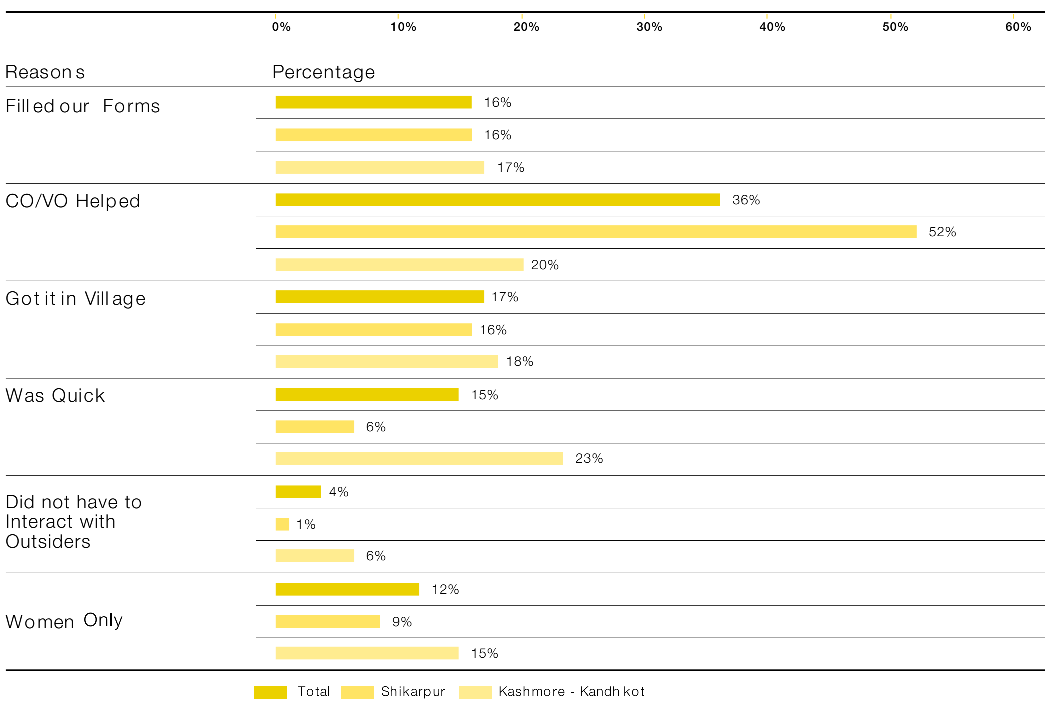
In addition to this, 98% of beneficiaries said that it was easy to obtain a CIF loan; the reason being that their CO/VO was there to provide them with support (seen in Figure 80).

In terms of the repayment options, 98% of beneficiaries thought that the repayment plans were convenient for them; the reason being that it gave them time to mature their investment, as seen in Figure 81.

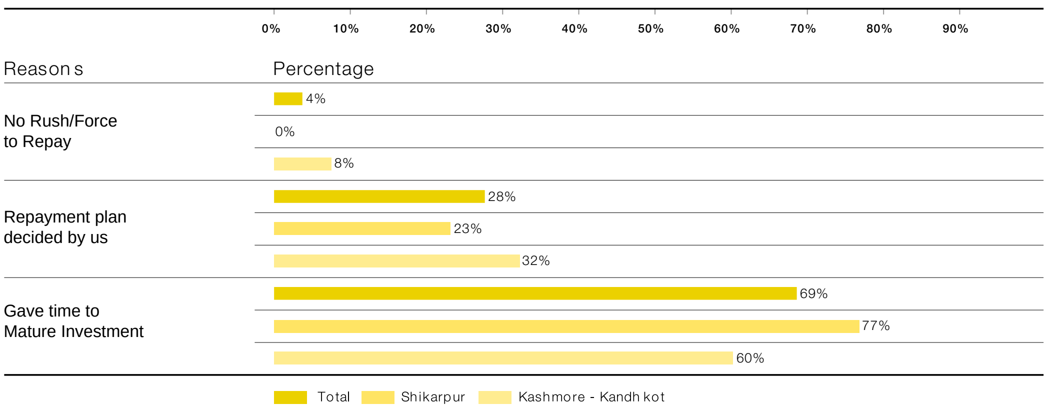
**Advantage of CIF According to Beneficiaries** Figure 79




**Reasons for Ease of Obtaining Loan According to Beneficiaries** Figure 80



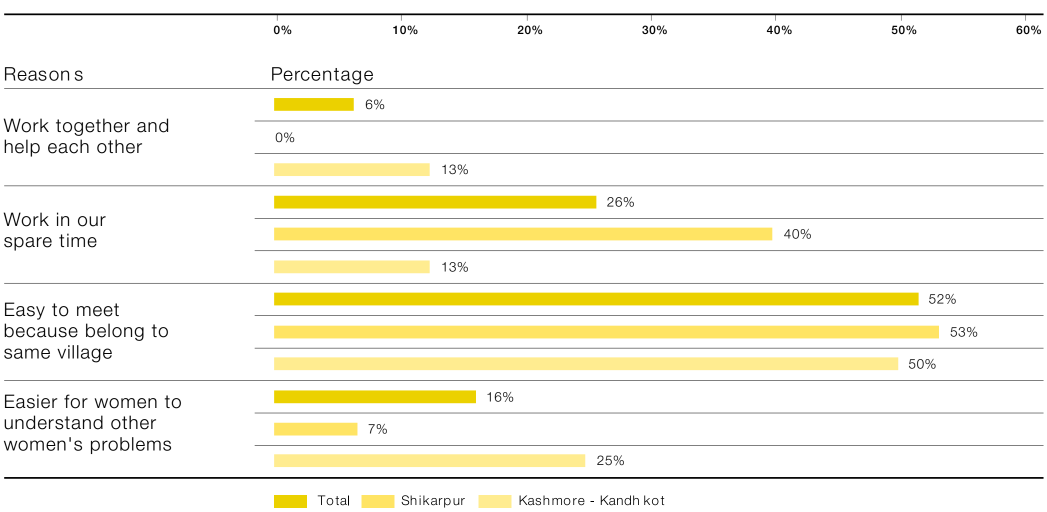
**Reasons Why Repayment Plans are Convenient** Figure 81




## Management

The assessment examined the feedback of CO and VO members regarding managing their CIF funds. The assessment found that all the COs said that it was easy to manage the CIF fund, the chief reason being that it was easy for them to meet; due to the fact that they belonged to the same village and neighbourhood (Figure 82).

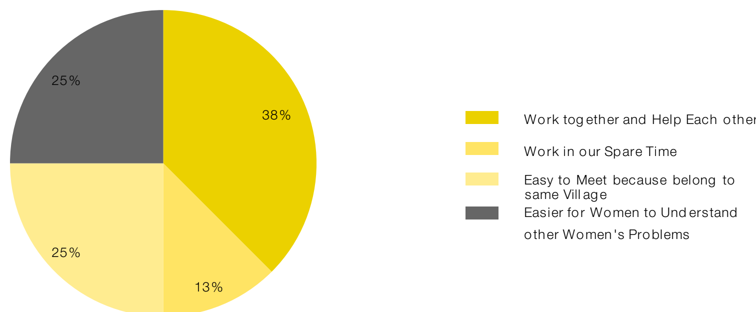
**Reasons Why COs Find CIF Easy to Manage** Figure 82



In terms of having the time to manage CIF, 100% of the COs said that they, as women had the time to manage CIF, the reason being that they would take out their spare time in which they would hold their meetings.

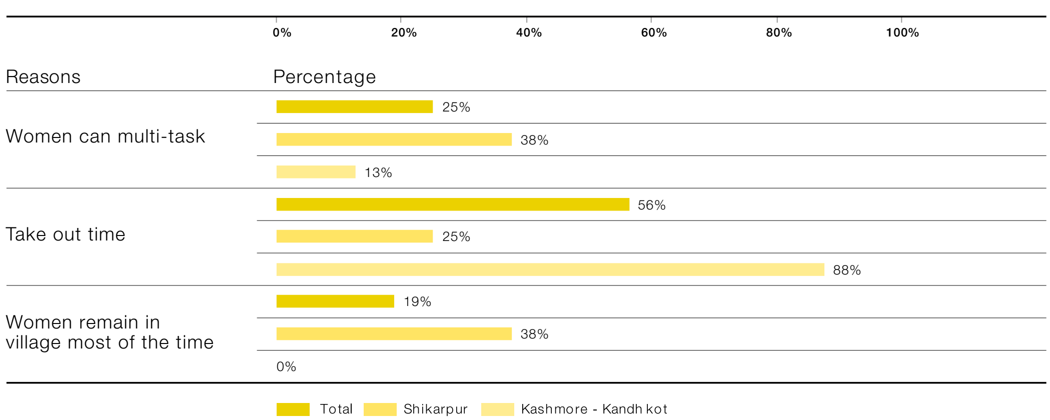
As for the VOs, all 16 also said that the CIF programme was easy for them to manage; the primary reason being that they would help each other along and work together, as seen in Figure 83.

**Reasons Why VO Finds CIF Easy to Manage** Figure 83



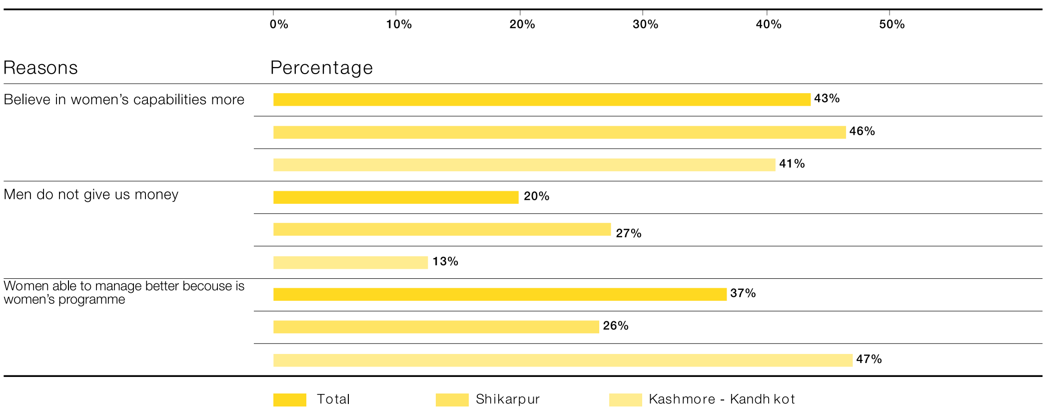

The opinions of the VO resonated with that of the COs when they were asked about having the time to manage CIF. The majority of VOs (56%) said that women would specially take out time in order to attend meetings and fulfil VO obligations, as seen in Figure 84.

**Reasons Why Women have Time to Manage CIF According to VO** Figure 84

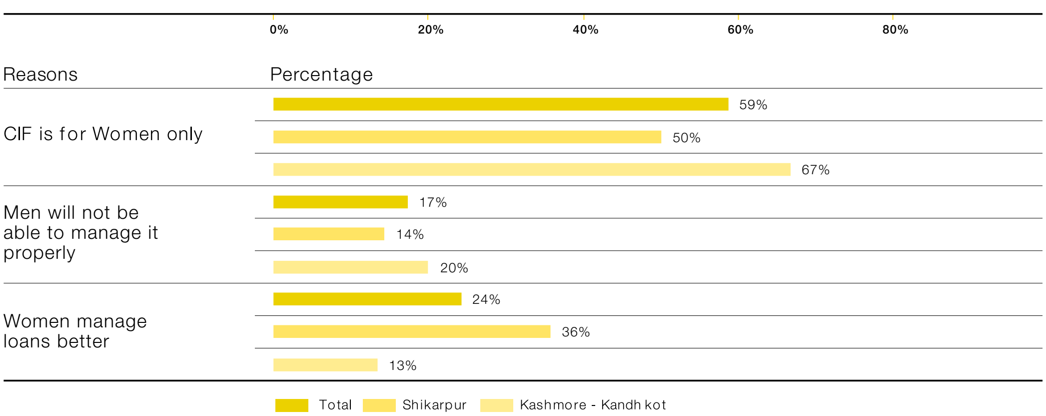


What the assessment has clearly shown is that the beneficiaries and the CO and VO members unanimously think that they have both the capability and the time to manage CIF; something which became even more pronounced when they were asked who should manage CIF; women, men or both. 99% of beneficiaries said that women should manage CIF while 94% of COs and VOs leaders said that CIF should be managed by women only. The reasons for their answers can be seen in Figures 85, 86 and 87.

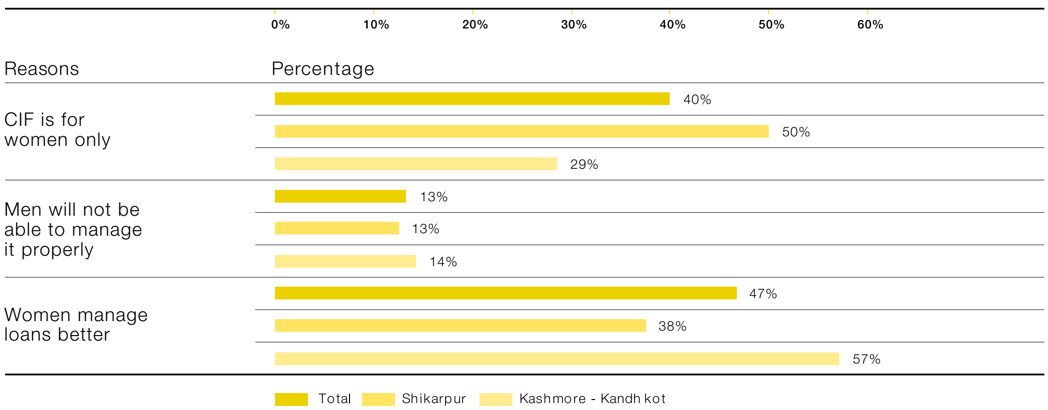
**Reasons Why Women Should Manage CIF According to Beneficiaries** Figure 85




**Reasons Why Women Should Manage CIF According to CO** Figure 86



**Reasons Why Women Should Manage CIF According to VO** Figure 87

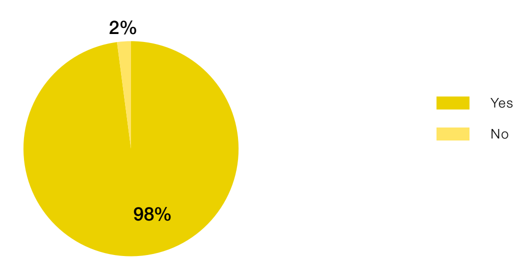



As can be seen, their answers ranged from 'women can manage loans better' to 'CIF is for women only' to 'Belief in women's capabilities'; all reasons pointing to their confidence in their own capabilities and its strength.

### Need of CIF

One of the last aspects of sustainability can be seen in whether there is a genuine need for a programme or not. In the case of CIF, the assessment asked two simple questions. Sample beneficiaries were asked whether they would want to take another loan out; to which 98% replied that they would, as seen in Figure 88.

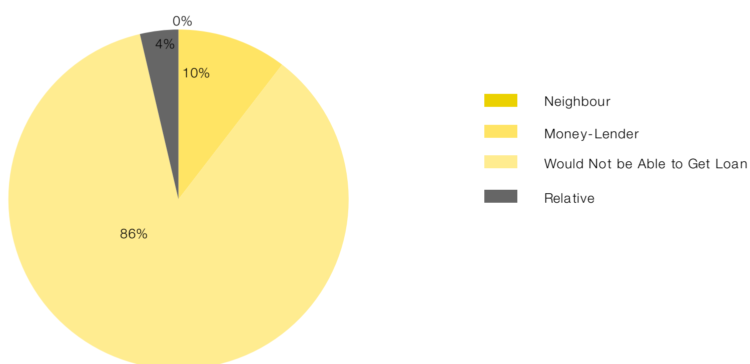
**Percentage of Beneficiaries that Would Want to Take Another CIF Loan** Figure 88

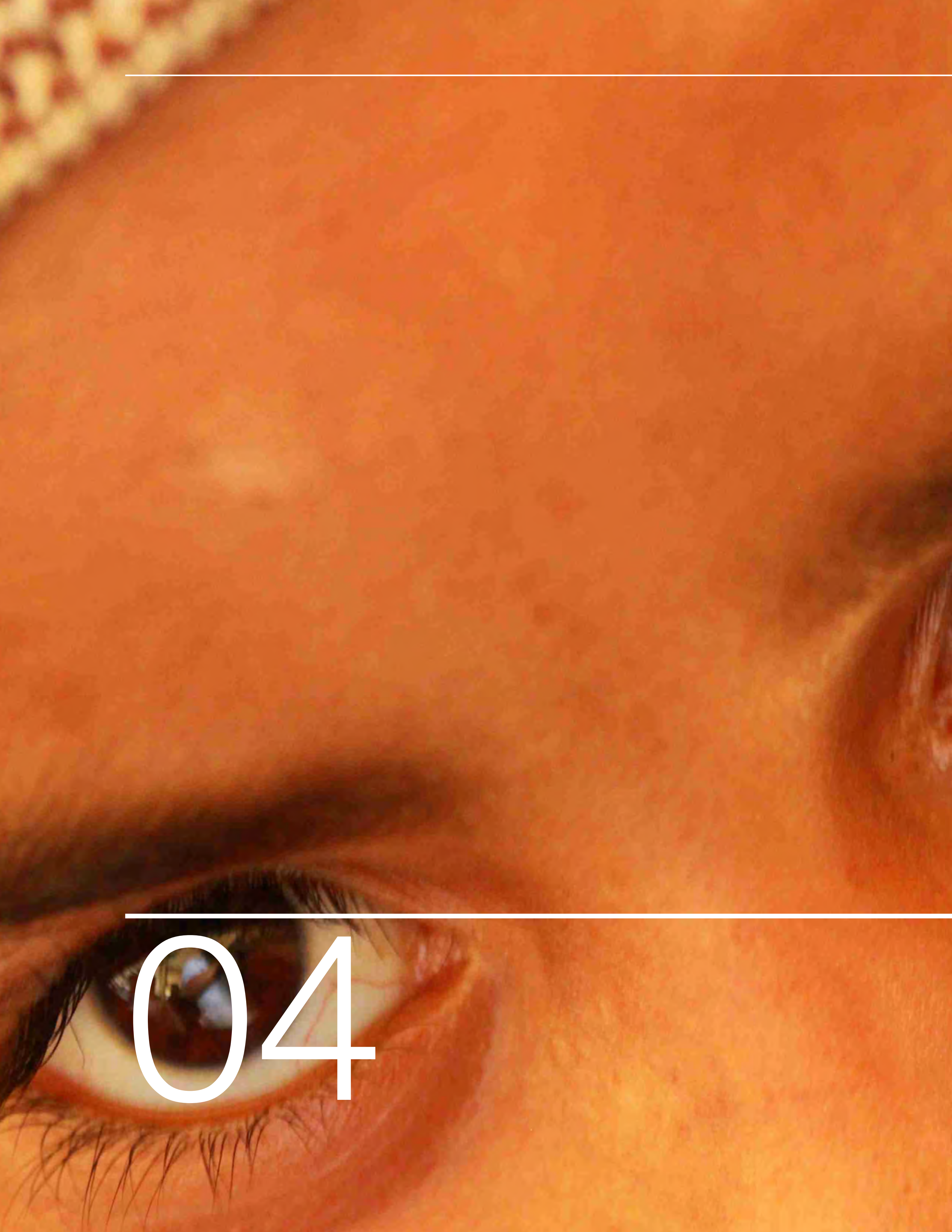


Secondly, beneficiaries were asked that in case tomorrow there was no CIF programme or fund, where they would get a loan from in their time of need. An astonishing 86% (Figure 89) of beneficiaries said that they would not be able to obtain a loan from any source; due to their poverty and the fact that no one gives loans to poor households.

What this section has highlighted is the fact that the CIF programme is a sustainable programme. In terms of monetary sustainability, the community that manages it and the beneficiaries that take benefit from it; both know that the only way to continue it is to provide service charges. Secondly, there is a genuine ease which beneficiaries find in terms of being at the receiving-end of CIF and also an actual need or demand for CIF. Thirdly, there is a great urge to manage CIF with women taking time out of their busy schedules to meet with members and manage their funds. Fourthly, it has also shown the desire of women to demonstrate their strength and belief in themselves; that they too can be good managers - even better than men!

**Source of Credit in case of Absence of CIF** Figure 89





# 04

# RECOMMENDATIONS AND CONCLUSION

## RECOMMENDATIONS

The CIF programme in the UCBPRP project has shown to be a robust and multi-beneficial programme for the women of rural Sindh. The procedures of the programme have been followed thoroughly along each step of the way but with the essence of CIF still intact on the ground as well, i.e. SRSO has allowed power to be transferred to the women. However as with any programme, there is always room for improvement and it is in that spirit of improvement that the following recommendations are suggested:

1) Re-phrasing service charge: As mentioned before, the assessment found that there were some beneficiaries that thought service charge is un-Islamic and an evil thing. What was noticed during the implementation of the assessment was that, the SRSO field staff would refer to CIF service charge as ‘vayaaj’. ‘Vayaaj’ is the interest that traditional money-lenders, known as ‘baaniya’, charge, in which the interest is very high and goes straight to the pocket of the money-lender. However in the case of CIF, the service charge is much lower and according to the wishes of the beneficiary herself. Secondly it does not go to the pocket of an individual person; instead it is there to increase the CIF fund which would benefit more poor women. Therefore one recommendation would be that SRSO field staff should stop referring to CIF service charge as ‘vayaaj’ and instead refer to it by some neutral term; thereby removing any negative connotation.
2) Refresher-Talks regarding service charge: The assessment also found some beneficiaries that had some confusion regarding service charges; where they thought that the service charges go either to SRSO or to the an individual person such as the Treasurer of the VO. Admittedly, this was a small amount of women but nonetheless, SRSO should take this seriously and carry out a ‘refresher-talk’ with the women of COs and VOs. This can be arranged easily enough as their field staff makes trips to each and every programme village. During any of these visits, field staff should make sure to keep reassuring the women that service charge is something which is for the benefit of all the women in village and that it does not go to SRSO or any other individual.
3) Alternative methods to increase fund: As already discussed, the primary source of increasing the CIF fund is through service charges. However in order to ensure even greater increases, alternative methods of increasing the funds should be discussed with the communities. These can be things such as taking contributions from members’ savings, through charity or by members paying an annual membership fee. SRSO would find this easy to carry out as the assessment found that the key suggestion for improvement that was common amongst the COs, VOs and beneficiaries was that they wanted to increase the size of the fund. With that kind of need, the communities would be open to any alternative ideas of increasing the fund thereby facilitating SRSO in developing a strategy for the sustainability of CIF.
4) Saving: One of the core functions of a CO is that it encourages its members to save whatever small amounts they have. The entire purpose is not to deposit larges sums of money; rather it is to instil a habit of saving amongst members and to recognise that their meagre deposits can eventually add up to a substantial and useful amount. The assessment found that 49% of the sample beneficiaries had not saved in the last three months. This figure is disappointing and SRSO should ensure that each visit that its staff makes to the communities, these basic messages should be repeatedly discussed with the members, i.e. its benefits, potential impact and successful examples from other rural areas (such as Gilgit-Baltistan where over the years, women have saved hundreds of thousands of Rupees).

5) Loan-passbooks: In order to ensure transparency, the CIF programme insists that receipts are given to beneficiaries at the time of making repayments on their loans. However during the assessment, it was seen that some women had either lost their payment receipts or they were in bad condition. The reason for this is because the women find it hard to keep a small thin piece of paper safe. In some cases, women were keeping their copies of receipts with the VO registers; something which is not advisable at all. On the other hand, when one saw their savings passbooks, they were all in good condition and easily found by the beneficiaries. In order to make it easier for the beneficiaries, SRSO should think about introducing loan-passbooks. An added benefit of this would be that it would instantly give the loan history of the beneficiary; rather than just having to rely on the CIF register.
6) CBK refresher training: The CBKs were found to be doing an excellent job in maintaining the records for the members of the COs and VOs. However as a matter of further improvement, SRSO should invest in giving a refresher training to the CBKs; keeping in mind that the last training they had was a little over two years ago. The refresher training would also be a way of reviewing the work of the CBKs in order to remove small, repetitive and obtuse mistakes (such as avoiding missing entries in registers or lack of receipts).
7) CBK ToRs: The assessment found that 69% of CBKs had been provided with ToRs from SRSO, detailing what their duties were. In relation to the previously mentioned recommendation regarding CBK refresher training, the refresher would also provide an opportunity for all CBKs to receive ToRs from SRSO and also to update the ToRs of those CBKs that had received them in the first place. The reason for ensuring ToRs of CBKs is that it is beneficial to both parties. The CBK finds it easier to understand exactly what he is meant to do; regarding which records to maintain and how often. Secondly, it benefits SRSO because it is a document which binds the CBK to carry out their duties in case some misunderstanding arises and secondly it also is a way of monitoring the CBK’s performance.
8) CBK Remuneration: At the moment, the CBKs in the VOs were working on a voluntary basis. Although they were doing a tremendous job at maintaining the records of the COs and VOs, SRSO should explore the possibility of remunerating CBKs for their time and effort; the reason being that because of its sensitive nature, it is important that records are continued to be maintained and improved upon in the future for the sake of the programme and beneficiaries.
9) PSC lists with COs: In the Standard Operating Procedures (SoPs) for the CIF programme in UCBPRP, PSC lists are only required at the village level with the VO; in order for them to check the PSC scores of potential applicants selected by the COs. As the assessment discovered, a few of the COs had taken it upon themselves to also maintain a copy of the PSC lists. This practice should be made mandatory in the CIF programme; for the ease of the CO members. Since the primary identification is carried out at the CO level, every CO should have PSC lists of their members so that it is easier for them to approve and disapprove potential beneficiaries (based on PSC scores) right at that initial stage.
10) Re-survey of PSC: The CIF is a poverty-targeted programme in which the PSC tool is used to objectively measure and identify the varying bands of poverty of beneficiaries. The assessment found that a vast number of beneficiaries had advanced to PSC scores above 18 (the cut-off point for CIF loans) thus bringing about the question of transferring advanced beneficiaries away from CIF. The result of this would be that since there is already somewhat of a dearth of funds (as beneficiaries have had to wait for their turn in order to access CIF in some villages), it would free up large amounts of funds which could cater

to those remaining beneficiaries whose PSC scores remain below 18. As for those beneficiaries that have advanced, SRSO could link them up to other means of capital such as SRSO's own credit programme. In addition to this, the re-survey could also highlight the fact that some beneficiaries despite being in the non-poor category, still require CIF support (if they have scores at the lowest end of the 'Non-Poor' poverty band. Therefore SRSO is highly recommended to look into introducing the concept of VOs carrying out the PSC survey of potential CIF beneficiaries in upcoming cycles.

11) Election of CO and VO leaders: As it has been two years since the last election/selection of CO and VO leaders took place (and the only one), SRSO should see into introducing the idea to the members of the CO and VO. The reason for this is that it will ensure that 'fresh blood' comes into leadership positions and that other women will have a chance of being in managerial positions; in order to build their capacities. Secondly, it will also stop any leaders from becoming too comfortable or to take it for granted that they will forever remain in leadership roles.

12) Communication Strategy: The assessment found that one of the few weaknesses of the CIF programme in the UCBPRP project was a weakness in communication. It would be a beneficial move for SRSO if it were to develop a communication strategy in which it could set out how it plans on delivering messages to the communities; messages such as educating members about service charge, on the need and methods of increasing the CIF fund, on remuneration for CBKs, etc. SRSO might also find it useful to explore the use of technology in advancing their communication with the communities; especially through the use of mobile phones and SMS (considering the fact that schemes of mobile banking have already started in Pakistan; the latest being the introduction of the Benazir Bhutto Mobile Banking scheme). In addition to this, SRSO should also invest in trying to highlight the benefits and impact of the CIF programme and of the UCBPRP project as a whole to various stakeholders.

13) Cross Exposure visits: At the moment, SRSO has a cadre of trained and experienced community women who know how to manage a CIF fund. Since the UCBPRP project is an enormous multi-district project, it should use the trained women in the original two districts (Kashmore-Kandhkot and Shikarpur) to spread their skills to women who are new to the CIF programme. Secondly, even visits to other villages within the same districts might bring a revitalisation to the weaker villages in the area; upon hearing and seeing the success of other women. The fact that it would all come from women from a similar background, would make it easier and faster for weaker villages to pick up and improve their management skills.

14) Hiring of local staff: During the assessment, there were several villages which had populations from a different ethnicity, such as Baloch (especially in Kashmore-Kandhkot). What was witnessed there was a huge language barrier. Things which took five minutes to explain in Sindhi-speaking villages, took upwards of 30 minutes in Baloch-speaking villages. The field staff present in those areas are mostly Sindhi-speaking, such as SOs, etc. However the women in those villages understand only Balochi. In order to reduce the time wasted in communication as well as instances of miscommunication (in some of these villages, women were not clear regarding service charges and where they went), it would be much more efficient to hire field staff that understood the local language.

15) Linking with SRSO programmes: Within SRSO itself, there are a lot of specialities which are unique to it, such as its knowledge of Enterprise Development. As the assessment found out, livestock is the most popular method of investing loans; however the higher profits are to be found in enterprise. Therefore SRSO should think of linking up its CIF beneficiaries to its existing programmes such as Enterprise

Development. Every village that was visited during the assessment, found women bent over cloth and needle in hand. The level of skill of these women is remarkable and it could be put to very profitable use if they were given the lessons to market their skill.

16) Post-Project strategy: Considering the fact that the UCBPRP project is to end towards the end of June 2011, SRSO must develop a strategy for the CIF programme after the UCBPRP project ends. Issues which need to be addressed in the strategy must include how SRSO intends to provide support to the CIF funds and communities and whether it can continue its present level of monitoring. One useful direction in which to head towards is the introduction of union council-level organisations of the people, i.e. federations of VOs which are called Local Support Organisations (LSOs). The RSPs having made over 400 LSOs across Pakistan, have found these organisations to be highly competent in monitoring programmes, such as the CIF programme.

## CONCLUSION

Having assessed the CIF programme being implemented in the toughest of environments (both physically and socially), the programme has displayed its ability in bringing about a real and tangible change in the lives of the invisible, i.e. of the poorest women. The programme, which was put in place by SRSO, with the support of the Government of Sindh, and being managed by these women has demonstrated the fact that when decisions are based within the communities, only the best can come out. Using the best of local knowledge and combining it with technical and financial support has brought about a combination which has proved to bring benefits not only to the beneficiaries themselves, but also to their children, spouses, families-at-large as well as their surrounding environment. CIF has also managed to avoid common pitfalls of formal microfinance programmes in which the beneficiaries have no feeling of ownership and in worst situations, are put under far more stress than they were before.

Along with these benefits of both a monetary and non-monetary nature, the assessment found that with a few select changes and reaffirmations, the CIF programme has great potential to be carried on in the future purely by communities themselves. Signs which point to this conclusion include the realisation of community members regarding the importance of increasing the size of the fund, its prudent use for income-generating activities only and the feedback regarding the ease and speed of delivery of products and services within the CIF programme. Before any steps are taken in this direction, a strategy must be developed in order to set out the road map for the future of CIF post-UCBPRP; thereby allowing the poorest of women to continue to benefit and realise their inherent potential.

05

# SUCCESS STORIES

The following case studies are the stories of some of the women in the sample. What it demonstrates is the wide range of benefits that real women have obtained because of CIF.

## INNOVATION

Haseena lives in village Ali Mohammad Khoso, UC Dolatpur, District Kashmore-Kandhkot with her husband, Israr and their two sons and three daughters. Israr is a labourer who works in the fields in his village while their two sons go to school. Their daughters were not educated because they could not afford to send them to school. Instead they work with Haseena at home in maintaining the house and doing embroidery work for the women in the village, earning around Rs. 500 per suit.

When Haseena first heard about the CIF programme, she had no doubts at all about the benefits. Immediately she knew that she wanted to get a buffalo because not only would it bring offspring but she could also sell its milk. Haseena realised that she would not be able to repay a loan such as that required to purchase a buffalo. Instead she and two of the women in her CO discussed the matter and decided to purchase the buffalo by combining their loans. Each woman put in her Rs. 20,000 loan and used it to purchase a mature buffalo for Rs. 60,000. Within seven months, the buffalo had given birth to a calf. The women decided to sell the adult buffalo after five months and obtained a price of Rs. 80,000 for it. The amount was distributed equally with each woman receiving around Rs. 26,666. With the amount, they repaid their 18 month loan back including Rs. 1,000 service charge per loan. All three women are very happy with their investment, including their husbands! What they feel most proud of is the fact that they were able to help each other out, obtain a great profit and are all owners of a young buffalo. Haseena and her companions intend on maturing the buffalo and then selling it for a profit. If given the opportunity, all the women said that they would want to take another CIF loan for the same purpose in order to continue to increase their returns.

Haseena and her collaborators

## FLOOD

She sits in her one-room house once surrounded and enveloped in water, as she tells her story. Mai Arbab, a 60 year old woman lives in Village Abdul Rehman Mangi, UC Malheer, District Kashmore-Kandhkot. Mai Arbab is also a CIF beneficiary recalling that when she first heard about CIF and SRSO, she had no fears in taking a loan out. Mai Arbab took out a Rs. 20,000 loan for a duration of one year. She used her loan to purchase a young buffalo with her son, at a total cost of Rs. 40,000 which after five months gave a calf.

Six months later, the floods came. She remembers that it started off as heavy rain. For two whole days, it rained in her village. On the second night, she and other women in her village had to leave upon hearing of the news of surrounding villages which had been wiped away with flood waters. Taking just a handful of personal possessions, Mai Arbab went to Karachi where she spent the next four months. Throughout that time, she was desperately worried about her house and the buffalo and its offspring she had left behind. After the waters had subsided, Mai Arbab went back to her village and found her calf had drowned. Relieved that she still had her buffalo, Mai Arbab found herself in no position to repay back her loan. Any money that she had, was spent in travelling to Karachi and in repairing her house, which she did by herself with the help of her neighbours. However her VO upon seeing her situation decided to give her extra time and also to let her pay her loan off in instalments (by selling the milk that her buffalo produced), rather than let her sell her possessions. Mai Arbab is now on her way to repaying her loan with the Rs. 200 she earns daily from selling four kilograms of milk. She never imagined that her VO would let her lapse on her repayment date in addition to providing her such flexibility. She says that she prays for the VO and its members; that they remained on her side in her greatest hour of desperation.

Mai Arbab with her investment - safe and sound

## COMMUNITY UNITY

Ghulam Bibi, 40, lives in Village Imam Bux Gabol, UC Tangwani, District Kashmore-Kandhkot with her husband and five children. She earns her livelihood by working on other people's lands. Ghulam Bibi recalls that when SRSO first asked them to form COs and VOs, she found the idea to be a very beneficial one. According to her, everyone would meet each other in the village however it would only be limited to special occasions. On the other hand, having formed COs and VOs, Ghulam Bibi says that her interaction with the other women in the village has increased dramatically. As a matter of routine, issues such as poverty of the village, ideas on how to develop the village and to make it a better place to live are discussed. Regarding her loan, Ghulam Bibi took out a Rs. 8,000 loan for a duration of six months which she has repaid completely. The reason for her quick repayment was because as soon as the sheep she had bought with her loan gave birth to offspring, she sold the sheep for Rs. 9,000. With it she was able to repay her loan and at the same time still possesses the offspring. Due to her successful investment, Ghulam Bibi has been preaching to women in other villages to take CIF from their VOs as well in order to build their assets. When asked what she would do if she met a woman who wanted to take a CIF loan in order to purchase a television for example, she replied 'I would tell that woman to not even try getting a loan if it were for such a purpose!'.

Ghulam Bibi with her sheep

## SUSPICIOUS MEN

Suhagin, 40 is now on her second CIF loan. With her Rs. 9,000 loan, she purchased a goat five months ago. She regularly attends her CO meetings and has also attended village-level dialogues in Village Malhar Bajkani, UC Tagwani, District Kashmore-Kandhkot. This is a far cry from the Suhagin of before. She would remain in her house while her husband would go out to work on people's lands. When SRSO first came to their village and explained the CIF programme, she said that the men in her village (including her husband) were very suspicious. However as a few women took out CIF loans, Suhagin's husband also let her take a loan. With her first loan, Suhagin took out Rs. 9,000 and purchased a goat. The goat gave birth to two offspring after which Suhagin sold the adult goat for Rs. 11,000. With it she was able to repay her loan as well as Rs. 500 service charge. Having seen her prompt and early return, her CO decided that she could also get a second loan with which she has purchased another goat.

Suhagin says that the position of women has improved in her village; certainly hers simply due to the fact that now she can leave the house and go in and around the village with ease.

Suhagin - a changed woman

FREEDOM

Nazia, 18 is a young woman who recently moved to Village Dakhan School, UC Ghulanpur, District Kashmore-Kandhkot when she got married. Upon arriving in her new village, Nazia learnt about the concept of COs and VO. She become a member and obtained a loan of Rs. 5,000. She used the money to purchase a goat which soon gave birth to two kids.

Nazia recollects the moment when she received her CIF loan cheque which was made out in her name. It was the first ever cheque that she had received in her life. She explains that at that moment she felt a great sense of satisfaction and a feeling of freedom; at being able to spend that Rs. 5,000 on something that she wanted.

Nazia with the investment from her very first cheque

## RESCUED

Badrunissa is 40 years old and lives in Village Samano, UC Bhirkan, District Shikarpur. She is a widow with six children. The first time that Badrunissa heard about CIF, she could not believe her ears. She was shocked at the fact that women would be given the option of deciding their own levels of service charge. This was a stark difference from the loan that Badrunissa had to take out four years ago, unfortunately due to her late-husband's severe asthma problem. When her husband fell ill, she did not have the money required for his treatment. Therefore she took a Rs. 10,000 loan from a local money-lender. In order to even receive the loan, she had to give him her gold jewellery (around three tolas) as a form of guarantee. Her actual repayment amount ended up being Rs. 60,000; an exorbitant sum which she would never have been able to repay. Distressed and as a last resort, she had to leave her jewellery with him since she was unable to repay her loan.

On the other hand, when she obtained her CIF loan of Rs. 12,000, she paid Rs. 240 as service charge. Her loan was utilised by renting out a shop in the local bazaar which her son manages. Her shop contains small household and grocery items. Her first loan was repaid within time with the income that she receives from the shop (around Rs. 200-300 profit per day). Badrunissa recently took out a second CIF loan which was used to build the stock of her shop. She again took out Rs. 12,000 for a year. Badrunissa is now a woman who is confident in her future and is in the process of collecting her eldest daughter's dowry.

Badrunissa in much happier times

## INCREASING SOURCES OF INCOME

Shahana, 18 has turned out to be the young entrepreneur of her family. She lives with her parents, four sisters and three brothers. Shahana has been educated till the 5th grade after which she had to stop her education due to the fact that there was no secondary girl's school in her village. Shahana become a member one and half years ago and was surprised when she learnt in her CO meeting that there would be micro loans for women only. She said that 'for the first time there was something being done for women only!' When it came to taking a loan out, Shahana took out a Rs. 10,000 loan which she used to purchase a sewing machine for Rs. 6,000 (as she had been trained by SRSO to stitch clothes under the Vocational Training Programme). With the remaining money, she purchased agricultural inputs in order to plant a small crop on the land that her family had access to. Shahana makes Rs. 60-100 per suit and on average stitches one suit per day and 7-8 suits per week. With this income, she repaid her one year loan in just seven months! Shahana also opened a small shop in her house with the income from her stitching in which she sells a few items such as biscuits and candy. She receives a profit of Rs. 50 per day from the shop on average. As for the agricultural inputs, Shahana planted rice which provided her family with 40 'mann' while their landlord received the other 40 'mann'. In previous years, they would have to give the lion's share, i.e. 60 'mann' to the landlord.

Shahana has become a beacon of hope for the other women in her village by showing them the great range of activities that she's been able to carry out due to just one source of capital.

Shahana, the young entrepreneur

## BREAD-WINNER AT ANY AGE

Sehat is 65 years old and lives with her husband, Mohammad Shareef in Village Hotani, UC Dakhan, District Shikarpur. Her husband, 70 does not work anymore due to his age. Sehat on the other hand has always tried to earn some income for her family. Before CIF, she would make ‘Ralis’ on order for the women in her village. It would take Sehat four to five days to make one ‘Rali’. When she obtained her CIF loan of Rs. 7,000, she knew that she wanted to purchase a sewing machine. Not only would it reduce the stitching-time, but it would also allow her 18 year old granddaughter to start stitching clothes.

As a result of her sewing machine, Sehat is now able to make a ‘Rali’ in three days while her granddaughter stitches clothes for the women in the village at a rate of Rs. 70 per suit; two suits per day. Having already returned her loan (from the income from her ‘Ralis’), Sehat is grateful for the fact that even at her age, she is the bread-winner for her household.

Sehat with her sewing machine

### PROVIDING A LIVELIHOOD FOR HER HUSBAND

Fehmida is 30 years old and lives in Village Makkha, UC Lakhi, District Shikarpur with her husband Kamal Din and their six children. As soon as Fehmida heard about the CIF programme, she knew that she wanted to find a way in which her husband, a daily-wage labourer could find a better livelihood. Together husband and wife decided that they would take a Rs. 10,000 loan for a year which would allow them to start selling coconuts in Lakhi Bazaar. With her loan, her husband was able to purchase a sack of coconuts (containing 40-45 coconuts) for Rs. 5,000. The remaining amount was used to rent out a cart for Rs. 300 per month and also cost of local transportation (Rs. 200) in order to purchase the coconuts. Kamal Din ordinarily is able to sell his sack of coconuts for Rs. 10,000 in a duration of 15 days. This allows him to bring a profit of over Rs. 4,500 every 15 days; in comparison to the Rs. 2,250 that he brought home when he was a labourer.

Fehmida and her husband are thankful for the fact that they have been able to double their income which allows them to spend more money on their family, especially on the medical needs of one of their daughters. Now Fehmida wants to take another CIF loan out in order to build their livelihood, by setting up a shop where they can sell coconuts.

Fehmida and her children - with one of the fruits of their labour

Rural Support Programmes Network (RSPN)
House 7, Street 49, Sector F-6/4
44000 Islamabad, Pakistan

Phone: +92-51-2829141, 2829556
Fax: +92-51-2829115
Email: info@rspn.org.pk
URL: www.rspn.org