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Pakistan Centre for Philanthropy



Local Support Organisations:

A Case Study of Gilgit, Baltistan & Chitral

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Foreword

The human development indicators in Pakistan have consistently ranked low, especially in rural areas. Among the reasons attributed to this situation, lack of resources, low priority given to social sectors and inefficient governance are primarily responsible for depriving communities from basic social services. The limited contributions made by the state in development work led to an increased recognition of NGOs in the human development process. This also increased the demand of a certifying agency to monitor the role, accountability mechanisms and funding sources of civil society organizations. Pakistan Centre for Philanthropy (PCP) is the only body designated by the government of Pakistan to evaluate Civil Society Organizations (CSOs) that include all types of non-government organizations (NGOs) down to Local Support Organizations (LSOs).

This study on “Local Support Organisations: A Case Study of Gilgit, Baltistan & Chitral” is a pioneering effort to conduct an evaluation of 40 local organizations operating in the region and undertake an analysis of the compiled data to assess their performance and programme effectiveness for people in the community. We are greatly thankful to AKRSP and its donors European Union (EU) and Global Affairs Canada (GAC) for funding this evaluation and the assessment study.

The underlying rationale of study is to present salient findings of the evaluations conducted and to report on the status of LSOs in Gilgit, Baltistan and Chitral (GBC). The Centre believes that this research will contribute towards having a better understanding of the concept and evolution of civil society in addition to assessing the performance of LSOs in terms of their governance, management capacity, programme efficiency, networking, volunteerism and sustainability. The results will provide useful guidelines to improve the capacity and functioning of these organizations for improved outcomes.

PCP anticipates that this research would benefit researchers, policy makers, philanthropic organizations, donors, academia and civil society in terms of enhancing their understanding and knowledge about LSOs and will identify relevant questions for further research in the area. It is also hoped that the recommendations put forward in this study would be of value to all stakeholders. My colleagues on the Board and in the management welcome suggestions for improvement in future research endeavours on the subject.

Mr. Zaffar A. Khan
Chairman Board of Directors, PCP



Acknowledgments

Pakistan Centre for Philanthropy takes pride in presenting this research study on the Local Support Organisations: A Case Study of Gilgit, Baltistan & Chitral. The study is the outcome of the collective effort of a number of people whose contribution PCP would like to acknowledge. First of all, PCP would like to acknowledge the invaluable technical and financial support provided by the Aga Khan Rural Support Programme (AKRSP) and its funders, the Global Affairs Canada (GAC) in developing the assessment tool for evaluating the LSOs in GBC and the European Union (EU) for conducting this study.

PCP is also especially thankful to Dr. Attiya Inayatullah, Chair of the PCP Programme and Research Committee and other members including Mr. Osman Waheed, Mr. Omar Yaqoob Shiekh, Dr. Sohail H. Naqvi and Dr. Sania Nishtar for their continuous support and professional guidance for undertaking this study.

The Centre would like to acknowledge and appreciate the committed efforts of PCP Research Unit working under the guidance and oversight of Dr. Naushin Mahmood, the Senior Programme Manager, who gave her technical input and comments to improve the final composition of the study. Special thanks are due to Mr. Muhammad Ashraf, Senior Programme Officer, for conducting detailed data analysis and developing graphs and tables to derive meaningful results. In addition, thanks are due to Mr. Ali Jadoon, Junior Programme Officer for his extensive literature review on the evolution of organized civil society and LSOs and Mr. Mansoor Sarwar, Mr. Muhammad Ali and Ms. Munaal Tanveer for their valuable comments on the first draft of the study. PCP would like to acknowledge the AKRSP team, especially Dr. Akhtar Ali and Mr. Amin Beg for giving their useful comments on the first draft of the study for further improvement.

Finally, the Centre is especially indebted to Mr. Zaffar A. Khan, Chairman PCP Board of Directors for his constant support and professional guidance during completion of this study. We hope this study will be of use to researchers, policy makers, donors, academia and civil society in understanding the role and functioning of LSOs in the historical context of development sector.



Shazia Maqsood Amjad
Executive Director,
Pakistan Centre for Philanthropy



Acronyms

AKDN	Aga Khan Development Network
AKRSP	Aga Khan Rural Support Programme
CSO	Civil Society Organisation
EB	Executive Body
FGDs	Focus Group Discussions
FPAP	Family Planning Association of Pakistan
GB	General Body
IDIs	In Depth Interviews
NGO	Non Governmental Organisation
NPO	Non-Profit Organization
PCP	Pakistan Centre for Philanthropy
SPSS	Statistical Package for the Social Sciences
GBC	Gilgit Baltistan Chitral
IGOs	Intergovernmental Organizations
LSO	Local Support Organization
PVOs	Private Volunteer Organization
VDOs	Volunteer Development Organization
VO	Village Organization
WO	Women Organization

Executive Summary

This study on “Local Support Organisations: A Case Study of Gilgit, Baltistan & Chitral” provides a review of the evolution of local community organizations and community philanthropy over the years and highlights the processes with reference to the conceptual framework of civil society; why it is formed, how it works and contributes to the progress of people in the community. Based on extensive literature review, the report brings to light the concept of civil society and diverse definitions and typologies of NGOs/CSOs/LSOs/GROs/CBOs used in different contexts, representing aspirations of different interest groups, signifying the active civic participation in development framework and its impact as manifested in diverse forms of civil society organizations. The concept of LSOs and its evolution in GBC is examined as one manifestation of the process of participatory governance, civic engagement and community philanthropy, where communities have accumulated their private energies for public good, aiming at improving the quality of life of the targeted communities which they intend to serve voice and represent.

The objective of the study is to review and analyze the performance of LSOs in terms of governance, management, sustainability and programme efficiency in three areas of Northern Pakistan, i.e., Gilgit, Baltistan and Chitral (GBC). In all, 40 LSOs working in GBC were evaluated against 51 parameters in the assessment tool that was developed with technical and financial support provided by the AKRSP and its funder organizations (EU and GAC) keeping in view the operating systems, community-driven mandate, scope of work, and structure of LSOs. Using the evaluation data, the study examines the LSOs’ performance in terms of empowering communities by organizing, training and providing access to resources and its impact on their Governance, Management Capacity, Networking and Volunteerism, and Sustainability of the programmes.

Overall, the findings of the current assessment show that LSOs in GBC have shown good performance in nearly all categories of evaluation. The results indicate that 95 percent of the sampled LSOs have been established during past ten years and are registered under the Companies Ordinance 1984. It is encouraging to note that majority of LSOs have female representation in their General Body and Executive Boards, and more than half of LSOs have women volunteer staff, whereas two Gilgit based LSOs are completely led by female local leaders. Among regions, Chitral has better score achievement in democratic governance, management capacity, networking and partnerships than Gilgit and Baltistan, whereas Gilgit has ranked the highest on sustainability parameters with reporting of more than one on-going project and multiple sources of income.

The evaluation of LSOs and its research analysis has provided useful guidelines and recommendations to improve the capacity and performance of LSOs in different areas. The way forward is to conduct similar studies on LSOs working in other regions of Pakistan working under different umbrella organisations which would help to compare the results and draw context-specific conclusions and recommendations to strengthen impact of their work. Further research studies should be conducted to identify the issues, gaps and challenges faced by these organisations and suggest ways to improve their progress of work that may lead to their smooth transition from lower to higher level. LSOs need to strengthen partnerships and networks between communities, governments, non-government, philanthropic and business sectors to improve effectiveness and sustainability of their programmes. For this, the evaluation tool needs to be refined and improved to include questions on impact and sustainability. LSOs with their limited financial and human resources need to enhance their capacity through trainings to acquire the skills and competence to accomplish the task at hand.

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Local Support Organisations:

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Introduction

Civil society plays a pivotal role in shaping and implementing participatory approaches of development which are crucial for nurturing democratic values in a society. Development practitioners therefore emphasize on strengthening civil society organizations to promote community based development activities to attain sustainable development goals. In this regard, the concept of participatory development, community empowerment and people-centred growth have gained importance to support local level interventions in various parts of the world, especially in developing economies where the government has limited resources and capacity to invest in social development programmes. As such, the evolution of civil society organizations (CSOs) have become an alternate source to complement the role of the state in social service provision at local level with assistance of donor's agencies and various other sources of funding. The CSOs operate at different tiers and scale with great variability in their size, structure and scope of work. These organizations are defined and termed differently, i.e., Non-Governmental organizations (NGOs), Private Voluntary Organizations (PVOs), Non-Profit Organizations (NPOs), and Voluntary Development Organizations (VDOs.) The size and/or social proximity and structure are criteria that are widely used to differentiate these organizations from Community-Based Organizations (CBOs) or Grassroots Organizations (GROs) or Local Support Organizations (LSOs). These organizations generally mobilize people for constructive community work and often reach out to the marginalized and vulnerable sections of society within the defined geographic boundaries.

Based on the principle of theory of change, service delivery strategy of LSOs is guided by conviction about what is needed for the target population and what approaches and actions would enable them to meet those needs to achieve community empowerment.

The AKDN has contributed significantly towards establishing stronger civil society through its **network**

of meritocratic institutions, which includes schools, hospitals and universities. This approach brings economic and social development outcomes, underpinning the viability and sustainability of civil society. AKDN have vast network of agencies and programmes that supports CSOs/LSOs and other groups in managing local resources and local governance and contributes to strengthening the **enabling environment** through nurturing and advancing of: *Ethical standards and meritocracy; Pluralism and cultural diversity; Quality services, e.g., in education, health and financial services; Protection and management of natural resources; Effective and inclusive institutions for local governance; Favorable legal and fiscal frameworks; Public-private partnership agreements for social, economic and cultural services*. AKDN is working in different contexts including post-conflict, post-Soviet and newly emerging states with fragile government capacity to meet public needs and is engaged in specific regions of the world where it has a significant presence to provide services and support to improve quality of life of people in the community (AKDN, 2012).

There is no precise definition of civil society organizations given the diversity in their structure, nature of work and contributions to development. The World Bank defines NGOs as private organizations that pursue activities to relieve people suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development. The philanthropic, charitable and religious organization which mobilizes the resources and funds for social development are also categorized in the domain of NGOs. Citizens groups which are working for the awareness campaigns are also declared as the NGOs (World Bank, 2001). LSOs are one of the categories under the broad umbrella of civil society or NGOs to perform activities for the uplift of local populations with support and involvement of people in the community.

“In 1945, United Nations considers civil society an important stakeholder of development. During the same year, the term NGOs was derived which deemed to be an organized group of people working for the interests of general public. According to the Fisher (1997), the terminology of NGOs differentiates them from private organization and inter-governmental organizations (IGOs).

”

History of Participatory Development

A Case on Emergence of Organized Civil Society

Historically, participatory development and decentralization is as old as democracy. Historians refer it towards Athenian system of democracy where citizens¹ were the key stakeholders in the public policy decisions (Elster, 1998). Sen (2005) explained the public participation in the religious context (Hinduism and Buddhism) where public debates were considered the prominent decision making model. The decentralized institutional models in sub-continent were traced back in 5th century BC (Altekar 1949). Islamic model of decision making predominantly embraced mutual consultation among the ruler and the masses (Shura); the community used Shura to become deliberately involved in public policy and decision making with the ruler of the day called Khalifa (Ayish, 2008). During pre-colonization of Africa, Zulu chiefs could not make decisions without first consulting their councils comprising of community members.

The early phase of participatory rural development was described by Mehmud Hasan Khan in his book Rural Support Programmes in Pakistan which focused on nine rural support programmes (RSPs) started in late 1982 in liaison with rural communities in Pakistan through participatory organizations of ordinary men and women. Based on this approach, the nine RSPs work in partnership with rural communities in 93 districts covering the four provinces of Pakistan-Gilgit-Baltistan, and Azad Jammu and Kashmir. These RSPs have helped organize nearly 1.67 million rural households into 100,700 participatory organizations of men and women with 1.90 million members. The RSPs have used these participatory organizations to deliver a variety of inputs and services, build physical infrastructure, enhance people's skills, transfer technologies, and link them with other service providers, but perhaps a far more important contribution of community organizations has been to enable ordinary people to participate in making decisions that affect their well-being and claim resources and services from outsiders, particularly the public sector agencies. The experience of rural support programmes has convinced governments and international donors that community organizations should be mainstreamed in the effort to reduce poverty.

Similarly, the concept of Raiffeisen Cooperative Model was developed to resolve poor people's issues in the community which is well reflected by LSOs working that also considers local issues and needs of people. Raiffeisen was a Mayor in Germany who began to

think about the ways and means to rescue the poor people from the Jews who were controlling and regulating the economic activities at that time. He set up a "poor people's committee" to make available loans in the form of food for a specified period of time to enable the poor to sustain and get empowered to escape from poverty challenges. In 1877, Grand Union of Rural Co-operative Societies was setup to help people solve their socio-economic problems (Raiffeisen Theory, 2011).

The history of decentralization has been traced by anthropologists which underscores the fact that community development and government decentralization have a common intellectual history, stemming from a belief that participation has both intrinsic and instrumental value in the process of development. Participation in decision making is focused on public good rather than merely private interests; it builds the capacity for collective action. The instrumental value of participation is to develop the ability of citizens to hold the state and markets accountable and to influence decisions that affect their lives.

The historical evidence shows that the small city-states in Mesopotamia and districts in Egypt ruled for many hundreds of years before being unified (around 3200 BC) into centrally ruled nations. They conquered greater empires but at the same time enjoyed their legitimacy at home (Gardiner, 1961; Kramer, 1971). Even after the invasion of Phoenician during 1200 BC, each city continued to rule itself under its given circumstances (Mann, 1986). However, Greeks and Romans Empires were predominantly centralized, but municipality continued to thrive (Abbot and Johnson 1968).

During Mauryan (321-185 BC) and Mughal (1526-1857) empires, process of decentralized governance was initiated with active civil participation. The local governments had considerable authority over political decision making. Moreover, Vassal's governments in Africa were accountable to their community members and held collective decision making authority.

During the 18th century, Jean-Jacques Rousseau² propagated about the importance of citizen participation and democracy through his writings

¹ Excludes women, children and slaves

² Author of The Social Contract; on which he deliberately presented the concept of democracy where every citizen holds power to influence decision on public matters with equally shared responsibility. (Pateman, 1976)

and emphasized on citizen engagement in the socio-economic and political decision making to become active community members.

In the 19th century, John Stuart Mill (1859-1879) accentuated the educative value of local participation and its possible impact on social and political development of an economy. Alexis de Tocqueville explained the concept of participatory democracy which had the potential to help the government in fostering socio economic development.

Participation in Rousseau's sense was to elect a representative government. Rousseau, Mill, and Maine had a deep influence on colonial thought in terms of promoting participatory governance structure. In India, which became fertile territory for colonial experiments in governance, the liberal British Viceroy Lord Ripon instituted local government reforms in 1882 for the primary purpose of providing "political education" and reviving and extending India's indigenous system of government (Tinker, 1967). The latter political development in India promoted participatory and decentralized movements based on Gandhi's vision, which emphasized participation as an antidote of modernization and economic growth (Mamdani, 1996). After the World War II, because of colonial destruction and fallout, socio economic development became a subject of interest for policy makers. This later led to the establishment of International Monetary Fund and International Bank for Reconstruction and Development (IBRD) to assist nations to promote their socio-economic development activities. Later, in 1950s and 1960s, the U. S. Agency for International Development (USAID) and other donor agencies supported participatory development approaches and funded projects based on community-based development and decentralization for bringing long-term impact on improving lives of people for achieving sustainable development. (White, 1999; Arizpe, 2004) The rationale was to empower communities to take initiatives most suitable to their needs and appropriate for reaching out to people at grass root level.

The model of participatory development among communities in the modern century was implemented in 1952 by the Ford Foundation in 16,500 villages. At the end of 1950, USAID had injected roughly \$50 million into community development projects. During 60s and 70s, policy makers shifted their attention towards sustainable model for development by focusing on promoting agriculture and industrial sector. This was also called the phase of Community-Centred Development (Mancur, Olson, 1965). Some noteworthy examples are: Self-employed Women's Association in India, the Orangi Slum Improvement Project in Pakistan, and the Iringa Nutrition Project in Tanzania which demonstrated highly acclaimed and successful community-driven development initiatives showing trickle-down effect and deeper impact on the welfare of people (Krishna, Uphoff, and Esman; 1997).

The "World Development Report 2000-2001: Attacking Poverty" emphasized on community-based development and empowerment of people as the key priority of development policy. Later, the World Development Report 2004: 'Making Services Work for Poor People' identified local accountability and local decentralization as important elements of programmes that seek to improve public service delivery (World Bank, 2001, 2004).

The second wave of participation emphasized more on local accountability in order to build the level of trust among public and political elite. In recent decades, development practitioners are now recognizing that accountability and strengthening governance are crucial to build trust among public and political elite for achieving effective development. In the past, decentralization programmes including participatory budgeting (Porto Alegre, Brazil) and gram sabhas (village assemblies) are few of the distinguished examples of participatory models of development. Other programmes along similar lines are implemented by the Grameen Bank in Bangladesh and the Self-employed Women's Association in India.

Concept of Community Philanthropy/ Community Foundation

Philanthropy is an act of giving back to community by giving goods or money or through volunteering time and talents. A group of individuals in any community can create organizations by collecting, managing and distributing charitable resources with the mandate to improve the quality of life within society. The community philanthropy approaches are more sustainable and have long-term impact on people within community by increasing local ownership and local accountability.

The concept of community foundation can be subdivided into two words 'community' which refers to people being connected to each other by geography and then, 'foundation' which is a platform for growth. It is a non-profit charitable organization created by and for the people of the community and to attract donors to facilitate good work in the community (AKDN, 2012).

Initially, the positive political, social and regulatory environment encouraged citizens of North America to come together to create philanthropic organizations. On the other hand, many developing countries face challenges of building infrastructure and attracting funds and support from individual philanthropy. In the last two or three decades, however, community philanthropy has been institutionalized and has gained wide recognition throughout the world because community foundation provides the permanent pool of charitable funds for a local area.

There are number of common attributes among community foundations mostly adaptable to local traditions, history and culture to meet the needs of local population. Nevertheless, no two community foundations are exactly alike as they are adapted to fit in with the local culture and needs of people. Some distinguished characteristics of Community Foundations are as follows:

The Community Foundation seeks to improve the quality of life in a defined geographic area; Such foundations and organizations are usually governed by a board of citizens;

Help donors to achieve their philanthropic and charitable goals;

Engage in a range of community leadership and partnership activities, serving as catalysts to provide solutions to important community issues.

The community organizations thrive with the general support of individual and local philanthropy. A proactive and dedicated volunteer is needed to establish community foundations in their respective communities. From the state perspective, an enabling environment which recognizes and rewards charitable giving can facilitate the creation of community foundation. The success of community foundations is based on trust and support of grant making associations and organizations as well as the impact of its work which can influence the legal and regulatory environment in which they operate.

Grant makers act as supportive organizations for establishing the community organizations. These are membership organizations which typically provide training and educational programmes; information resources; and strategies to promote, support and spread the concept of organized community philanthropy. In this context, the first support organization was formed in the United States in 1949 by a group of community foundations, some 35 years after the first community foundation was established. In 1989, the European Foundation Centre (EFC) was established as a member organization for funders across Europe. It launched its Community Philanthropy Initiative (CPI) in 1999 to strengthen and increase organized philanthropy at the local level by building the capacity of community philanthropy organizations.

India currently has one community foundation, the Bombay Community Public Trust (BCPT), established in July 1991. It was founded by the directors of the Centre for Advancement of Philanthropy to improve the quality of life of the citizens of Bombay (since renamed Mumbai). **The detailed literature review is given in Annexure-I.**

Local Support Organizations (LSOs)

A local support organization comprises of a large group of people joining hands together and having mutual interests; mostly led by volunteers, local people; often emerged from within the community in time of crisis and generally funded by donors. The concept is used interchangeably with Grassroots Level Organization (GBO), Community Based Organization (CBO), Voluntary Organization (VO), and Civil Society organization (CSO) aimed at bringing positive social change within community or a village.

In Pakistan, the concept of Local Support Organizations (LSO) was developed by Aga Khan Rural Support Programme (AKRSP) which is broadly categorized as umbrella organization of Village Organizations (VOs), Women Organizations (WOs) and other Civil Society Organizations. AKRSP further defined the Village and Women Organizations (V/WOs) as vulnerary organizations formed by a majority of the households in a village. AKRSP and other development organizations became partners with these organizations to uplift social impact in a community/village for achieving sustainable development. Alliance of village, women organizations and other CSOs at valley and union council level are called as LSOs formed by dedicated volunteers and managed by professionals under the guidance of AKRSP. LSO is the recent phenomenon in the development discourse focused on providing

platform of organizing people and communities (Gohar, 2009). LSOs thus operate at the lowest tier in the entire non-profit sector in Pakistan providing opportunities to amplify social impact on people in the community or a village.

Major functions of LSOs as described in SDPI Working Paper: "Contested Aims, Contested Strategies: New Development Paradigm through the lens of AKRSP" are:

- LSOs are the catalysts which assists the V/WOs to identify possible opportunities to contribute towards equitable and sustainable development.
- Enable local people to utilize their potential and opportunities available in the area.
- Participatory development approaches are adopted to bring social change keeping in mind the social accountability mechanisms.
- Create linkages with all relevant stakeholders.
- Focus on vulnerable communities in social development initiatives.
- Enhance sustainability through increased community ownership and participation of all sub-groups of society.
- Expand community awareness on different development issues.



Evolution of LSOs in Gilgit, Baltistan and Chitral

The AKRSP is mainly working with LSOs in Gilgit, Baltistan and Chitral (GBC) with the mandate to strengthen the institutional mechanisms in the form of VOs and WOs as key drivers to catalyze self-governance and mobilize resources at grass root level for sustainable development. The total number of AKRSP fostered LSOs in areas of GBC are 77, of which 37 LSOs are in Gilgit, 21 in Baltistan and 19 in Chitral region.³ Majority of these LSOs were formed during 2005-2007. Few other small organizations already working in those areas were later incorporated into LSOs.⁴ AKRSP supports 5,064 V/WOs in over 1,000 villages with the outreach of 113,762 households covering almost 85 percent of Gilgit, Baltistan and Chitral population.⁵ The key instruments of social mobilization used in these LSOs are: organizational skill and capital formation which became a household motto in 80s and 90s (Tanzeem, Hunar and Bachaati, Settle, 2010).

An LSO working under this programme is generally comprised of 10-15 CO/VOs working together at union council level to promote development activities. The main objective of an LSO in GBC is to provide a localized permanent support system to cater the needs of CO/VOs by organizing, training and providing access to resources and building linkages between service agencies in government, private sector and the communities.

AKRSP outreach programmes are based on values of self-reliance, self-belief and self-autonomy which create hope, trust and confidence among masses aimed at doubling the per capita income and generating surplus income and food that ultimately

may lead to alleviate poverty. According to AKRSP, almost 80 percent of the local population benefits from different programmes related to health, education, micro financing, women development, micro infrastructure, enterprise promotion and others.

Pakistan Centre for Philanthropy (PCP) has a significant role in the evaluation and certification of NGOs based in Pakistan. PCP's certification model builds the capacity of NGO's by evaluating them in the category of their internal governance, financial management and programme delivery.

LSOs Evaluation

Evaluation of LSOs operating at grass root level is a pioneering initiative of PCP to establish the value, strength and outreach of their work in the community. Given that LSOs, usually small size organisations entirely different from the working structure of NGOs, are functioning with limited institutional capacity and support to upscale their activities, a strong need was felt to strengthen their systems through a specially designed evaluation tool keeping in view the scope and capacity of their work. As LSOs have community driven mandate with limited resources, PCP developed a different tool and criteria to evaluate them keeping in view their operating systems, scope of work and structure.

Evaluation Tool

In this regard, an agreement was signed between Pakistan Centre for Philanthropy – (PCP) and Aga Khan Rural Support Programme (AKRSP) in 2013 to develop an LSO evaluation tool aimed at strengthening their governance systems and capacity, and enhance accountability, transparency and sustainability. To develop broader ownership of the evaluation tool, meetings and workshops were conducted with members of AKRSP, Rural Support Programme Network (RSPN) and National Rural

3 <http://www.akrsp.org.pk/img/pdf/lso-2015.pdf>

4 <http://tguidegb.blogspot.com/2001/04/a-report-on-projects-of-akrsp-and.html>

5 <http://www.akrsp.org.pk/img/pdf/v-wos-2015.pdf>

Pakistan Centre for Philanthropy (PCP) is the only CSOs certifying agency authorized by the Government of Pakistan (GoP). CSOs are becoming effective vehicles of social development. The PCP Certification Programme has developed measurable indicators to evaluate the performance of CSOs nationwide. Over the years, PCP has evaluated over 550 CSOs of all sizes spread across the country that offer services in various thematic areas. The Certification Programme enjoys recognition not only from GoP but also from donors, provincial welfare departments, corporate and civil society organizations for conducting credible evaluations of CSOs.

Support Programme (NRSP) for their input and feedback. Subsequently, PCP prepared and finalized the evaluation tool that was then approved by AKRSP.

Evaluation Parameters of LSOs

PCP, in its evaluation tool, used the internationally recognized standardized parameters to determine the relevance and fulfilment of the LSOs' developmental efficiency, effectiveness, impact and sustainability with the following specific objectives:

- Determine community ownership and participation of the LSO interventions
- Measure effectiveness and efficiency of the LSOs programmes
- Accountability and transparency
- Enabling LSOs to conduct self-assessment
- Identify capacity gaps (in the areas of governance, management, financial management, programme planning and implementation) and suggest corrective measures

During field evaluation, both quantitative and qualitative techniques were used. The quantitative approach comprised of standardized evaluation parameters in the areas of Governance, Management, Financial Efficiency and Programme Effectiveness, whereas qualitative information elicited information from personal interviews and contacts with relevant stakeholders in the community.

Evaluation Process

It is important to highlight that the evaluation of LSOs against this tool is not intended to qualify them for certification, but rather to help and facilitate them for building their capacity and service delivery. LSO however can apply for the PCP certification, separately. After meeting certain pre-requisites for evaluation, PCP, AKRSP and RSPN jointly selected three Field Evaluation Officers (FEOs) from Gilgit, Baltistan, and Chitral (GBC) each for the evaluation of LSOs. The Field Evaluation Officers were selected from AKRSP trained volunteers who were then given training and orientation by PCP staff to help them understand the LSO tool and methods of assessment. The LSO tool was pilot tested in 7 LSOs (3 in AJK, 2 in KPK, and 2 in GBC).

During evaluation, an LSO was given scores or grades on 51 parameters in areas of democratic governance, management capacity, effectiveness, impact and sustainability with a total of 1000 scores. For each assessment area, selected questions as finalized in the evaluation tool were asked from LSOs and given scores according to their progress or performance. As shown in the Chart below, democratic governance has the largest range of questions/parameters with a total score of 400 (40% of the total) whereas questions to assess effectiveness and impact of LSOs work are lesser with a total score of 70 scores (7% of the total).

Each LSO was given scores on the basis of their performance in each area of assessment. An LSO

Assessment Areas and Number of Evaluation Parameters

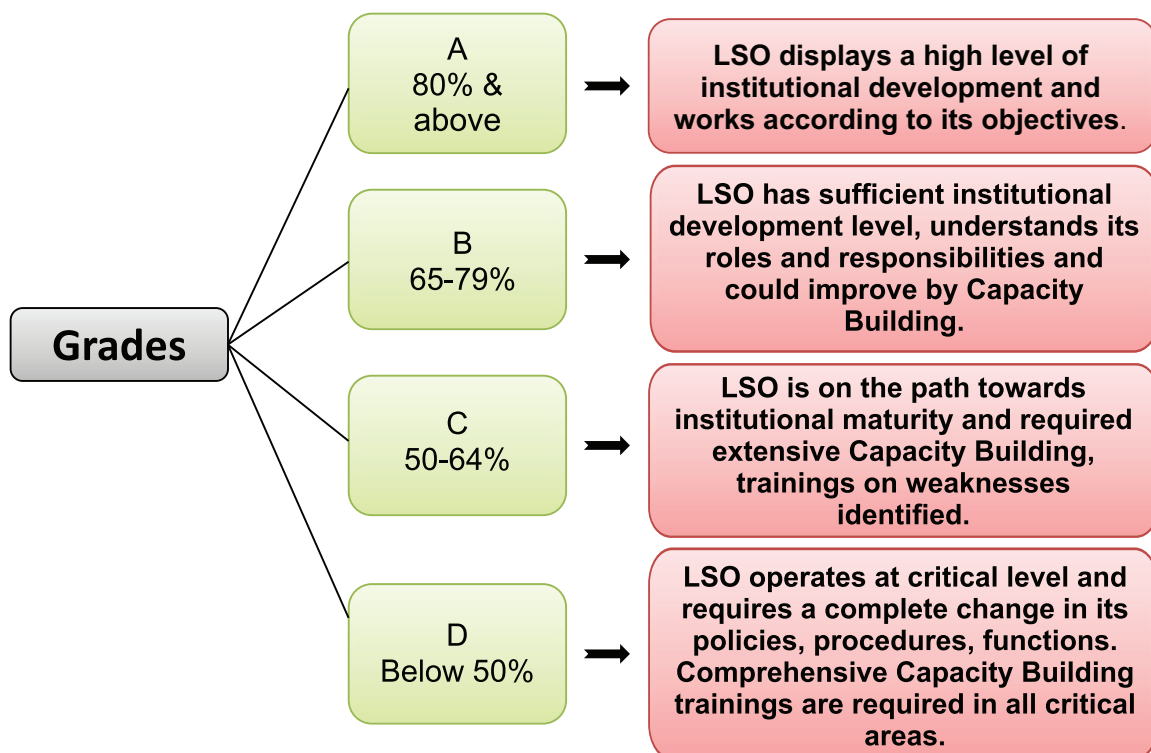
	Main Areas	Parameters	Percentage	Total Score
1	Democratic Governance	22	40%	400
2	Management Capacity	12	25%	250
3	Networking and Volunteerism	5	13%	130
4	Effectiveness and Impact	4	7%	70
5	Sustainability	8	15%	150
	Total	51	100%	1000

securing more than 80% scores would be graded A, between 65-79 % as B, between 50-64% at C and below 50% at D, thereby indicating their performance by attaining scores in parameters for each category.

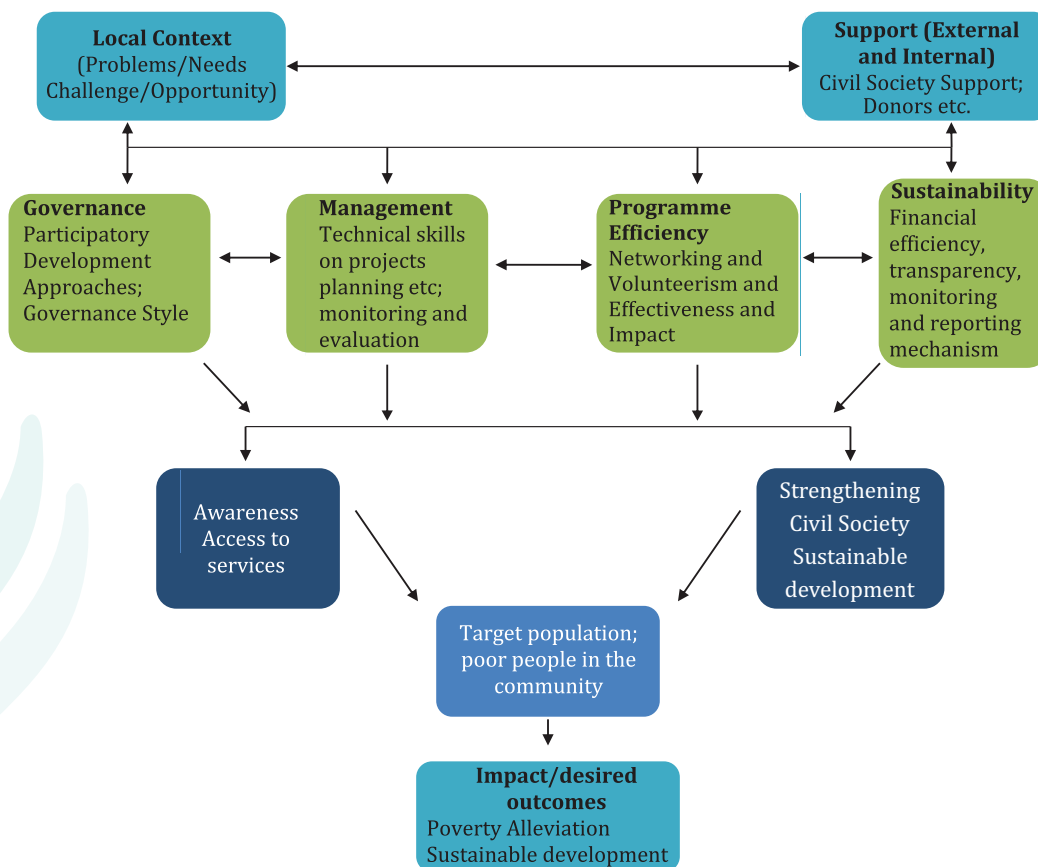
In order to ensure the quality of evaluation process, PCP team conducted random monitoring visits to assess the evaluations conducted by FEOs. A member from AKRSP also visited the FEO during

evaluation to monitor the process of evaluation. The evaluation report prepared by FEO was reviewed by PCP team giving recommendations for improvements in capacity building of LSOs. A good grade achieved ensures that the LSO is competitive and its systems are transparent. The evaluation also increases the trust of community towards LSOs. Once evaluated, an LSO gets PCP accreditation award.

Criteria for LSOs Evaluation



Theoretical Framework of LSOs Functioning in GBC



The present study

This study, with support from the Aga Khan Rural Support Programme (AKRSP) analyzes the performance and management capacity of LSOs operating in Gilgit, Baltistan and Chitral (GBC), using evaluation data on 40 LSOs working in the community.

Pakistan Centre for Philanthropy is engaged in the evaluation and certification of NGO's based in Pakistan. In this regard, the key strategic goal of PCP is the fostering of an enabling environment for philanthropy and donor funded projects for social development. A major impediment in achieving this goal has been a trust deficit and limited credibility of NGOs working in Pakistan. PCP responded to this trust deficit issue by developing a Certification Programme for CSOs which aims to build the capacity of NGO's by evaluating them in the areas of internal governance, financial management and programme delivery against rigorous international best practices and standards. The PCP certification model developed for typical CSOs in Pakistan is entirely different from the working structure of LSOs which are rural based small size organisations with limited institutional and financial capacity, and are participatory in nature with roots in community organizations and household membership. Therefore a strong need was felt to strengthen their systems through a specially designed evaluation tool that would take into account the representation and accountability needs of these local organizations to help them build their capacity to run their programmes more effectively.

areas of Gilgit, Baltistan and Chitral, information was gathered from a sample of 40 LSOs. This information has been used to construct selected indicators for further analysis.

A step-by-step approach to compile and format evaluation data for analysis is as under:

Step 1: Preliminary Review of Documents and Data

Raw data collected through 51 evaluation parameters was first sorted, organized and reviewed for research analyses purpose.

Step 2: Data Formatting and Data Entry

The collected data on all the parameters was coded for proper data entry in the software. This primary data was further formatted and cleaned for research analysis.

Step 3: Data categorization

The detailed information collected on 51 parameters was then combined and categorized under five major areas of performance indicators, i.e. Governance, Management, Networking, Effectiveness and Sustainability.

Step 4: Analysis of Primary Data

Selected variables/indicators were constructed under five major assessment themes to analyze the performance of LSOs in areas of intervention. The methods to analyze and interpret these data pertain to simple ratios, percent distribution and cross tabulation of performance indicators.

Objective of the study

The study focuses on AKRSP partner LSOs working in GBC areas with the aim to empower and strengthen them by organizing, trainings and providing access to resources. Using the specifically designed evaluation tool for LSOs, the main objective of the study is to review progress of LSOs in terms of governance structure, management capacity, programme efficiency and sustainability and provide recommendations to improve capacity gaps, programme efficiency and sustainability for better outcomes.

Methodology

The evaluation data was collected by trained field staff in the community by giving scores against 51 performance parameters as defined in the evaluation tool. Out of a total number of 77 LSOs working in

Results of the Study

This section describes the background characteristics of LSOs and results of data analysis pertaining to the five categories of performance in three areas under study.

Table 1 shows that overall 63 percent of the sampled LSOs have been operating since past six to ten years, while 33 percent have been formed in more recent period of 1 to 5 years and only 5 percent have more than 10 years of experience which are mostly located in Chitral and Gilgit. Of total LSOs, 90 percent have been registered under section 42 of the Company's Ordinance 1984, while the remaining 10 percent reported that they have initiated the registration process under the same law.

It may be noted that among various registration laws, Company's Ordinance is more stringent in terms of its reporting requirements and regulations which may

Table 1: Percentage distribution of LSOs by background characteristics and area

Characteristics	Indicator	Gilgit	Baltistan	Chitral	Overall
Registration under Companies Ord. 1984		100	69	100	90
Registration in process		-	31		10
Number of Years	1 to 3 years	12	54		23
	4 to 5 years	12	15		10
	6 to 10 years	71	31	90	63
	> 10 years	6		10	5
Number of Male Employees	None	13			5
	1 to 3	87	77	40	71
	More than 3		23	60	24
Number of Female Employees	None	47	62	20	45
	1 to 3	53	38	80	55
Number of LSOs (N)		(17)	(13)	(10)	(40)

have its implications for the maturity of LSOs. These small organizations with their limited capacity and access to resources are likely to face challenges of fully complying with complex procedures of reporting and auditing. This needs to be validated by comparing performance of similar organizations registered under different laws and regulations. However, being AKRSP partner LSOs, they are provided facilitation and support wherever needed.

Table 1 also shows that despite the voluntary nature of LSOs, almost half of the organizations have female representation as staff members, and females become regular members of their General body and Executive body structure in most organizations. Among regions, the highest proportion of LSOs with 1-3 female employees is in Chitral at 80 percent as compared to 53 percent in Gilgit and 38 percent in Baltistan. It may also be noted that two sampled organizations based in Gilgit are completely led and managed by local women (Table – 1).

Further analysis of LSOs evaluation is conducted under five major areas as under:

1. Democratic Governance
2. Management Capacity
3. Networking and Volunteerism
4. Effectiveness and Impact
5. Sustainability

1. Democratic Governance:

An ideal governance system ensures transparency and participation in decision making at all levels within the organization, reflects the organization's values and identifies gaps in its performance.

As discussed earlier, Democratic Governance is the largest section with 400 total scores on 22 parameters (40% of total). The grading of LSOs by score achievement on democratic governance indicates that overall only 18 percent of LSOs obtained rating at A (above 80 percent of scores), whereas 48 percent were at B, 23 percent had rating at C and only 13 percent were rated in the lowest grade at D as per achievement of scores. Among the regions, Chitral got the highest score achievement with 50 percent rated as A compared with only 12 percent in Gilgit and none in Baltistan. For LSOs obtaining 65-70 percent of scores, the proportion is the highest in Baltistan at 62 percent followed by Chitral at 50 percent and Gilgit at 35 percent. These data reveal that LSOs rated as C and D are mostly located in Gilgit, whereas Baltistan has the maximum scoring in grade B, pointing towards the need to strengthen capacity of LSOs in Baltistan and Gilgit to help them achieve better democratic values and practices. The overall rating of D is 13 percent because of recent establishment, as mentioned in Table 1, 23 percent organization of GB are established in last three years.

Table 2: Percentage distribution of LSOs by Score Achievement on governance parameters by area

Rating		Gilgit	Baltistan	Chitral	Overall
Above 80 %	(A)	12	-	50	18
65- 79%	(B)	35	62	50	48
50- 64%	(C)	35	23	-	23
Less than 50%	(D)	18	15	-	13

Based on information on 22 parameters in the Assessment Tool, eight indicators have been constructed to reflect the efficacy of governance system in LSOs under study. The results of parameters under democratic governance are discussed below.

LSOs Adopt Democratic Process for General Body Selection

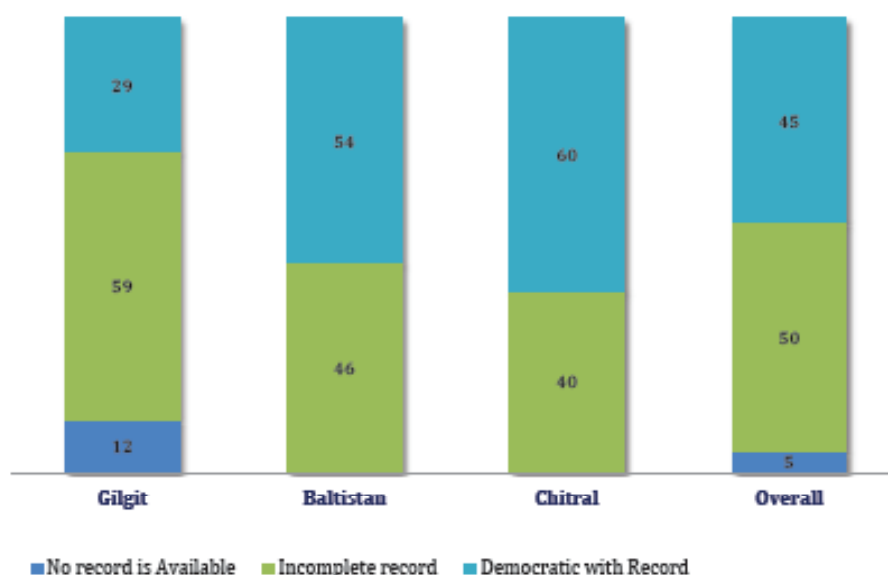
The LSOs were asked about the selection process of their general body (GB) members. Overall, 45 percent of LSOs reported that their GB members are elected democratically with maintaining of complete record of the selection process whereas 50 percent have incomplete record keeping. The performance of LSOs in keeping up with democratic process is relatively better in Chitral and Baltistan than those in Gilgit where only 29 percent have shown complete record for GB selection process compared with 54 percent and 60 percent in other two areas (Figure 1).

Pattern of General Body Meetings

The score achievement on pattern of GB meetings varies among the three areas under study. Figure 2 reveals that overall, 40 percent of LSOs conduct general body meetings according to the predefined agenda, review last year performance and next year plans. This percentage is 90 percent in Chitral, 31 percent in Baltistan and 18 percent in Gilgit indicating towards the need to build capacity of LSOs holding their GB meetings, especially in Gilgit with its lowest scoring on this indicator. LSOs which do not prepare meeting agenda are mostly based in Gilgit and Baltistan areas (Figure 2).

Selection Criteria of Executive Body (EB)

The evaluation parameters of LSOs also provide information on selection process of the Executive Body (EB) providing an opportunity to assess if the process is transparent and democratic. Figure-3

Figure 1: Percentage distribution of LSOs for process adopted for GB selection

45 percent of LSOs General Body members were elected democratically

Figure 2: Percentage distribution of LSOs for preparation of their GB meetings

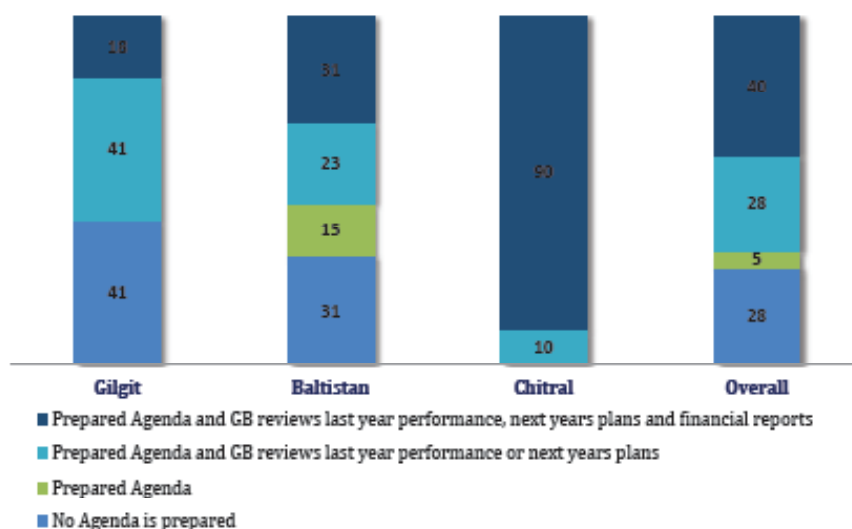
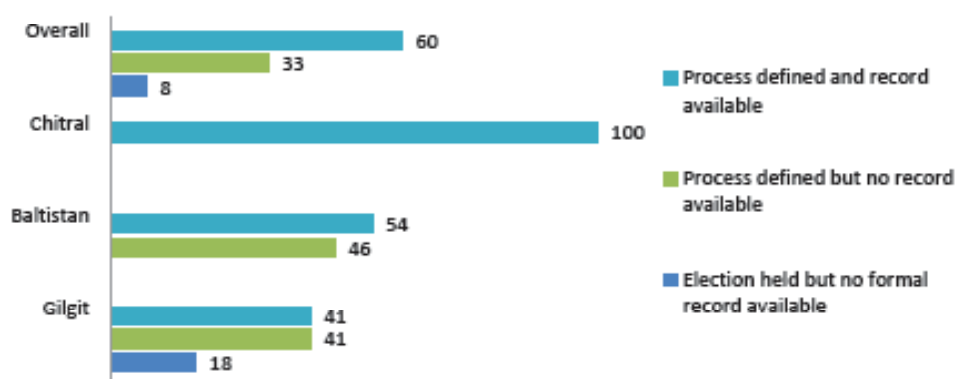


Figure 3: Percentage distribution of LSOs for electoral process of EB by area



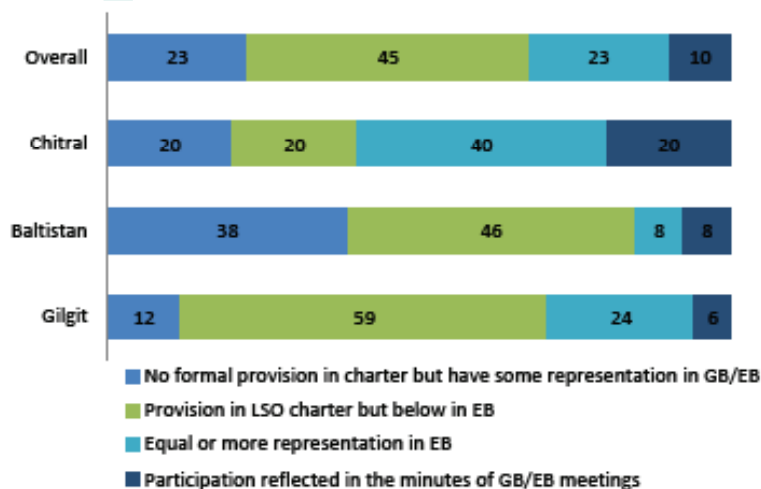
shows that overall 60 percent of LSOs have a defined process for the selection of EB with complete record available, while 33 percent have no record despite the defined election process. Chitral scores 100 percent in achieving the selection criteria of EB election compared with 54 percent in Baltistan and 41 percent

in Gilgit pointing towards the need to improve the electoral process in these areas.

Women Representation in the Executive Body

Women's improved socio-economic status is reflected by her involvement in decision making and policy

Figure 4: Percentage distribution of LSOs by women representation in EB/GB



Overall women participation in decision making is only 10 percent

LSOs in GBC cover above 80 percent households of their catchment area

Figure 5: Percentage distribution of LSOs by disabled persons in GB and EB

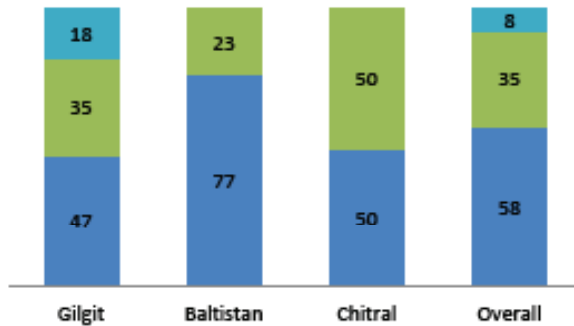
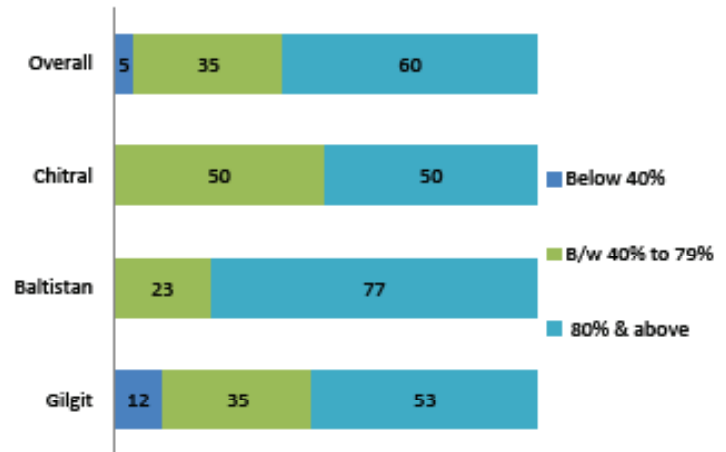


Figure 7: Percentage distribution of LSOs by percent of household covered at UC level

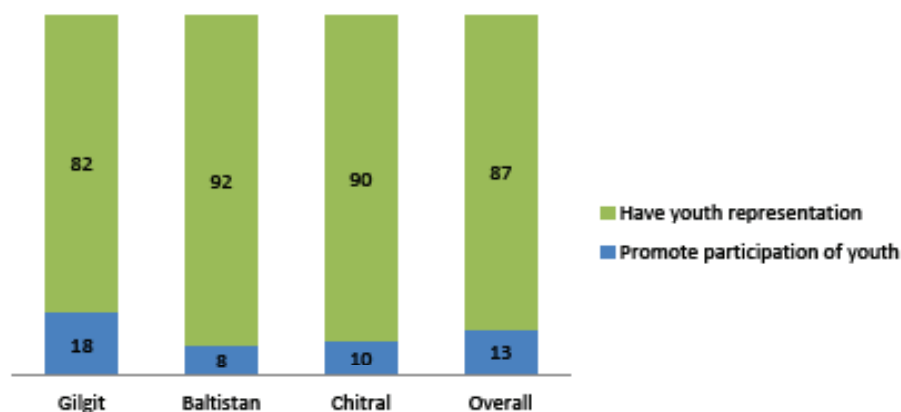


development at all levels of governance. Through their active involvement in the community work at grassroots level, local women representatives become fully aware of issues faced by women in their communities. The evaluation of LSOs in GBC shows that overall women participation in decision making as reflected by the minutes of meetings is only 10 percent. Among regions, this proportion is 20 percent in Chitral compared with only 8 and 6 percent in Baltistan and Gilgit, respectively. Overall, about 23 percent have no formal provision in charter but still have some women representation, and 45 percent have lower representation in GB despite having provision in charter and this percentage is the highest in Gilgit at 59 percent (Figure 4).

Representation of Disabled Persons in the Executive Body

Persons with disabilities have all the rights to participate in the decision making process that affect their lives. The enjoyment of the right of handicapped persons to participate in decision-making, including participation in public life is related to practising human rights. The evaluation results show that only 8 percent of LSOs have representation of disabled persons in their GB/EB which were all based in Gilgit region, while 58 percent have no representation and 35 percent have provision in quota to include disabled in EB (Figure 5). Among regions, Baltistan has scored the lowest on this indicator with 77 percent of LSOs having no representation of disabled in GB and EB.

Figure 6: Percentage distribution of youth participation in LSOs by area



87 percent of LSOs shows active youth representation

Promotion of Youth Participation

Youth participation leads to better decisions and outcomes. Many of the profound difficulties faced by young people in rural areas are illiteracy, poverty, unemployment. These issues are subjects of widespread concern at the national and international levels. Youth is often characterized by uncertainty and risk. Effective strategies are needed to resolve these concerns. In this regard it is important to include them in local governance and decision making. Figure 6 shows that overall, 87 percent of LSOs mentioned that they have youth representation in their GB/EB and this high participation of youth is evident in all regions which is an encouraging in terms of engagement for youth in LSOs activities and benefitting from their skills.

Number of Households Covered by LSOs

It is well known that most areas of GBC are mountainous with difficult terrains. Approach to some places is very difficult in winter season. Most of the LSOs evaluated for certification are based in remote areas and serve rural communities. Their covered areas vary from

small villages to comparatively large towns. However, the results show that 60 percent of sampled LSOs in GBC cover above 80 percent households of their catchment area and only 5 percent serve less than 40 percent households in their catchment areas (Figure 7). It may be noted that the highest coverage of household is reported by Baltistan with their outreach to 77 percent of households for their programmes.

Audit of Financial Accounts

Maintaining an effective system of financial controls and auditing is vital for achieving good governance and effectiveness of financing programmes by LSOs. Figure 8 shows that 48 percent sampled LSOs in GBC mentioned that they conduct annual financial audit, whereas 30 percent have their internal auditing system and only 8 percent have no audited accounts. Again Chitral demonstrates best practice of audit of financial accounts with 80 percent of LSOs in this category, compared with 46 percent in Baltistan and only 29 percent in Gilgit pointing towards the need to improve financial management policies in many LSOs in the two areas to improve their governance.

Figure 8: Percentage distribution of LSOs having audited accounts by region

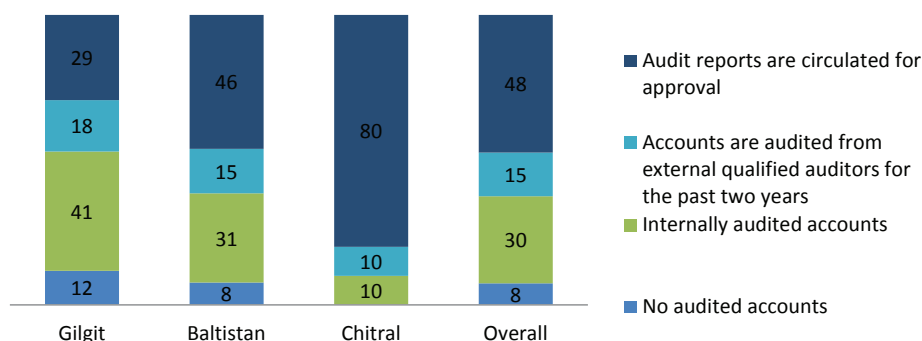


Table 3: Percentage distribution of LSOs on management capacity parameters

Rating		Gilgit	Baltistan	Chitral	Overall
Above 80 %	(A)	18	8	40	20
65- 79%	(B)	24	54	60	43
50- 64%	(C)	29	23	-	20
Less than 50%	(D)	29	15	-	18

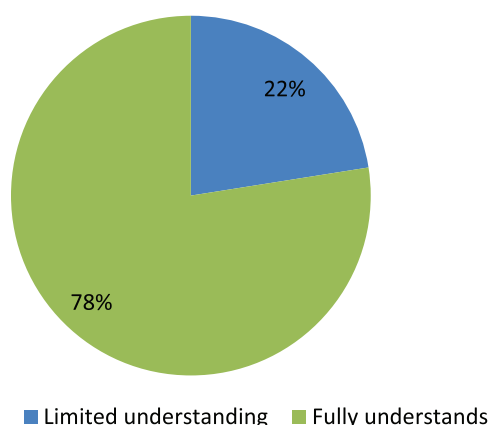
2. Management Capacity:

The Management Capacity is smart handling of limited resources of an organization that includes its staff/ volunteers, managing office space, technology and equipment, raw materials, and finances. Management Capacity also deals with the capacity of an organization to efficiently handle processes and operations. Management capacity of LSOs is assessed in terms of

clarity of the organization's motivation, purpose, and stability by reviewing its guiding principles, structure, and oversight mechanisms.

Under the management capacity, LSO were given scores against 12 evaluation parameters with a total score of 250. Table 3 shows that overall only 20 percent of LSOs have obtained rating at A, whereas 43 percent are at B, 20 percent at C and only 18

Figure 9: Percentage distribution of LSOs by EB members understanding the objectives of the organization



Understanding the objectives	Gilgit	Baltistan	Chitral
Limited	18	46	-
Fully	82	54	100

percent are rated in the lowest grade at D as per achievement of scores. It is important to note that most of LSOs securing low score on management capacity are located in Gilgit whereas Baltistan has shown relatively better performance with a majority attaining B and C grading in scores.

Using achievement scores on 12 evaluation parameters, four indicators have been constructed to assess management capacity of LSOs in GBC and the results are discussed below:

Executive Body Clearly Understands the Objectives of LSO

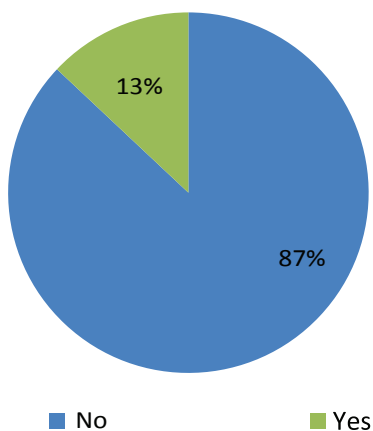
The structure of an organisation determines how its manpower works together in teams and how they relate to one another. For an organisation to be successful, it is important that every individual in the organisation clearly understand the objectives and mission of organisation. The results in Figure 9 show that overall 78 percent executive body members of sampled LSOs in GBC fully understand the objective of their organization. Of all areas, Chitral has the maximum score of 100 percent indicating

full understanding of the objectives by EB members compared with 82 percent in Gilgit and 54 percent in Baltistan (see Table below).

Monitoring Systems of LSOs

Monitoring is important for LSOs to have a check on the day-to-day programme activities and to determine whether the activities are being performed on schedule, resources are being utilised efficiently, and targets for outputs are being achieved in accordance with project work plans. The overall results show that only 15 percent LSOs in GBC have monitoring systems in place, whereas 85 percent reported informal monitoring systems (Figure 10). A disaggregation by area in the Table reveals that formal monitoring process takes place in 30 percent of LSOs in Chitral compared with only 12 percent in Gilgit while Baltistan has no formal system of monitoring their programmes. This situation makes it evident that majority of LSOs in GBC need to develop and strengthen their monitoring system to improve programme effectiveness and its management and should be given training or skills to learn supervision and monitoring of interventions.

Figure 10: Percentage distribution of LSOs with monitoring system of programmes



Monitoring System	Gilgit	Baltistan	Chitral
No	88	100	70
Yes	12	-	30

Table 4: Percentage distribution of LSOs by annual plans of programme activities

Annual Plans	Gilgit		Baltistan		Chitral		Overall	
	Percent	N	Percent	N	Percent	N	Percent	N
No plan	35	6	38	5	-	-	28	11
Developed plan	12	2	15	2	10	1	13	5
Approved plan	12	2	23	3	40	4	23	9
Implemented plan	41	7	23	3	50	5	38	15
Total	100	17	100	13	100	10	100	40

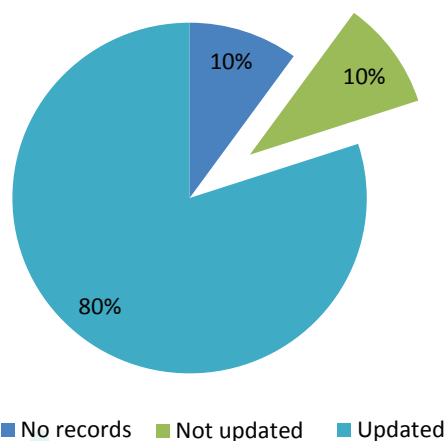
Annual Plans of Programme Activities

Planning of project activities and preparing annual plans has a great importance for smooth functioning LSOs. It helps in effective implementation and efficient use of limited resources for the benefit of communities. Overall, 38 percent of sampled LSOs in GBC have developed and implemented their social development activities according to their annual plans whereas 28 percent have reported no annual plans. Among the regions, Chitral stands out with no LSO working without annual plans whereas Gilgit and Baltistan present a mixed picture and need

improvement in their skills to prepare annual plans for programme activities.

Financial Records of Income and Expenditures

Having accurate and up to date financial records is important indicator of effective management. LSOs' accounts should be backed up with full and detailed records of all income and expenditure, such as receipts, invoices and purchase orders, payments in and out, etc for a transparent management system. It is encouraging to note that about 80 percent of sampled LSOs reported an updated computerized or

Figure 11: Percentage distribution of LSOs financial records

Financial Records	Gilgit	Baltistan	Chitral
No records	24	-	-
Not updated	18	8	-
Updated	59	92	100

Table 5: Percentage distribution of LSOs: Score Achievement on Networking and Volunteerism parameters by area

Rating		Gilgit	Baltistan	Chitral	Overall
Above 80 %	(A)	29	-	60	28
65- 79%	(B)	41	38	10	33
50- 64%	(C)	12	46	30	28
Less than 50%	(D)	18	15	-	13

80 percent of sampled LSOs reported an updated financial and accounting system

manual accounting system (Figure 11) and this score is 100 percent in Chitral, 92 percent in Baltistan and 59 percent in Gilgit (see Table below)

3. Networking and Volunteerism:

Networking and Volunteerism are the critical components in building partnerships and effectiveness of an organization's viability and impact. The benefits of networking are to create partnerships and linkages with donors, government, partners and organizations working in the same thematic area etc. Volunteering is a factor that has direct impact on the community and its members. Un-paid volunteers are often the key members of the organizations that hold a community together. Volunteering allows the organizations to connect with community and make it a better place. Effective networking and volunteerism can also save LSOs' financial and time resources.

Under the networking and volunteerism section, LSO were evaluated against 5 evaluation parameters with

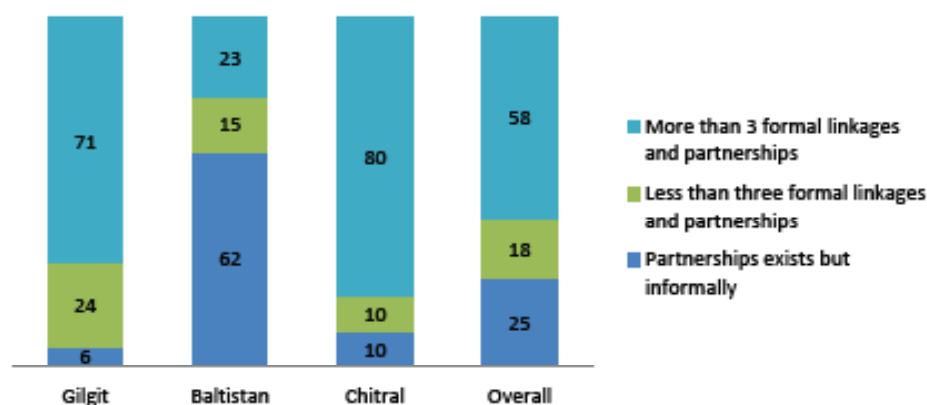
130 total score. Table 5 shows that the overall grading of scores reveals that 28 percent of LSOs obtained rating A and C, whereas 33 percent achieved scores at B. Among regions, Chitral has shown the best performance in networking and volunteerism score achievement closely followed by Gilgit, whereas most of LSOs in Baltistan have achieved scores in B and C grading and need to improve in this aspect of performance.

Results of some important parameters under networking and volunteerism are discussed below

Linkages with Stakeholders

Stakeholders of LSOs are those organizations/ individuals who learn and benefit from the success of an LSO and more linkages with various stakeholders show the strength of an LSO. To assess this aspect of networking, the results show that 58 percent of LSOs in GBC have more than three formal linkages and partnerships, whereas 25 percent have reported no formal partnerships. LSOs in Chitral have the highest

Figure 12: Percentage distribution of LSOs having partnerships by region

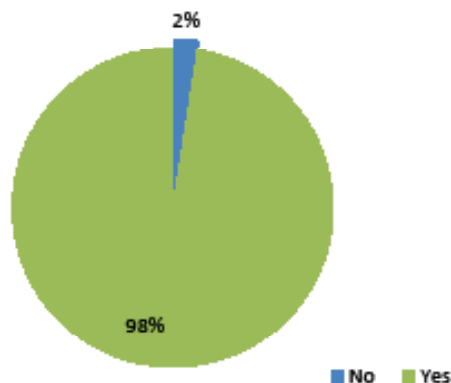


percentage of formal partnerships (80 percent) followed by Gilgit (71 percent) and Baltistan (23 percent) which has reported more informal linkages and partnerships (Figure 12).

Volunteer Services of EB and GB Members

Executive Body and General Body members are decision makers and policy makers of LSOs. Their interest with the organizations should remain above monetary and material benefits. Their role with LSO should remain as volunteer which is an international

Figure 13: Percentage distribution of LSOs EB and GB members serves voluntarily



best practice. It is encouraging to note that almost all of the sampled LSOs (except one LSO of Baltistan) in GBC have reported that their GB/EB members serve on volunteer basis with no vested interest (Figure 12). This presents a best practice model and commitment of EB and GB members towards the success of LSOs in the community.

Promoting Volunteerism

Volunteering is a powerful, practical and sustainable way to tackle poverty and inequality. LSOs should be committed to support volunteering in all its forms as a way of encouraging people to take part in the development of their local community. Volunteering is the ultimate expression of human relationships – people acting on behalf of their communities, because of a desire to contribute and help. As a result, volunteers tend to be highly engaged and committed to the outcomes of their work. The results reveal that majority of the sampled LSOs have reported using services of volunteers, but only 35 percent maintain proper record of their volunteers and 63 percent have

an informal record of volunteer work which are mostly located in Chitral and Gilgit. On the other hand, 63 percent keep an informal record of volunteer work and these LSOs are mostly located in Baltistan (Table 6). This implies that despite the common practice of volunteerism in the region, LSOs need to properly document the contributions to give formal recognition to this practice.

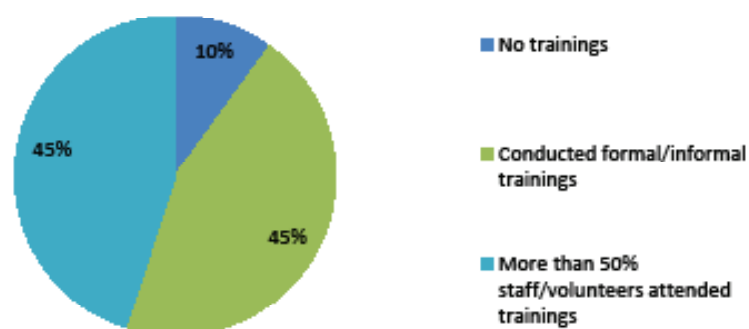
Staff Trainings

LSOs mostly hire people from within the community that in many cases lack required skills and competence to accomplish the task at hand. Hence, a training programme allows them to strengthen their skills that are needed to improve service provision and efficiency of employees. The results show that about 90 percent of the sampled LSOs have reported training programmes for their staff and volunteers while the remaining 10 percent never arranged trainings for their employees (Figure 13). This score is 100 percent in Chitral and Baltistan while 76 percent in Gilgit.

Table 6: Percentage distribution of LSOs promoting volunteerism by region

Volunteers	Gilgit		Baltistan		Chitral		Overall	
	Percent	N	Percent	N	Percent	N	Percent	N
No record	6	1	-	-	-	-	3	1
Informal record	47	8	85	11	60	6	63	25
Proper record	47	8	15	2	40	4	35	14
Total	100	17	100	13	100	10	100	40

Figure 14: Percentage distribution of LSOs having staff/volunteers training



4. Effectiveness and Impact:

Organisational effectiveness and impact are crucial indicators to measure success and performance of an organization and its outreach to the target population in the area.

Under this category, LSO were scored against 4 evaluation parameters with a total score of 70.

The overall situation on this category of performance indicates that only 8 percent of LSOs have obtained rating at A and C, whereas 28 percent have been graded at B and majority of sampled LSOs (58 %)

have been rated at D-the lowest achievement score (Table 7). Among regions, Chitral which has shown successful performance in other indicators has scored low with 60 percent of LSOs rated at D compared with 62 percent in Baltistan and 3 percent in Gilgit.

This relates to the age of the LSO working in the area, implying that the older the LSO the greater would be the impact in theory. The profile of LSOs in Table 1 shows that 33 percent of LSOs for example are working for less than 5 year period whereas 63 percent are working for 6-10 years time implying that the impact would have been greater if majority were more than 7 years old.

Table 7: LSOs Score Achievement on Effectiveness and Impact parameters

Rating		Gilgit	Baltistan	Chitral	Overall
Above 80 %	(A)	6	-	20	8
65- 79%	(B)	35	31	10	28
50- 64%	(C)	6	8	10	8
Less than 50%	(D)	53	62	60	58

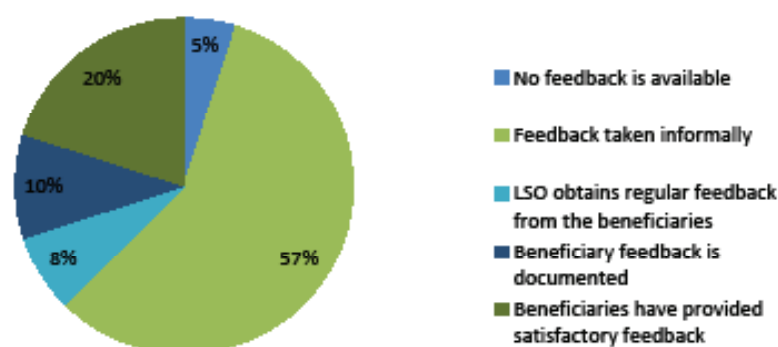
Detailed results of some indicators to assess effectiveness and impact of LSOs programmes are discussed below;

Impact of Programmes and Services

Impact assessment of programmes and services is aimed at providing feedback to help improve the design of LSO's programmes and policies. Besides assessing accountability, impact evaluations are a

tool for dynamic learning allowing LSOs to improve ongoing programmes and ultimately better allocate funds across programmes. Figure 14 indicates that overall 57 percent of sampled LSOs have reported taking informal feedback from their beneficiaries on how to make their services more effective while the remaining LSOs have followed either regular or documented feedback process.

Figure 15: Percentage distribution of LSOs feedback taken from beneficiaries

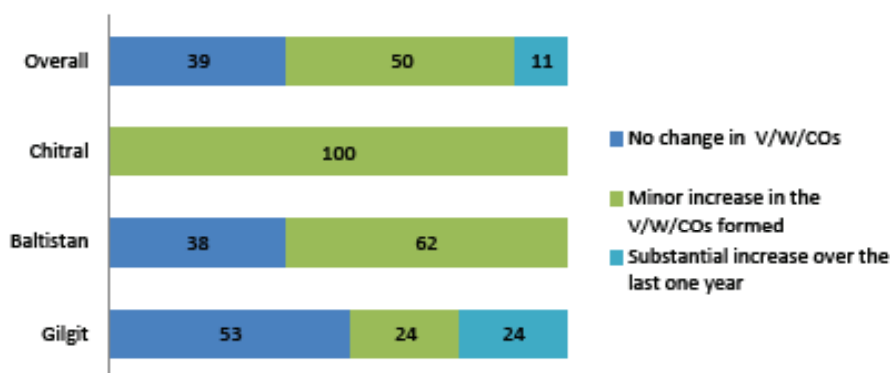


Strengthening the Member Base

The long-term goals of the Local Support Organisations are to empower people, increase community participation, foster social cohesion, enhance cultural identity, and strengthen institutional development which is only possible if the LSO has strong membership base. If community members have a sense of ownership in the decision-making processes and feel that scarce resources have been

distributed in an equitable and fair manner, the performance and success of the organization is vastly improved. The evaluation results show that about 50 percent of the sampled LSOs have reported minor increase in their organisational membership, while this change was 100 percent in Chitral followed by 62 percent in Baltistan and only 24 percent in Gilgit (Figure 15)

Figure 16: Percentage distribution of LSOs' change in organizational membership



Sustainability is not a serious issue for majority of LSOs

5. Sustainability:

Sustainability is a crucial measure to assess the long-term efficacy and productive capacity of an organization. For an organization to be sustainable, factors like sustainability plan, financial resources and effective leadership contribute to the organization's success.

Under this category, LSOs were scored against 8

evaluation parameters with 150 as total score. The results in Table 8 show that overall about 60 percent of LSOs are rated at A and B indicating that sustainability is not a serious issue for majority of LSOs in GBC, especially in Gilgit with 41 percent scoring grade A compared with 23 percent in Baltistan and 20 percent in Chitral. However, among the 40 percent scoring low at C and D, proportion of LSOs is the highest in Baltistan (53%) followed by Chitral (40%) and Gilgit (30%).

Table 8: LSOs Score Achievement on Sustainability parameters by area

Rating		Gilgit	Baltistan	Chitral	Overall
Above 80 %	(A)	41	23	20	30
65- 79%	(B)	29	23	40	30
50- 64%	(C)	18	38	30	28
Lessthan 50%	(D)	12	15	10	12

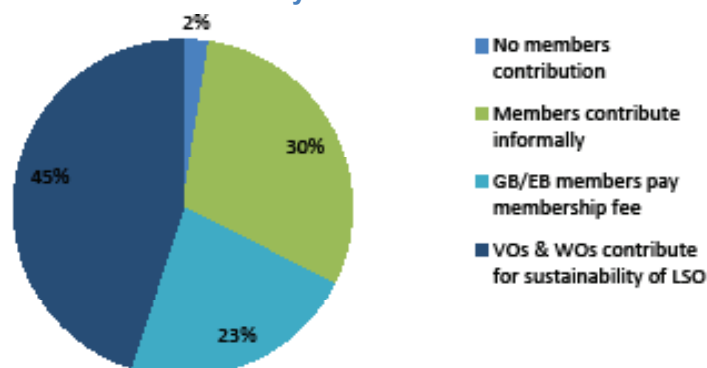
Detailed results of indicators of LSO sustainability parameters are discussed below:

Contribution to Sustainability of LSOs

Most of the LSOs work on "dependency" model, relying primarily on philanthropy, voluntarism and donor funding. However, community contribution and their sustainability plans are critical for their existence

and continuity of work. The results show that 45 percent of the sampled LSOs have reported that their Village Organizations and Women Organizations contribute towards their sustainability, while 30 percent receive contributions from their members informally and 23 percent from the membership fee (Figure 16). This implies that further efforts are needed to mobilize resources from local sources.

Figure 17: Percentage distribution of LSOs by members contribution

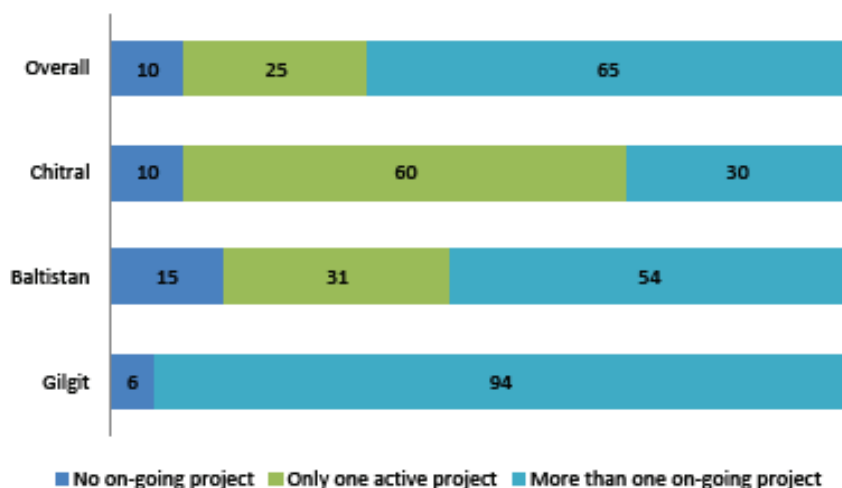


Projects for Sustainability

Good and sustainable projects are essential for improving financial sustainability of an LSO. Figure 17 reveals that overall, about 65 percent of sampled LSOs have reported more than one ongoing project while 25 percent have only one active project. Among the regions, it is evident that Gilgit ranks the highest (94 percent) in terms of sustainability reporting more than one on-going project compared with 54 percent in Baltistan and only 30 percent in Chitral.

It is worth noting that Chitral showing the highest scores in democratic governance, management capacity, programme effectiveness and networking and volunteerism has obtained the lowest score on sustainability reporting with only one active ongoing project. This needs further probing to determine what factors are significant in determining the sustainability of LSOs in GBC and whether number of ongoing projects is a good way to measure sustainability.

Figure 18: Percentage distribution of LSOs for on-going projects for sustainability



Sources of Income

An LSO is a not-for-profit, citizen-based group that functions independently for the benefit of its community. As not-for-profit organization, an LSO may rely on a variety of sources for funding projects, operations, salaries and other overhead costs. In this regard, fundraising efforts are important for the LSO's existence and success. Some important funding sources include membership dues, philanthropic foundations, grants from local, state and federal agencies, and private donations.

The evaluation results in Table 9 show that 53 percent of sampled LSOs have reported that they do not have sufficient resources to sustain their projects. However, about 35 percent reported sufficient resources to sustain its services for another year. Among the regions, Chitral and Baltistan have the highest proportion (about 70 percent) in terms of insufficient resources compared with 29 percent for Gilgit.

Table 9: Percentage distribution of LSOs by their source of income

Resources	Gilgit		Baltistan		Chitral		Overall	
	Percent	N	Percent	N	Percent	N	Percent	N
No resources	29	5	-	-	-	-	13	5
Insufficient resources	29	5	69	9	70	7	53	21
Sufficient resources	41	7	31	4	30	3	35	14
Total	100	17	100	13	100	10	100	40

Conclusion

This study presents an analysis of the evaluation data collected against 51 parameters for 40 LSOs working in Gilgit, Baltistan and Chitral. The evaluation tool comprised of 51 parameters in areas of democratic governance, management capacity, programme efficiency, networking and volunteerism and sustainability providing with an opportunity to assess their performance and progress of work in these areas.

Overall, the findings of the current assessment show that LSOs in GBC have performed fairly well in their catchment areas and have shown above average performance in nearly all categories of evaluation except for indicators on effectiveness, impact and sustainability--the two most crucial elements to measure an organization's successful performance. Among the regions, the results reveal that Chitral has better score achievement in democratic governance, management capacity, financial record keeping and in forming networking and partnerships as compared to Gilgit and Baltistan. However, it is surprising to note that 60 percent of LSOs in Chitral have attained grading D (less than 50% scores) on effectiveness and impact and 70 percent have reported insufficient or no resources for their programmes despite scoring high on governance, management and partnership indicators. On the other hand, LSOs in Gilgit with low scores in democratic governance and management capacity have ranked the highest on sustainability parameters (94 percent) with reporting of more than one on-going project and multiple sources of income as compared to 54 percent in Baltistan and 30 percent in Chitral. This raises questions about how sustainability and programme effectiveness have been assessed in the evaluation tool. The analysis shows that sustainability index is measured by the number of on-going projects and sources of income reported at the time of evaluation which presumably is one-time reporting that is inadequate to capture long-term sustainability and impact assessment. This contrary to expectation result needs further probing to understand what underlying factors contribute to an improved sustainability score and what specific questions should be asked to measure sustainability and programme effectiveness--an information gap identified in the evaluation data.

It is well recognized that women's involvement in community work at grass root level and their participation in decision making provides an opportunity to understand women's issues and lend voice to their problems. However, the evaluation parameters assessment reveals very low representation of women in all areas under study. For example, only 10 percent of LSOs have women representation in the Executive Body, whereas 23 percent have no formal provision in the charter and 45 percent have lower representation in General Body than the provision

in the charter pointing towards the need to enhance women representation in LSOs to achieve better democratic governance and outcomes. However, the study has shown encouraging results regarding participation of youth in governance and management activities as 87 percent of LSOs have reported youth involvement in General Body and Executive Body meetings that may bring returns in terms of raising awareness about youth concerns and improving their skills and employment opportunities.

Although the evaluation of LSOs in GBC is a useful exercise to identify the achievements, strengths and weaknesses of their programme performance, the data compiled is limited in scope for measuring effectiveness and sustainability. Information available from the evaluation tool has not adequately covered and addressed some pertinent questions on impact and sustainability aspects of LSOs performance to help identify the actions to be taken for further improvement. It must be borne in mind that the evaluation tool with 51 questions must be reflective of the objective of this evaluation and the potential research questions for analysis. This study, based on a small sample of 40 LSOs in GBC working under the umbrella of AKRSP is a pioneer initiative of PCP, the results however, are not fully representative of the country's situation and cannot be generalized for Pakistan.

Way Forward

The findings of this study have provided the base to conduct future studies on LSOs with an improved evaluation tool to get further insights into their performance. The way forward is to conduct similar studies on LSOs working in other regions of Pakistan working under different umbrella organisations which would help to compare the results and draw context-specific conclusions and recommendations to strengthen impact of their work and move up to a higher maturity level. Moreover, the larger sample of LSOs for evaluation would provide further evidence on their working to substantiate the validity of present findings. As these lower tier organisations have been less researched in the past, the evaluation exercise for other LSOs working across the country would provide an opportunity to conduct further research studies to identify the issues, gaps and challenges faced by these organisations and suggest ways to improve their progress of work that may lead to their smooth transition from lower to higher level.

Recommendations

The evaluation of LSOs and its research analysis has value addition in many ways. It would boost confidence of LSOs through receiving the PCP accreditation award as well as bring forth recommendations for further improvements in their performance. A good performance of an LSO ensures that the organization is competitive and its systems are transparent that would increase the credibility of LSOs. The analysis

is also useful in terms of identifying the strengths in reaching out to the target population and in recognizing weak areas in terms of their capacity/ institutional deficits that need improved within their existing systems. Based on the findings of this research, some recommendations to follow are as under:

- LSOs need to improve their internal financial control and accountability mechanisms to ensure strong management systems and sustainability.
- LSOs must align their planning and agendas with Sustainable Development Goals which

considered community philanthropy as an indicator of development.

- LSOs need to strengthen partnerships and networks between communities, governments, non-government, philanthropic and business sectors to improve effectiveness and sustainability of their programmes.
- The evaluation tool needs to be refined and improved to include relevant questions on impact and sustainability.
- Data on evaluation of larger sample of LSOs is needed to conduct context specific research and analysis to yield detailed results for future actions.



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Annexure

Literature Review

The rising involvement of civil society at different levels of development as explained by Srinivasan (2005) contends that organized civil society is the vehicle of development; counterbalances the failure of state and contributes more effectively to bridge the gap left by the state in community development. In recent decades, western policy agenda propagates to combine the role of the state, market and the third sector, i.e., civil society organizations in the economic and political models of development. (*Banuri, 1991; Zaman, 1993; Zaidi, 1994*).

The early phases of development explained by Meyer (1996) and Kaimowitz (1993) highlight the role of religious institutions in social development. Later, active civil society engaged all stakeholders in the process of achieving sustainable social development changes. The relevant example in this context is of India where grassroot organizations emerged to bring some institutional changes in the Indian political dynasty. These political interventionists were often called as the first generation involvement of civil society highly motivated by the agenda of social development having very defined set of goals (*Bebbington, Farrington and Sethi, 1993*).

David Lewis and Nazneen Kanji (2009) discuss the failure of state in delivering services which prompt other stakeholders to fill the gap. Active civil society becomes the alternate medium of service delivery. The developing world facing shortages of resources for building schools, hospitals and in dealing with other structural issues including accountability of public servants needs active civic participation based on sharing and owing the responsibility to contribute to development. Alan Fowler (1991) propagates the comparative advantage of civil society because of their transparency, effective service delivery mechanisms and targeting of disadvantaged segment of the society more adequately. The Meyer (1996) and Bebbington and Farrington (1993) described another phase of development emerging from policies of the Reagan and Thatcher which focussed on promoting free market and confined state intervention on economic matters. Civil society organizations appeared as the third autonomous player in this scenario to contribute towards removing social and economic deficit within societies.

One of the challenges mostly discussed in literature is the sustainability in relation to accountability mechanisms of CSOs which are largely dependent on donors' funding. Srinivasan (2005) has discussed the accountability mechanism within the context of sustainability which can be measured through organizational management, project implementation,

financial management and information disclosure. Sub-themes of accountability are further categorized into roles and responsibility, dependability, trustworthiness, legitimacy, and transparency—factors that are essential pre-requisites to ensure legitimacy and effective management of civil society organizations.

The accountability of civil society is also considered an effective tool for delivering quality services. Ebrahim (2003) explained five broad mechanisms of accountability: reports and disclosure statements, performance assessments and evaluations, participation, self-regulation, and social audits. He further analyzed these five mechanisms along three dimensions of accountability: upward-downward, internal-external, and functional-strategic. Civil society organizations which desire to attain societal legitimacy can strengthen their accountability measures through disclosure of accurate information to public to fulfil their social obligations and gain societal legitimacy (Lindblom, 1994; Suchman, 1995). Legitimacy makes an organization lawful, admissible, and justified in chosen course of action (Edwards, 2000). Other theorists argued about organizational and institutional efficiency to be gained through reputation and institutionalizing rules, norms, and guidelines process for social behaviour (Scott, 2004). Resource dependence theory evaluates the organizational strategies in generating resources and funding from the environment to attain organizational sustainability (Lister, 2003). According to Sen (1998), the donor dependency leads toward lack of sustainability. As explained by Edwards and Hulme (1996), factors behind the success of one project may not be fully applicable or adaptable in another area. South Asia has a number of active civil society organizations presenting institutional efficiency and sustainable outcomes. Some notable examples include the BRAC, Grameen Bank in Bangladesh, AKRSP, OPP in Pakistan, SANASA in Sri Lanka and WWF, SEWA in India.

The relationship of civil society organizations with the donors have also been discussed and debated by researchers and experts in various studies. According to Wiggins and Cromwell, Edwards and Hulme (1995), civil society emerged in response to state and market failure and instantly became the favoured child of the donor which led to the general perception among people that most of such assistance was based on foreign-driven agenda with little rewards for people in the community, especially in developing countries. Lloyd and de-las Casas (2005) discussed the feasible environment for socio economic development in which donors provide funding; governments provide legal and regulatory frameworks; supporters provide their money and time; beneficiaries provide the basis for an organization's purpose and moral legitimacy.

The management capacity, as explained by Laura

Roperand Jethro Pettit (2002) state that the organizational effectiveness, adaptability, innovation and sustainability are essential components for effective management and participatory paradoxes, and democratic driven approaches benefit the community more effectively. The Bendell (2006) study explains some other aspects for the success of civil society organizations that include good governance and management; fundraising and multi-stakeholder engagement. It also makes specific reference to universal principles such as independence, responsible advocacy, effective programmes, non-discrimination, transparency and ethical fundraising.

The governance of civil society as described by Anderson (2001) states that most organizations have board of trustees and are legally accountable for its actions. The study of Commonwealth Foundation (2010), explained the distinctive features of civil society; provision of voluntary services, Independent from national government in decision making, not for profit making, instead working for public welfare, community empowerment and development. Thomas (1992) argued that the role of the state becomes more of an enabler and facilitator rather than a service provider. Civil society can contribute to the policy dialogue and act as watchdogs to advocate for the rights of public holding the state accountable. Catholic Institute for International Relations (2005) explains the limited institutional capacity of CSOs in terms of good governance and effective management in developing countries. Lekorwe and Mpabanga (2007) pointed out a number of ways to improve NGO's governance and management operations, e.g., stating mission, values, and objectives clearly. Furthermore, efficient human resource development which promotes capacity building of staff including board members and volunteers is essentially significant.





Pakistan Centre for Philanthropy

Pakistan Centre for Philanthropy

A Company set up under Section 42 of the Companies Ordinance, 1984.

RDF Center G-9/1 Mauve Area , Islamabad Pakistan

Tel: 051-2286534-36, 051-2286531-32

Fax : 9251-2286537