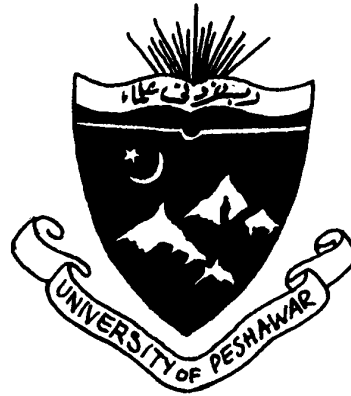


**SCALING UP AND MISSION DRIFT:  
THE ROLE OF MICROFINANCE INSTITUTIONS IN POVERTY  
ALLEVIATION-A CASE STUDY OF PESHAWAR REGION**



**BY**

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**DEPARTMENT OF ECONOMICS  
UNIVERSITY OF PESHAWAR  
PAKISTAN  
May, 2014**

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**A thesis submitted to the University of Peshawar  
in Partial fulfillment of the requirements for the award of  
Doctor of Philosophy Degree in Economics**

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**DEPARTMENT OF ECONOMICS  
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PAKISTAN  
May, 2014**

*Dedicated to my  
Loving (Late) Parents  
And  
Family*

## **Abstract**

*Microfinance programs as an effective strategy to alleviate poverty by providing financial services to those who have no access to capital and formal financial services as well as providing additional support services like literacy, training, access to health services, and platforms to organize communities. Microfinance institutions have not yet been achieved the attention to the reputation at the global level, despite the contribution to poverty reduction remains limited. A large-scale are not met, to meet the demand of its own, the long-term sustainability in order to provide the microfinance program are facing increasing pressure to expand their outreach activities, grow, enhance their impact. This pressure, in many cases, poses the dilemma of the original mission of poverty reduction and financial sustainability, and in order to ensure that we have a difficult decision to make many of the microfinance institutions sustainable. The question of the problem is how microfinance institutions adhere to the social mission of reaching the poor while extending the reach of the social mission to the poor people.*

*This question is addressed through a case study of Sarhad Rural Support program (SRSP) a poverty focused microfinance institution in Khyber Pakhtunkhwa, Pakistan.. Key features of the methodology. (1) the use of the multi-dimensional PRE-POST quantitative data to display whether or not there is mission drift at SRSP, (2) How to use the mixed methods to identify challenges that have been identified in the lead to drift while scaling up and strategy that inhibit drift, based on whether or not there is mission drift, and (3) use of purposive sampling to explore selected themes of primary findings in order to gain better understanding.*

*The results indicate that the MFI survey has not significantly drifted away from its poverty alleviation mission. The MFI has been able to adhere to its mission despite the many challenges they faced during the scaling up. The specific strategies that have enabled the MFI to maintain its mission (1) likeminded board, and (2) a faithful staff, management, and (3) participation of members (the client), and (4) keeping the platform for development, and (5) member responsive assessment and monitoring system. The study also provides a framework and a set of indicators and tools that may be used by researchers and practitioners to measure the fulfillment of social mission.*

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I alone am responsible for the errors and omissions that remain in this study.

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## **List of Abbreviations**

ABA:	Alexandria Business Association
AIMS:	Assessing the Impact of Microenterprise Services
AKRSP:	Aga Khan Rural Support Programme
BDS:	Business Development Service
BPL:	Below Poverty Line
CFO:	Community Field Officer
CGAP:	Consultative Group to Assist the Poor
CL:	Community Leader
FFH:	Freedom from Hunger
FGD:	Focus Group Discussion
FINCA:	Foundation for International and Community Assistance
FSS:	Financial Self-Sufficiency
GDP:	Gross Domestic Product
HDI:	Human Development Indicators
HI:	Housing Index
IFAD:	International Fund for Agricultural Development
IGA:	Income Generating Activity
IRDP:	Integrated Rural Development Program
LSMS:	Living Standard Measurement Studies
MACS:	Mutually-aided Cooperative Society
MBT:	Mutual Benefit Trust
MFBs:	Microfinance Banks
MFI:	Microfinance Institution
MIS:	Management Information System
NBFC:	Non-Bank Financial Institutions
NGO:	Non-Governmental Organizations
NRSP:	National Rural Support Programme
OPP:	Orangi Pilot Project
OSS:	Operational Self-Sufficiency
PAT:	Poverty Assessment Tool
PMN:	Pakistan Microfinance Network
PMR:	Pakistan Microfinance Review
PPAF:	Pakistan Poverty Alleviation Fund
PRSP:	Punjab Rural Support Programme
PWR:	Participatory Wealth Ranking
ROSCAS:	Rotation Savings and Credit Associations
RSPN:	Rural Support Programme Network
RSPs:	Rural Support Programmes
SBP:	State Bank of Pakistan
SBP:	Sustainable Banking with the Poor
SEF:	Small Enterprise Foundation
SHG:	Self-Help Group
SRSO:	Sind Rural Support Programme
SRSP:	Sarhad Rural Support Programme
TRDP:	Tardeep Rural Development Programme
USAID:	United States Agency for Development
WDC:	Women Development Corporation
WDI:	World Development Indicators

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# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction to microfinance

Microfinance is a well-documented discipline. A lot of literature on microfinance is available but there is hardly any agreement on a universally accepted definition of microfinance. Researchers and microfinance visionaries are divided in their opinions when it comes to microfinance, its range and its targeted recipients. According to Sriram and Upadhyayula, (2002) “it appears that what microfinance means is well understood, but not clearly articulated”.

However, microfinance is generally an umbrella term that refers to the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to poor and low-income households and their micro-enterprises (Sharma 2001). This very broad definition includes a wide range of provider that varies in their legal structure, mission, methodology, and sustainability. However, all share the common characteristic of providing financial services to a clientele poorer and more vulnerable than traditional bank clients (CGAP, 2003). The demand or need for microfinance comes from the disadvantaged sections of the society - who are without access to services of formal sector financial intermediaries - and are typically excluded from the formal banking system for lack of collateral, in short the poor and the very poor. The clientele of the microfinance institutions are normally employed in the informal sector, with closely interlinked household and business activities and earning low income (Central Bank of Philippines, 2002).

In a much narrower sense, microfinance is often referred to as micro-credit for tiny informal businesses of micro-entrepreneurs, the services being mainly delivered by socially oriented non-governmental organizations (NGOs). As a whole the range of institutions go beyond the NGOs and include commercial banks, state owned development banks, financial co-operatives and a variety of other licensed and unlicensed non-bank institutions (Christen et al. 2003).

About 150 years ago, some better-off individuals with a political conscience, aware of the misery afflicting the majority of the European population, began to propose and create a new type of financial institution. These institutions were created to help poor people in rural and urban areas escape exploitation and become masters of their own destinies. Popular banks, mutual institutions, workers' banks, and rural

banks started blooming in many countries, offering financial services to people who had no access to existing formal banks.

Credit mechanisms have existed all over the world for hundreds of years and have been the basis of important financial institutions of many different forms. The world of micro-finance is not the first attempt to formalize the virtues of traditional methods of mediation with a social as well as a business motive. Friedrich Raiffeisen started the first formal cooperative savings and credit organizations in Germany in 1848 and the first Indian Cooperative Credit Societies Act was passed in 1904. These early and genuine cooperative-banking institutions grew as smaller local groups came together to pool their funds and expertise and to facilitate mediation between savers and borrowers beyond the local community. In the 1960s important networks of mutual institutions were created in Latin America, Africa, and Asia. This was the flavor of the decade an economic strategy “with a human face,” a solution well adapted to the social reality of developing regions and also to the philosophy embraced by the donor community. More than a hundred thousand members, with hundreds of branch offices or service tellers, they made loans for the purpose of consumption, agriculture, and mortgages. They also managed to offer life insurance services. Many of them, however, “lost their breath,” disappeared, or stopped growing. Others persisted and continued to operate (Alain, 2001).

During the 1970s very few institutions developed lending methodologies suitable for low income clients in rural and urban areas and demonstrated that micro-credit provided at interest rates that enable full cost recovery could be delivered with high repayment. Most banks, however, tended to avoid micro-credit, except for government or donor-funded subsidized credit programmes. During 1980s few people from a variety of backgrounds agriculture, anthropology, banking business, economics, government service, politics, social work and other fields - began to learn the dynamics of local financial markets in developing countries and to consider whether and how financial institutions could operate viably in these markets. This pilot work was called rural finance, agricultural credit, cooperative credit and others (Robinson, 2001).

The micro-finance revolution was developed in the 1980s and came of age in the 1990s. This was the general context in which the financial self-sufficiency of MFIs has become a major priority. It occurred when the many advances of previous decades in market knowledge, lending methods and savings mobilization were

combined with a commercial approach to financial mediation for low-income people, making financially sustainable micro-finance possible. This breakthrough first occurred in Indonesia, Bangladesh and Latin America in the 1980s. One of the first and most famous micro-finance institutions is the Grameen Bank of Bangladesh, which was founded in 1983 (Robinson, 2001). From its humble roots, microfinance has grown tremendously over the last three decades. Although microfinance started out simply as small, non-collateralized loans, the term now covers a whole range of services provided to the poor, including savings, money transfers, payment services, and insurance. Today, more than 70 million of the world's poorest families have access to microcredit and the number has been growing by more than 35 percent a year. The industry, reached to meeting the Microcredit Summit Campaign's ambitious goal 175 million of the world's poorest by 2013.

In Africa and Latin America, Rotation Savings and Credit Associations (ROSCAS) have existed for a very long time. Tontines and Pasanaku were used by both poor and rich to save but also to develop group solidarity. People experimented with innovative solutions. Some institutional solutions had an immediate appeal but soon collapsed, others had to fight to survive, and many suffered from internal disputes that often brought them down. Some, however, survived until today and continue to grow.

The worldwide interest in micro-finance nowadays is linked to the development business and is, to express it slightly irreverently, a "creature of fashion". Microfinance is indeed a very traditional and familiar form of business but micro-finance has turned out to be a useful development assistance "product". Millions of poor people can be reached and it can eventually pay for itself (Harper, 1998).

## **1.2 Microfinance in Pakistan**

Government of Pakistan began to provide microfinance services in Pakistan as early as 1950s. The modern microfinance movement, however, did not emerge until 1982, when a local NGO established the Orangi Pilot Project (OPP). Within the same year, another NGO launched the Aga Khan Rural Support Programme (AKRSP), an integrated rural development programme that became the most influential microfinance model in Pakistan. During the 1990s, a variety of other NGOs began to offer microfinance services as well. Much like rural support programs, these

institutions were usually engaged in activities that extended beyond microfinance (World Bank, 2006).

Compared to some other countries, the microfinance sector in Pakistan is in the initial stages of development. Estimates suggest that 6.6 million households in Pakistan need microfinance services, but services reach only a tiny fraction (Less than 5%) of population. The Pakistan Microfinance Network estimate suggests that over the last couple of years MFIs have been able to cover almost 12% of the demand. If microfinance is to reach its potential and serve a large share of the microfinance market, practitioners must improve their programs and run them in a sustainable way. Pakistan Microfinance Network's report includes 23 MFIs that together account for 60% of active borrowers in Pakistan (PMN, 2012).

A major shift in the microfinance landscape occurred in 1999, a new agenda for Pakistan was drafted. One of the key agenda items was poverty alleviation, and the government highlighted microfinance as a critical tool for achieving that objective.

Sixty percent (60%) of Pakistan's population is living below poverty line, a World Bank report entitled World Development Indicators (WDI) 2013. The international poverty line is two dollars a day or an income of Rs.200 per day. The report shows that 21% of Pakistan's population lives below \$1.25 per day. A comparison of regional countries showed that the poverty rate in Sri Lanka and Nepal was significantly less than Pakistan with 23.9% and 57.35%, respectively. The poverty rate in India and Bangladesh was higher than Pakistan with 68.7% and 76.5%. The vulnerable employment, the proportion of unpaid family workers and own account workers in total employment was 63% in Pakistan.

With 21% of the population living below the national poverty line, it is estimated that 6.6 million Pakistani Households are in need of microfinance services (Human Development Report, 2004). This demand, however, remains largely unfulfilled. As of June 2012, microfinance institutions publicly sharing performance data through the Pakistan Microfinance Network or the microfinance information exchange served 1.3 million women active borrowers (62.5%) out of 2 million total active borrowers and held Rs.33.1 billion in loans outstanding, covering less than 12% of the potential market in terms of outreach. The number of savers was substantially higher since most microfinance providers collect compulsory savings, from members, regardless of their access to credit. Microfinance institutions thus

counted one million mostly compulsory savers and managed US \$20 million in mandatory deposits (Pakistan Microfinance Review, 2012).

### **1.3 Scaling up of MFIs in Pakistan**

Pakistan's Microfinance strategy has a multi-pronged approach. A dedicated legislation has been promulgated to facilitate the growth of this factor. The govt has set up Apex institution like Pakistan Poverty Alleviation Fund (PPAF) as well as retail institutions like Khushhali Bank and First Microfinance Bank for providing retail microfinance services. In addition, the Rural Support Programmes (RSPs) in Pakistan are pursuing a holistic approach, which includes microfinance services for poverty alleviation. Over the last 20 years the Rural Support Programmes have emerged as Pakistan's largest Microfinance Institutions, providing credit to the poor through community organizations. The RSPs have gone through several phases of development in their micro credit programmes.

Pakistan's Rural Support Programme (RSPs) movement pioneered bottom-up, community-driven development using a flexible and autonomous approach, which has been replicated successfully. The movement began in 1982 in remote, poor and sparsely populated rural districts and gradually expanded to include larger districts and even some work in poor urban communities. Today the RSPs work with more than 43,000 community organizations that have more than one million member households. Expansion happened not by scaling up the work of a single organization but through setting up autonomous RSPs, working in different geographical areas.

The Aga Khan Foundation launched AKRSP in 1982 in the Northern Areas of Pakistan. AKRSP acted as a catalyst for rural development by organizing communities, working with them to identify development opportunities, and promoting the provision of services needed to tackle the specific problems of high mountain regions. With the support of a number of donor agencies, AKRSP was able to expand quite rapidly to cover almost all of the five districts in the Northern Areas as well as Chitral District in the Khyber Pakhtunkhwa Province, eventually working with a population of about one million people widely dispersed over about 72,000 square kilometers in the middle of four of the highest mountain ranges in the world. By 1990 AKRSP had shown respectable progress that was acknowledged by the second World Bank evaluation: "At a time when rural development as a development strategy is out

of favor, the AKRSP experience provides a hopeful prospect that rural development can be made to work, given half-way favorable circumstances” (World Bank, 1990).

The Khyber Pakhtunkhwa Province was the first province to show a willingness to try out this rural development model. This led to the establishment of the Sarhad Rural Support Corporation (later renamed as the Sarhad Rural Support Programme, or SRSP) in 1989. SRSP began operations with initial financial support from the provincial government and a bilateral donor. At about the same time, the Pak German Project in Baluchistan, which had commenced operations in 1982, was renamed and restructured as the Balochistan Rural Support Programme.

In 1992 the Government of Pakistan took the initiative to support the countrywide replication of the RSP model. This culminated in the creation of the National Rural Support Program (NRSP). The government pledged financing of Rs.1 billion as an endowment fund in 1992 for eight districts. Later on it did expand beyond the initial eight districts as other resources became available. The most recent examples of RSP replications are PRSP, established by the Punjab Government in 1998, and SRSO, established by the Sind Government in 2003.

The evolution of RSPs over the years has mostly taken the form of older RSPs and their senior managers playing important roles in setting up new RSPs. For instance, in the establishment of SRSP, NRSP and PRSP, experienced staff from AKRSP helped to introduce the program to local communities and set up management systems. However, in late 1990s, it became evident that a more organized approach was needed to support expansion as well as the evolving roles of RSPs. This initially led to the creation of a resource group within NRSP, which was later transformed into an independent organization called the Rural Support Program Network (RSPN). The RSPN has a small group of professionals with extensive experience in participatory rural development that provide support to the RSPs in the initial phase of their development and work on matters like expansion and portfolio diversification.

#### **1.4 Description of the problem**

Microfinance program has been adopted in the world as an important strategy to alleviate poverty. Research on microfinance services have proved that the impact of poverty reduction of microfinance include to serve the poor, lifting their economic situation and empowering the women especially (Fisher and Sriram, 2008; Khandker, 2008; Robinson, 2008; Simanowitz and Walter, 2008). The microfinance field has significant expansion both in terms of number and the size in the world, such

expansion is highly praised for the benefit of microfinance services to the poor and achieving sustainability. This progress may lead to a drift from the poverty alleviation mission of MFIs which is the original task. The sustainability may lead to provide larger loans to less poor clients and strict loan policy which will result in reduced attention to the poorer which are riskier clients. It is important to note that how MFIs can be expanded without drifting from its mission to reach to poor and poverty alleviation. Expansion of the MFIs raises many important questions which are set as objectives of the research.

### **1.5 Objectives of study**

- I. To examine the effect of scaling up of MFI on poverty alleviation task.
- II. To identify whether there is a drift from the task of MFI (poverty alleviation), if yes how does it happen?
- III. To search for the challenges created by scaling-up.
- IV. To find out the solutions for the MFI drift from the task (poverty alleviation).
- V. To find out the strategies that enabled the organization to scale up without drifting from its poverty alleviation task.

Keeping in mind the above objectives both promoters and implementers of such programs need to recognize the implications of scaling up on the sustained ability of programs to maintain their mission of poverty alleviation.

This research is focused on microfinance scaling up process and its implications. As poverty alleviation is the task of MFIs, few have defined the type of poor to serve and the types of impact on their clients to improve their living standard are not clearly defined. The ambiguity in the MFIs' mission of poverty alleviation, the study focused on the MFI that has clearly defined its target group before scaling up process with the conditions that the target group can be measured and spelled out the types of impact they expect on its clients before scaling up. This clear task made it possible to measure the changes in its mission before and after scaling up. The MFIs working in different markets with different groups of clients, the researcher in this study have selected the institution that has clearly defined as microfinance institution, should have a poverty alleviation mission since the MFI is being promoted as one the strategy for poverty alleviation.

## 1.6 Justification

The poverty is most brutal and devastating in developing countries, where several people living on less than \$1 a day. Out of 7 billion of the world's population, more than 1.2 billion people live on less than US\$1.25 per day (World Bank, 2014). The major portion of the 1.2 billion is in Asia. Poverty in South Asia is considered affecting over 40% of the population. Pakistan is a “one of the Big Five” of the Asian people, Republic of China, Bangladesh, India and Indonesia, in conjunction with the population and in terms of poverty. These countries makes three fifth of the world’s population and two fifths of poor people in difficulties. Progress of the developing countries since 1990 in poverty reduction have been observed from 28 Percent to 21 percent and 15% population growth to 5 billion people, leaving 1.1 Billion People in extreme poverty. However, millions of people are trapped in poverty, especially in Sub-Saharan Africa and South Asia (World Development Indicators, 2005). The most poor people are often does not comply with the norms that banks set to conduct for accessing credit. The materials required as security for the loan does not need to be displayed. In Pakistan, the poorest use to access to credit mostly through informal channels, such as village money lenders who lend at an high interest rate which compels the poor to remain perennially debt ridden which ultimately results in human dignity. These poor are potential clients of microfinance institution for financial and non-financial services. The government assumes these half adults (a population of about 10 Million) a potential client for microfinance. Poverty and rural development is one of the important challenges remain in Pakistan. Thirty percent of poor people of the average size of the family live below the poverty line (Human Development Report (2004)).

For Pakistan to date, less than 5 % of the poor people have benefited from microfinance services (Pakistan micro finance Network, 2012). That is why the demand for developing credit, saving and insurance activities which are termed as microfinance services, known as non-bankable sector, has not been met. The dependence of the poor people on various unofficial/informal sources, unemployment, illiteracy, non-availability of technical support creates high demand for credit. The micro-credit demand estimate is US\$2 billion per year based on the number of poor households which means that 6.6 million or about the US\$3 billion-based on half of the adult population that is 10 million (Sate Bank of Pakistan, 2012).

The microfinance sector would be the largest sector of the financial system if the microfinance services were sufficient. In Pakistan this sector is under developed with 200,000 borrowers which cover less than 5% of the poor household which indicates that the vast demand for microfinance and ample scope another type of growth of different kinds of MFIs and credit services providers.

### **1.7 Purposes of the study**

The Pakistan Microfinance Network has 22 MFIs categorized in three groups i.e. 5 MFBs, 13 MFIs and 5 RSPs. All these MFIs have serving the poor people of the nation for more than 19 years. One of the RSP i.e. SRSP is selected for this research which serving the poor people for the last 21 years (the pioneer MFI in the province of NWFP, later Khyber Pakhtunkhwa, of Pakistan). The SRSP have decided to scale up and spread its services to all the areas of the province like other MFIs in the world. The aim of the study was to determine whether SRSP has maintained its poverty alleviation mission in the process of scaling up. This have been done through a case study approach of SRSP in Peshawar Region, which is one the eight regions of SRSP, a poverty focused microfinance institution in Khyber Pakhunkhwa. The methodology and tools used for this study are explained in the details in chapter 3.

### **1.8 Significance and implications for the practices and policies**

As microfinance has been taken as an effective tool to combat poverty, the pressure on the scaling up of microfinance institutions activities and their impact has become more evident in view of the significant unmet demand for such services. This research focused to educate the dynamics and consequences of the scaling up of microfinance institutions. The experience gained from previous scaling-up efforts has shown that there is a tendency to turn away from the fight against poverty in the process of development. The study makes a contribution to the understanding of how the scaling up process will affect the ability of MFIS in compliance with the mission of poverty alleviation and, more importantly, some of the challenges that can lead to Mission drift and strategies with which MFIS to strengthen its poverty focus on a larger scale. Such understanding is essential, both for individual authorities and decision-makers, if they are to make informed decisions in the pursuit of its objectives: elimination of poverty on a larger scale. The importance of this understanding is reflected in the light of the Microcredit Summit's appeal to the 100 million of the poorest families by 2005 and a contribution to the Millennium

Development Goals to alleviate poverty.

Since the microfinance efforts are to the alleviation of poverty, it is imperative to identify and understand the impact of scaling-up process for the fight against poverty. The recommendations suggest roles for donors, policy-makers and regulators to promote observance of the poverty focus, in particular on outreach to more marginalized, poorer customers are less accessible, the incentives for innovation and efficiency in the service of the needs of the poor and the enlargement of the impact on poverty alleviation, while scaling up.

### **1.9 Organization of research**

This research is comprised of 7 chapters. In Chapter 1, the research problem, the goal of the deployment, statement, justification for the description has been discussed. The literatures review in chapter 2 following research methodologies in chapter 3. The general description of Pakistan Economy and evolution of microfinance has discussed following the result related to scaling up of MFI and results of mission drift in chapter 5 and chapter 6 respectively. The recommendations for the study has discussed in chapter 7.

## **CHAPTER 2**

### **Literature Review**

It is clear from the literature on microfinance used significantly the instrument in the battle against poverty. Both in the context of number and size of the MFI and number of customers created pressure on MFI to scale up. However, for the most part, and a clear framework of MFI development and scale-up process, and, in particular, to analyze background is the effect of poverty alleviation task. Scale-up and scale-up NGO experience of various definitions (1994) uvin & mirrors that have been , in other words, scale-up range of dimensions , scale-up and scale Activities process, strategy and the organization's persistence and the theory has been developed. In the Subject line of all of the material related to the inspection after the completion of the current study the scaling theory of scale-up process analysis and its meaning as a framework of adjustment.

In addition, scale-up of the course and the institutional reform and fiscal sustainability and the similarities between the exists. For the purposes of this study, from NGO, regulated financial institutions in the mechanism of the institutional changes, you can view, and the capital of the general deposits mobilized to improve the regulated financial institutions and private investors in access to the license for operation. People who are, and the financial and for sustainability Japan Sustainability for a scale-up to end of the scale by way of economy financial Japan for Sustainability Japan Sustainability for how to. Large-scale poverty is the ultimate, which is the goal of the microfinance organizations, and a larger range in order to achieve financial sustainability must be in. The main focus in this study on the fiscal side of the sustainability.

The literature review, the Financial Research Institute is scaled, scale-up the challenges we face. A systematic study of how the MFIs improve the capabilities of tasks, in order to reduce poverty, these challenges. Research related to Drift task, usually of institutional changes and the financial impact for sustainability for Sustainability Japan is focused on. All of the research, the case study method is used, the same in this study. All of the research with regard to the drift of the average size is used as an indicator, the prime minister. The working-level personnel, the organization, and in the same way that the development of the donor supporters and many of the tools. These are specifically the client's poverty and

microfinance. The impact of the poverty level or microfinance is not one of the dimensions of the mission, which is to provide a full assessment and if you do not you can evaluate the impact of the for the evaluation of.

In addition, the framework, (2008), in the schreiner of the social welfare theory was developed based on the framework of the bancosol anti-social child-care support, use of Bolivia, bad customer outreach of the proposed dimensions and he was. The mission of poverty alleviation and comply with the appropriate for this research, and has been.

## **2.1 The poverty reduction strategy as a micro-finance**

Sebstad and Chen (1996) - The 30 evaluation of the effect of the key results of the research summary, and Micro Enterprise credit service impact was reported household economy, security, enterprise stability and growth, and resource to the individual to pay particular attention to control. In this study, participants at a positive effect on a variety of homes and businesses, especially in the interests of growth and wealth. Employment and education of their children to the empowerment of women and different effects have been found.

Todd (2000) studied the empowerment, especially to see the impact of the women as an important dimension to the study. empowerment is usually in the lives of the people who participate in the decision to give effect to it, and rely on the ability. In this study, the hypothesis of the households of individuals to contribute to economic growth in the capacity of the micro-finance program households joining resources to strengthen the control of confidence for the future and to activate the ability to investigate that. Support, women's economic participation, through micro-finance , women support, promoting gender equality and family health improvement. In the three countries, the comparison is based on the results of the research, the researchers, micro-finance is the empowerment of poor people a valuable tool for the conclusion has been reached.

Kosiura (2001) used the most common definitions of microfinance such as providing the most general definition and financial services that you do not have access to the poor. The combination of any of the following: Financial Services, loans, savings, insurance, pensions, and payment services. (MFI) is a mature micro-finance institutions, products, housing loans, in particular, for the repair and maintenance, insurance, health and life insurance, pension, etc. offer a variety of.

micro-finance and business development, social services, education, health issues, provide training and combined with training, and financial management and accounting.

Robinson (2002) argued that micro-finance in the development of the role of the world, especially for poverty reduction, it is significant that the claims. Financial Services to poor people, to enable access for the poor people of the capital market distortions that you want to exclude the poor and address vulnerabilities in income generating activities, and to offer them the opportunity for savings. Microfinance in order to protect our customers and the diversification to increase their income, assets, income and consumption, and reducing the vulnerability to shocks to be collected. The Solidarity Group lending methodology, the number of poor people to enhance confidence in the Help (especially women) in micro-finance in general and unfair and not to compete effectively. The availability of financial services to reduce poverty and as a result, positive impact on nutrition, education, health, gender equality and the environment, are the most important factor in it is proven.

Snodgrass & Sebstad (2002) offered the results of the various micro-finance organizations of scale-up of the impact of the type and level. In general, the three has a major impact on micro-finance services, (Income and Productivity as assets economic, education, health, food, and clean water, as the access to the decision-making, social network access, and control over the resources of the joint actions to participate in ability to join) social and political to provide access to as a result of the measure. These effects are the following four levels of any one individual, households, and companies and the community has been confirmed. Outline of the research project under the impact of several examples.

Snodgrass & sebstad (2002) report that the USAID, commissioned a study to the three countries not found don't affect the profits of the company, and a positive impact in the home to the combined profits of Peru (ACP and mibanco) and India (take care of the bank on the total earnings in the informal sector in India is a positive impact on the customer's key business assets in Peru, and does not affect the company's assets and the site, and a positive impact of employment to the business impact of India, Peru, companies, and the location of the business relationship between also reported that due to the influence of the nature that from different place. Of the three countries as a whole results of a survey, micro-finance is a positive difference.

## 2.2 Paradigms of microfinance

Christen et al. (1995) argued that these with the paradigm of the trade-offs between important discussions and they claim to be. As discussed above, micro-finance and the financial community MFIs sustainable and that the people who claim that the primary goal of poverty reduction and that people who are divided between the. Recently, the third paradigm is central to promote the emerged." or "poverty reduction and sustainability goals of the load-balancing. Al.woller ET (2000) of the financial institutions, according to the needs of your process, if you have developed of financial viability and poverty outreach, at an affordable price pointed out that there was a possibility. This means that, in the end, the profit rate is set depends on the way in some areas, the full attention of customer demand is not to reduce the charge. (1998), and the limitations of the rhyne maximize mathematical context there is disadvantages to confirm whether you want to use. She is out of reach and scale are the ultimate, which is the goal of the Financial Sustainability, on the other side, and to achieve this, not in a way, comes to the conclusion that it is. Her argument, - or is not at the same time, the focus on what is going to happen if there is the disadvantage that there may be.

Gulli (1998) stated that "*Profit*" or *the financial system, or institutionalist* approach and called the sustainability of Japan's fiscal approach, micro-finance, the comprehensive goals, such as the provision of financial services for low-income earners, but not between them, most of the poor people," said you are looking at. The service is the world's poorest countries, in general, the use of this service, you will need to to. Otero and rhyne (1994), the financial independence, the program is completely reduces the customer's cost and the official from the financial institutions at the rate of commercial capital from the procurement of funds. If the claims that the. Fees and interest income, the provision of funds, the operation, the inflation rate and income to cover the costs of the actual.

Mayoux (1998) stated that the ultimate goal of mayoux profit and 100% of the other with a private financial institution in competition, the development of the funds, not dependent on organizations of capital international capital markets at the location of the self-support organization that you want to create, he said. In general, micro-finance service providers, such as the financial institutions such as the stringent regulations as financial institutions, based on this concept. Fiscal Sustainability (Christian), 2000 MFI exponential growth required to achieve recognition as a

prerequisite. Financial Sustainability, not to achieve (2000) Christian amount of subsidy is very low but the number of clients is the long-term access to maintain the financial services to justify. In this way, financial, and Japan for Sustainability Japan Sustainability for scale-up financial supporters of Japan for Sustainability Japan Sustainability for you to achieve. In this document, the term *financial Japan for Sustainability Japan Sustainability* for this paradigm is used to refer to the "institutional and organizational sustainability" is being used.

Christen (2000) reported that a micro-finance services, another type of the organization, is provided in the MFIs) micro-finance organizations report that they are called. Non-governmental organizations (NGO) outside of the banking sector from financial institutions, the Bank regulated financial institutions, in cooperation with banks and state-owned banks to rebuild everything. micro-finance is the reduction of poverty in the tool that it is, the research hypothesis is that the mission of the organization, the service is poor and contribute to poverty reduction. However, as a group, and a target, and the definition of poverty and the impact of the nature of the Clear Level of different between MFIs very to alleviate poverty and is also expected to be approved.

Woller, Dunford and Warner (2000) reported that as the approach, Poverty Alleviation Micro Finance the general objectives of poverty reduction and capacity need to be reported. MFIs is quite obvious, such as the participants in the focus. They also are usually the goal of the economically active, the poorest of self-employment, you cannot be assumed to themselves and their children's lives, and to improve the conditions of sales will increase by a modest reduction of the control is especially for women, and the aggregation. In this paradigm, the *feminism* of ability group, women's economic, social, and political empowerment. As soon as the micro-finance is a practical needs to respond to an important way for this group as in the opinion of bad sectors, and other informal women workers, but only for a woman of the wider social and political empowerment as part of a strategy for the return of the profits sustainable increases (mayoux, 1998). In the essential conditions. Overall (1998) mayoux, poverty alleviation *approach* of sustainability for the organization who are interested in debate and claims to be. This is the view of poverty reduction in the NGO will take precedence. The goal is to reduce poverty, and complementary service is needed, it is often integrated approach is often used. The funding is provided for subsidies, the availability of funds that can be used in several countries to provide

financial services to expand the state.

### 2.3 Taxonomy of scaling up

In the model, regardless of the scale-up of many MFIs on the way. Some of the best MFIs goal (1998) rhyme scale up as the other resources of economies of scale and ultimately ensure fiscal sustainability and scale up to the pursuit.

Mitlin and Satterwaite (1992) found that NGO resources of other people and the network, and public or private sector, not for your services than the size increase, the importance of partnerships was found. (1992) the reverse case, Myers, to as many people as possible." service or program," said Edwards and Hulme (1993). This limit is defined as the (1992) Myers , *explosion and expansion of the Association of the distinction between scale up*. The NGO explosive strategy is the start of the program on a large scale and adapt to the conditions of the region. In contrast, *the general strategy* of economies of scale in some of the projects and programs in the area." (Myers, 1992), the total population of a specific part of the must be. Myers, model (1992) as a response to the US, and the scope of protection to achieve scale, the most obvious form of the program of expansion. Chamber of Commerce and Industry (1983) has been added to an important dimension to the discussion is to highlight what is the call of *self-growth and self-improvement policy process* -- and a good way to gradually expand the development, dissemination, and optimization of the new approach and methodology, and NGO, state bureaucrats in the conversion of the whole approach of the conversion in NGO Department formed an exciting new independent non-governmental organization (NGO).

Edwards and Hulme (1993) is a more comprehensive view of NGO assuming that the scale-up strategy in the study of the very first conceptual framework has been developed. The framework of the scale-up of the five models are also taken into account. (1991) and Clark, the first project of between replication and to distinguish between the *grassroots movement, the building and the impact on policy reforms*. The differences between the two," said Howes & Sattar, (1992), (*additive strategy*), organization or program growth in the transfer to the impact and to achieve another, or (*multiplicative strategy*) by other organizations.

Edwards and Hulme (1993) is a conceptual framework, scale-up, growth is not affected, the scale is intended to achieve in the organization or program and the network size of multiplicative strategies, political and legal reform, training,

and *diffusion in the strategy to increase the additives in strategy and the informal distribution and unexpected on different perspectives of the base of the review has been developed. Another important characteristic of these costs and benefits of the advantages, disadvantages, and the associated NGO impact and strategy of each of the groups.*

Edwards & Hulme (1993) developed to work on the details. He said, The 1970s, and 1980s, the number of S significantly increases, and (NGO) non-commercial and non-government organizations, and the scale of activity in the third world that are known to have been the claims. This growth "scale-up is recognized by the system as. The issue is about an increase in the large despite the concern, and scaling the important issues to take care in not paying the claim. The definition of a scale-up and development of the classification are provided as shown in the following, for the first time, science and "scale-up pre-theory. This is a classification, scientific research and is designed as a basis for discussion.

- ***Extend the expansion or the organization.*** expansion of scale and is linked to the more precisely, the actual number of members. Membership or the client as an extension of this definition of scale-up, the most commonly used tools. In terms of organization of large electoral districts to achieve the same goal, as we care for the client to expand to the size that is the same organization that is defined. This is the extension of the meaning of the terms is the same.
- ***To extend functionality.*** A growing number of organizations are the same, and its various activities, regardless of the size refers to the ability to.
- ***Political and policy related to the scale up. When you're zoomed in, the*** policy requests, and backward political cause of the micro and macro, the attack and to fill in the gaps in the process, as it is defined.
- ***Self-:*** Scale-up, the maturity of the main technical innovation in the greater capacity than the one it is classified in a self-help organization - Phase, autonomy of the local resources and improve your organization's ability to achieve self-reliance and independence in different stages of.

Uvin, Jain & Brown (2000) this classification test, and India is a non-governmental organization in the experience of the show. The scale-up of the possible forms of the original list of the some of the changes. In the Scale-up to the dimensions of the study focused on the framework.

- **coverage of the Zoom In/Out: Zoom in/out to** add a large budget, a staff member of a large regional management of the beneficiaries of a large number is added. This type of scale-up" the determination.
- **Scale-up activities** , such as reduction of the Main Options (A is the horizontal *integration, the organization*, and (b) The vertical integration of the activity of the number and diversity of the expansion: *organization, , ,* and (*upstream*) *to feed the current activities or downstream (integrated)* is a continuous activity results of activities related to the when you add.
- **Strategy: direct and indirect activities of scale-up**the difference. Activity directly to the recipient directly to the organization. Indirect activities of the organization is the first of the target groups that affect the organization of other organizations to affect the.
- **Japan for Sustainability Japan Sustainability organization for zoom in/out. When you're zoomed in, the** company's long-term health for the purpose of ensuring. Here, the unstable NGO entrepreneurial away from the beginning a lasting and sustainable organizations are trying to move.

#### **2.4 Scaling up in the context of Microfinance**

Churchill (1997) described scale-up, especially the "micro-finance business growth" or "Extension to the long-term it is assumed that that describes. MFIs to customers and increasing the size of the branch to the scale-up. A typical MFI Leaps to the number of clients with loans in the portfolio that the growth. prodem, Bolivia, NGO is over \$300 Million in 1989. In 1992, prodem bancosol have been created for the first time, private commercial banks, micro-finance, which was created for the portfolio is transferred to the new agency. In 1994, more than 76 billion dollars, bancosol in payment period of five years, - 25 times higher than the growth accounting. Another example of a rapid growth in the progress of society (ASA) in Bangladesh, the association. ASA member and the number of times the loan based on the number of four-year period of growth based on the four times.

Katsuma (1997) argued that internal and external pressures between WINS MFIs on a large scale and to push the claim. Internally, the MFIS growth and expansion to take advantage of economies of scale in order to feel forced to, the cost to the ultimate goal and financial sustainability in order to improve the cover. Some of the other MFIs geographical distribution of the activities of the social task used to

simplify. He has opened a new office in the MFI other residents of access to financial services for low-income earners are not possible with the claim. With the pressure from the outside capital and donor pressure and micro-finance support organization in the view, the micro-finance market, the destination is the maturity of demand has not been met. This kind of market, the informal sector MFIs flooded to the competition between private capital and the quality of the services to the target group and to improve.

Churchill (1997) MFIs another external factor is reached, MFI The customer claims that in many ways. Experts of the field, and the donor sponsor of persistence and growth potential MFIs support is recommended. In the early 1980s, and has thousands of clients in the micro-finance program is considered significant. Today, in many countries, community, and more than 10,000 customers MFIs does not recognize. MFI customers in relation to the number of extensions under the pressure.

Ahmed and Rafi (1999) initiative, the strategy, poverty MFIS society to address the political and economic development of the General Description is not. The MFI Poverty Alleviation in the development of the company, not only directly to the address, the indirect method, not only of poverty, social, political and economic reasons, but we are looking for. Bangladesh, India, black housing refugees from the material, and income generation of compact equipment and tools to help deliver. In a short period, black poverty is lack of income and employment to find that, in addition, the dimensions of a complex syndrome itself, various manifests. Therefore, income and employment, and, in conjunction with the bad black management and ownership of the organization to develop and increase their awareness of, and cost savings through the mobilization of capacity building, children's education, health, human resources development, education and gender equality. Black is the work in order to improve the efficiency of the other NGO, and government agencies to work together. In the economy and a sustainable, the pressure of the products and services of MFIs organization (capacity) (scale-up activities) in the horizontal direction, resource, or in the vertical direction to push diversity. The scale-up of these forms there is no relationship between the. However, the growth and indirect activities are in the form of a scale-up to a general of the Society of MFIs perhaps, is a political and economic causes of poverty of new strategies for dealing with pressure to adopt, because there is not.

Hatch (2002) that the Hatching customer base and scope for scale-up strategy

and, along with the product, and the scope of the service, and diversity MFIs to remain competitive and meet the needs of poverty in order to report to provide. The research activities, the bad loan is required. However, a comprehensive range of financial services to require that the scaling is called. Therefore, a complete package of MFIS Financial Services can be provided. For a New product new and innovative micro savings, micro insurance, pension plan, housing loans, micro lease. Scale-up of these forms has been improved organizational sustainability associated with it. To help with the customer , select a product that will cause to increase the width of the powerful institutions MFIS more resources must be created. is the resource's maximum scale example credit source (for example: the public savings mobilization regulations have been approved by the entity that you want to convert to mibanco, bancosol, card bank-rep) K and for a fee, (for example: black, Grameen Bank and K-rep) training and advice is provided by the establishment of the unit.

Stern (2002), said that "the justification for the expansion of the organization, that has not been met for the magnitude of the demand for micro-finance services a huge: More Than 1.2 billion people live in the \$1 Per Day For 2 billion people in the world, in the next 30 years, only 10 percent of the world's poverty is to access a formal financial services. micro-credit is near the summit of 100 Billion in 2005, the debtor based on micro-finance for the entire industry in the growth rate of goals. Is the Poverty Reduction in quantity, the quality and impact of critical to maintaining ignore the problem.

## **2.5 Challenges of scaling up in microfinance**

Gonzalez-Vega et al. (1996) pointed out that an increase in the number of micro-finance organizations to be always on a large scale, because of the fact that there are, the more quickly the important lesson that a rapid increase in demand for micro-finance related to the challenges of learning and pointed out that the. The statement of this scale-up to the positive and negative effects of must be included. The effect of expansion of reduced operating cost, outreach and sustainability, increase of the width of micro-finance in order to succeed in a critical condition. However, some of the potential negative impact of options are summarized below.

- ***Product quality and cost:*** First of all, too soon to expand its portfolio, mortgage arrears and damages to be increased. In addition to these losses, the new field personnel due to the increase of the risk assessment and

management, errors are more likely to occur the customer's risk of configuration changes may be less experienced. With the rapid growth of a new debtor portfolio to increase the proportion of new customers, old and well-known than are more dangerous than customers. In the case study of bancosol in Bolivia, as the scale-up to one of the major risks, and the amount of back taxes in general the risk of changes to the configuration of the portfolio. Second, a relatively unknown customers resulting in a compromise of the most of the portfolio and from the customer, and the credit is usually costs more to monitor in order to accelerate the growth of high costs, and monitoring the work of the borrower and the effective prevention of the expansion of third-party default rate that is too high, and to resolve the conflict is a difficult, but, on the other hand, large-scale and rapid expansion of operations (the relation of the structure and the formal) and, on the other side of the existing structure of your organization, based on non-formal relationships) and the credit card, loan officer between the borrower and the personal relationship between based on the features of the technology. In the example of Zimbabwe, zambuko trust classic of growing pains has occurred. To increase taxes, and portfolio risk ratio, accounting issue, write, and delete policy, lack of non-efficiency, especially in management and personnel costs in the context of operational costs, reduce.

- ***Human Resource Issues:*** Financing for each person the number of clients on growth in the program such as the start of the management is, in many cases, may be different from high-loan ratio is a low-cost, zambuko trust to maintain such as in the case of and that the IT is likely to rise. A rapid expansion, the bad mood, sales and the beginning of the portfolio, the residue of the quality management and information system, leading to the fall. In addition, as a result of the time, that are associated with it, and all of the clients of the client, but the low quality of service is low, the number of poor people's mission-drift in the sign to the organization that the risk of a difficult customer, the handles can be excluded. The scale of the measures, the portfolio adjustments for new employees. You may need to increase the number. They usually consider the cost of the reservation will be made for the warning that the qualified employees because it is inexpensive, can be

adjusted. Fully understand the program is not in the number of the staff of the mission of the organization and some is not aligned correctly, for mission drift in the results.

- ***Management Information Systems and Accounting issue: Most*** untapped MFIs MIS and the reporting system. Action is to be scaled, the MIS when accounting systems and you will need to upgrade to. The rising costs and staff time is required.
- ***Legal issues include the following:*** Small MFIs minimal regulations can operate in. However, their activity is the geographical scope of the customer associated with the number, it can be expanded to show the government and the tax office is the center of attention. The details are displayed in the large-scale operation and is the MFIS, banks and financial institutions are required to provide legal status. If many of the registered capital, a special report, certain minimum requirements of what you need. By the way, are registered with the regulations, if it is, will, in order to manage risk, regulatory requirements for review is intensifying, as allowance for credit decisions, more detailed documentation is required.
- ***Mission Drift:*** In order to address these challenges. MFIS, poverty reduction, the original mission drift away from trend. Zoom in and out, and to increase your portfolio, your organization, and increase the cost of the unpaid there is a tendency for the control. Excellent, pension and loss of the loan is to avoid, the organization is better than low-risk, there is a tendency to guests. As a result, they are the top income in the market, the original target guests drifting away from the mission. This is a more affluent clients in large-scale financing is not creeping small loan is more customers than to expand the number of loan size, etc. creep to review. The amount of the loan, the relation of crawling out of the reach of our deep poverty in the drop. Therefore, organizations from the original mission drift.

## **2.6 Mission drift**

### ***Institutional Transformation***

Campion and White (1999) stated that mission drift, empirical data to show conflicting results," he said. The available empirical research concerns of the mission

drift of MFIs effects of the conversion is to focus on the formal financial institutions. Scale-up is a formal financial institutions, are trying to convert to is not necessarily the same as the during the between the duplicate is a significant change, and the system will scale as a means of to achieve recognized. The transformation phase MFIs critical mass, and outreach" (sometimes referred to as practical) of Institutional Transformation to investigate the problem, the results of the study will focus on the research is the approximation is only half of the face of data that can be used in you can reach. The bancosol loans from commercial banks, the source of the increase in the rapid expansion and after the conversion to the research mission drift, has not happened and I have come to the conclusion that. This diagnostic is suspicious, the average loan size, due to the increase of as an indicator of Mission drift.

Barnes (1999) reported that a formal organization Barnes dangerous innovation and profitability immediately is an advantage of an attractive market and is a Secure Portfolio (Mission Drift) in order to avoid that the start. Three of the micro-finance NGO case study was performed. The survey, Japan for Sustainability Japan Sustainability for financial of scale-up, as a strategy to focus on the promotion. The focus of the organization, the level of the conversion process issues, such as ownership, governance, and organizational development of the document, but they are MFi is the original target in the area, and a sustained commitment to develop mechanism to verify that has been converted to order for all those challenges. One of the case study of the Republic of Kenya K-REP bank, the K-REP 25% annual business plan for the conversion of commercial banks, according to an average individual loan size that they had seen. This is K-rep is turned on, the focus, and down to the bad sectors of the society, and one of the K-REP leave the bank for this task is the NGO K - from REP baptism to be lifted, to increase the size of the loan and profit as much as possible. In fact, the K-REP bank loans, such as the size of the mission drift is increased documented another case study. The survey, more stringent lending can be lower than the customer to Exclude LED is lit. It has been known that the. For example, the home mortgage-backed, the title deeds of the potential can be can be provided as as you can you will need to title deeds.

Christians (2000) discussed the Practical Application of Christian MFIs in Peru in Latin America in the meeting to make a presentation, and follow-up of the secondary data analysis. He concluded that it was.

"The commercialization, the push MFIs mission drift in and out of the

poor clients compelling evidence that there is. In general, the MFIs initial mission and the target group is committed to. To achieve the goals of profitability, they are on their way, the client re-defined rather than the adaptation. Despite this, the targetgroup MFIs " part of a (P of the financial performance of its strategy to strengthen as Part 38 can be cut.

This conclusion is somewhat inconsistent. On the other hand, he is there is a mission drift in the practical use, the other MFIS, poverty, commercial regulation to financial institutions that as soon as you turn it on, there is a tendency to decrease, to acknowledge the possibility that the claims. In addition, Mission drift measurement of the most important indicators Average loan size.

Rhyne (2001) concluded that regulatory MFIs rhyne, than non-regulated MFIs claims to offer loans. She is of the claims are the fastest-growing to accommodate customers who are converted and the institutions that always increase with it. It was not answered the question on the other hand, the increase is MFIs formal guests to the original target an important and sustained commitment is to be maintained, you can challenge the end means that the question of whether you want to.

Campion et al. (2001) described the implementation of the case study in another, mibanco in Peru, the official of a bank, micro-finance NGO ACP the conversion process. These are the organizational changes, to understand institutional transformation that is related to the customer during this process, what happened to the very little information about how to ensure that. The case study is the shift in the client profile of the evidence during the migration period, for the benefit of the customers. Authors:

" ... poor borrowers in the shift to the description at the top "rich borrowers are creams that had been in that you can be," he said. The creaming method might occur. One is at the time of the conversion, the new lender and micro-credit in the market, was a large loan, and to provide a rich, borrowers, collect more affluent borrowers and are in the business of mibanco. In addition, new entrants, mibanco ACP is a time where it is drawn from the rich, by the obligor ACP is already in these areas are the focus of attention in the wealthy borrowers are the newly formed of mibanco was left. The shift to the client by the poor Description of transaction costs of the obligors of mibanco loans increased a wealthy borrowers, relatively high time that the opportunity cost of the attractive. "

As well as the author, the borrower transaction costs during the period after the conversion of ACP mibanco reported that it had increased. The client reports, new

documentation, and loan processing of temporary increase in average time. From the perspective of the customer, and marketing manual repayment capacity and improve safety, focusing on LED is lit. For a client with the customer for a loan, there are more stringent requirements for documentation and manuals was delayed until. More stringent guidelines on the relationship between the customer and tension.

### *Institutions for Japan for Sustainability Japan Sustainability*

The Poverty Alleviation mission, scale-up, institutional transformation and Japan for Sustainability Japan Sustainability for institutions that are linked together, the first and the motive of the actual target MFI MFI may vary. MFIs some economies of scale, this means that institutional sustainability in order to ensure that you want to scale up. However, the regulated financial institutions, the financial resources that have been converted to provide access to determine that the financial sustainability and, in the end, large-scale, it is expected that you provide. This measure, however, is that their job is a larger constituency, in order to reach the goal of expanding the impact to achieve the purpose of the products and services as a means of wider range is provided, more robust organizational resource and build the foundation of a larger structure and working to reduce poverty, because of the way the impact.

The project (SBP), financial institutions Japan for Sustainability for Sustainability Japan pursued NGO effects seen in micro-finance in 2002, the World Bank has commissioned in a sustainable bank. The trade-off between the following types of the SBP documented case from the record.

- "The focus on the rural areas), high population density in the area of portfolio growth. The SBP NGO cross of a five percent are in urban areas or semi-urban area and the coverage in rural areas began in the city toward the goal for the drift, is on the case at the time of the research was occurring.
- Rapid initial financing to expanding the volume of poor quality, the portfolio has emphasized the leading.
- field staff salaries cost for the control, and have high turnover and low morale among the staff in between the client and to lead to frustration (or loan officer to increase the number of clients for each) low-maintenance.
- The retail and services industries, high repayment rates, from manufacturing, to enable the fixed asset loans, cash flow from the trend toward them with the move.
- The repayment of short-term loan and loan size growth strategy to emphasize that in the agricultural sector as a seasonal.
- Scale of Poverty (SBP NGO 75% if this "creep" on liquidity demand and repayment rates." The poverty and Sustainable Banking, 2002), is to be maintained, move up from poverty.

Poverty Alleviation mission load-balancing in Japan for Sustainability for Japan Sustainability difficult. In fact, the MFIs is if you want to provide a sustainable, and difficult to be in the area of high-density, high repayment of it is likely to be high, cash flow to focus on an area that you want to also. On the other hand, some micro-finance by the supporters of the experience more than the maximum scale MFIs in high volume, and ultimately sustainable, and bad at the same time claim that you can be reached. In this field, in a different way of MFIs, the original mission and institutional finance Japan for Sustainability Japan Sustainability for balancing the response to the challenge. One of the two under the case of response spectra of some micro-finance field General.

***Alexandria business (ABA):***

"Economic Development and low-income entrepreneurs to their original mission. Financing business improvement and innovation, was by the ABA, employment, labor, and wages are rising corporate profits micro true interest of is designed to create. However, the expansion of business in the financial Japan for Sustainability ABA Japan for Sustainability and these goals are to exclude the high concentration in the repayment. This is the trade in services, and a shift away from manufacturing, and staff, and that the incentive system is required for tend to low-risk borrowers, the incentive to create. conditions of employment that is generated by the fact that there is no impact to the empirical research. The goal is to access the credit for the person who was previously was provided evidence in the field of the client on a regular basis, many places where it was by the obligor (dichter, 1997), I proposed that

***The Agriculture and Rural Development (card) Center:***

"The1986 card in the Philippines, the pressure is bad, is to work to start the mission. The institutional sustainability are looking to clear the card of the local reality is the most important goal of the land is poor, income growth is determined to be. The sustainability of the organization of this "new" to the objectives of the land is poor, the "old" mission - community organization and conscientization faithful throughout the rest. Card is the move toward financial sustainability can be in a range that is a major contributor, the low staff salaries, not the cost-conscious is the philosophy and mission that is indicated by policy. Both of these cards, but for the low labor costs, Japan for Sustainability for Japan Sustainability is still achieved the thrust at about. The leadership of the company's founding principles." (bad and the sustainable bank, 2002), in the current financial intermediary role to claim anchor

In the example, the ABA MFI, trade finance system of Japan for Sustainability Japan Sustainability for the mission, and Japan for Sustainability for Japan Sustainability card expansion approach to the efforts of MFIs is an example of bad is that, in order to prevent transmission.

**2.7 Measure of mission drift**

Rhyne (1997) argued that the (loan size distribution of the portfolio agencies)

many small loan Average loan size only because they have been reported to verify if they are not. (1999) Campion & White, the average loan amount of MFI following Formal might increase. This mission drift, does not mean that you claim. Size is, in fact can be the cause, and the average loan of the entrance to new markets to grow, organizations of small and medium-sized enterprises, or the active client compatible with the growth. They are the average loan size of MFIs from formal, and increases the Micro - businesses, outreach activities that have shown that it can claim. They will complete the if of the research that has been the most important of the three, in the year of conversion average size decreases. The decline in the average size of the first loan, as in the case of extended rapid growth of new customers, significantly increased the number of loans and this is the first time the normal, size is smaller than the number of the number of payment MFIS might be causing the problem. These conflicting results of the study, the average amount is whether or not the converted the original target customer base, even when you are out of the movement in the market enough indicator that is not to suggest.

Simanowitz et al. (2000) stated that the same index or indicator of the goals in a wide variety of units is that in other organizations. This is, among other things, Bosnia and Herzegovina, Iapo MFIs, number of Southeast Asia, which is used for the card in the Philippines, India, cashpor ASA in the housing index that is used in the Score Card prizma join to form. Everyone is point to each indicator as an indicator of the level of poverty of the score in the Add assignment using the same logic as. However, the list of indicators in the context of MFI, depending on. For example, from the Philippines, is a residential use index card point is the home of the individual components that are awarded the score card, size and material of the roof, walls and floor of poverty based on proxy have been measured. These values are based on the sum of the household, and a gradual decline and very bad. This evaluation is in question, the staff of the house, site of the Visual inspection, and without the need for an interview with a member of the household to a meeting. This is a reactive approach, all the house style MFIs in another country you can respond to. It is the poverty of the oil, you need to check on the poor, the income and productivity of the asset indicator on the initial eligibility period in the house of the card, such as the index to a effective measurement of poverty in many countries in Southeast Asia, the limited scope of countries, Bosnia and Herzegovina, and quality of housing as it is not new, and the degree of poverty in a rich and, in a post-conflict environment.

Schreiner (2002) described that MFIs mission drift is, typically, the poverty level of the client in the context of the changes that are described. literature of the client." The Outreach poverty levels to define the depth of. Some of the discussion of mission is not MFIs drift in the research of poverty levels of the new client in the depth of outreach or change. A variety of measures, outreach, MFIs poverty levels of the client to the depth that you want to use to measure. A commonly used indicator is the average loan size. However, the average loan amount is used as an indicator of the mission drift of the research is a disadvantage, and the average loan size of the calculation of the other approaches. It is measured in the same way, if the client, they are not necessarily the level of poverty Does Not Reflect. Big business is a small loan that is applied to anecdotal evidence. In contrast, the client that there is a strong and graduated from a larger loan.

Pawlak and Matul (2002) developed matul various dimensions of poverty mission can be captured to develop a broader framework. The social theory of help, he is a six-plane: the customer cost to the Customer in relation to the equivalent of the social performance, micro-finance for measurement of the proposed framework, depth, width, length, and scope.

The value to the client to pay the willingness and defined, and outreach to the client of the cost and the number of transactions and the total cost. Net gain value to the client, a negative cost to the welfare increased by micro-finance is defined. Community Outreach depth for a given client that is connected to Net value. welfare theory, the depth, the client's weight and the social welfare function. Society for the poor, the environment, if you have set the depth of poverty is a good proxy. "

He is income and wealth, the depth, is difficult to measure directly in the proposal. Because of this, the depth of the indirect proxy (female) gender, location (rural priority), education (preferred), ethnic (preferred minority), and housing (small, thin and housing priority, (lack of access) to access the public services. Reach out of the number of clients a wide range of its outreach provides the length of the time frame of the micro-finance in the scope of its outreach specified types of financial contracts. This outreach frame is displayed, the more comprehensive Poverty Reduction mission, press on the various aspects of the mission, poverty alleviation in after the compliance of scale-up, the measurement of change in this study.

Dunford & Melgar-Quinonez, (2003) argued that contrast of hunger, and the

free, while a number of measures of food security, much less time and data collection and analysis is required for the know-how was developed based on the claim. are based on a self-assessment of the respondents reporting conditions or in general, to experience that is associated with the resource constraints hangers (skip meals and a wide variety of quality of food which has been consumed enough food to the care and support the family, and so on). These self-report categories, depending on the size of the security of food supplies.

1. "Of all the people in the food for the active and healthy life, access to sufficient food.
2. do not hunger for Food Safety, Food fear of people, and the food to see the various quality and limited.
3. While you're hungry for adults, air intake, and/or in the physical sense of the results of the instances of hunger.
4. severe famine, for adults and children more diverse, and more often," said that contains the instance.

Imp-Act (2003) reported that MFIs many individual local context, based on the concept of poverty poverty reported that there is a goal support. They are poverty in their own context-specific outreach measures was developed. (SAT) in Ghana sinapi ABA trust the average loan amount of gross domestic product (GDP) percentage ( %) of his customers as to the anti-poverty used to date, the measurement in the meaning of the above, many of the problems. In addition, the previously poverty indicators, the number of types of assets, such as the ownership of the information retrieved from the collection. The "meaning" of all test forms to the new customer was being used. Indicators on the bus in the move, and construction materials, such as access to public housing, ownership rights, and the current situation, the utility, and furniture. of each indicator is based on the type of response. The total score is scaled and the degree of poverty. However, use of the test in 2001, has been a time consuming , and that the customer was very uncomfortable complaints or questions to the sensitivity of the exit.

Creswell (2003) attempted that International Community creswell (FIN) support and (viii) affiliates in the poverty assessment of the variable in 2002 to help the survey was conducted by the Foundation, and the. After the test, a questionnaire seven variables, new variables or Social Performance Indicators was revised by eliminating the (FFh-scale using the safety of the food, health, housing, education, empowerment, and social capital, such as the customer's satisfaction. fins, based on

the results of the outreach, education, and capital to the index of the center of the poverty assessment is based on the and. However, it is based on the number of children in the school for a client, and the prediction for profit capacity bit is a problem. Have said. A broader social factors of the job, such as the local labor market, the key is available, such as at this point) as the type of the household expenditure and education for method to determine the essence of the value of the society.

Simanowitz et al. (2004) reported that how to join the micro-finance community poverty measure was developed, (PWR) offers a rich participatory ranking, that one of the report. The PWR MFIs, that are used in several ways, and in India, Bangladesh, black, pradan (SEF) in South Africa, a small company is as the foundation. They have their own methods, the same concept is based on. The PWR process there are several steps. First, the village to the assigned household context in order to get a clear idea. Then, the ranking process, and a rich card sort, and triangulation is performed by the previously established for this purpose the three groups of the Score. Finally, the system's help PWR are defined boundary of the dark and light is the poorest countries, and in the process to identify the MFI staff.

## CHAPTER 3

### Research Methodology

Aim of this study is to know the issues related to the process of scaling up of MFIs and its effects on poverty improvement task, particularly to determine the scaling up process of SRSP, as a microfinance institution, and to examine whether it has maintained its poverty alleviation mission in the process of scaling up or not.

#### 1. Research Design

##### Research inquiries

The first questions: (i) how the MFIs scale? (ii) How to reduce poverty task of MFIs affecting by scaling? (iii) How MFIs capable of developing while avoiding a deviation of its task? Sub-questions: How a gap has occurred in the fight against poverty mission while scaling up? What are the challenges to be faced by microfinance institution while scaling up? Or is it this does not happen? What are the plans in the event of any deviation from the mission which make it possible for microfinance institutions to scale up?

##### *Taxonomy of scaling*

Following are the major procedures of scaling up that have been used in this study.

a. **Coverage:** *extension of organization in regard to its composition, its constituency, its geographical distribution area of work, and so on, can be determined by five main indicators: (i) the number of the active members, (ii) the number of branches, (iii) the value of the outstanding loan portfolio, (iv) the value of the savings, and (v) the number of field officers.*

b. **Activities:** *extension of the organization in regard to the number and nature of their activities, can be determined by three indicators: (i) the number of new financial services (e.g. pensions), (ii) new financial products (e.g. loans), and (iii) new non-financial services (e.g. information technology).*

c. **Strategies:** *application of direct and indirect measures to improve their impact on the socio-political causes of poverty, and not only the support of entrepreneurial activities, can be determined by four indicators: (i) Information mobilisation, (ii) networking, (iii) aggregation, and (iv) direct entry in the policy.*

d. **Organizational sustainability:** *means the increase in resources. Key*

indicators include (i) operational independence, (ii) financial independence, and (iii) the proportion of commercial financing sources.

### **Mission Drift Dimensions**

The literature indicated to two important elements in the fight against poverty of MFIs: (i) Reaching the poor and (ii) struggle against poverty. Schreiner (2008) have developed a framework which have three dimensions of the outreach i.e. (i) depth, (ii) quality and (iii) scope of outreach which help in measuring Mission drift while scaling up:

**a. Depth/poverty of the outreach:** MFIs tend to serve better the market and the clients due to scaling up.

**b. Quality of the outreach:** due to scaling up field officer of MFIs struggle for covering a large number of customers to reduce operating costs. As an increased workload leads to less number of hours, lower quality service and which leads to reduce customer satisfaction and causing members to leave the program.

**c. Scope of outreach:** MFIs are likely to specialize in a more limited range of services and overwhelmed some services, particularly those that produce not all financial benefits.

### **Mission Drift's Measurement**

The indicators established on the case study of institute are divided into three sets. According to the three propositions mentioned above i.e. *Depth, Quality and Scope of outreach* several other indicators aimed to get quantitative data are as follows:

#### **Measures of depth of outreach or poverty level:**

**a. First Loan's Average size as a percentage of GDP:** This indicator is commonly used in all MFIs for measuring poverty level of MFIs' member by using the average size of first loans in grouping with other indicators.

**b. Housing Index:** This indicator is used as the main poverty targeting instrument. The MFIs' staffs go to fields and check each house, rejecting large size, in good state and constructed from expensive materials. The poor or the poorest households are selected on basis of the MFI's criteria. SRSP has two limits to define three groups of poor and define primary and secondary target groups. The difference is made (i) between the poor and non-poor and (ii) between the poor and moderately poor. On average, only five minutes are needed to index a house and conclude a score

for eligibility. A cutoff score of total points is established in the context of declaration of houses of the poor and non-poor. And then, a cutoff in the score is created in the category of poor to detach the houses of the poorest among the poor. Homes under the cut off between the poor and non-poor scores are recorded and shown as around the field staff passes through the area.

	<b>Information</b>	<b>Details</b>		
1	Size of building	Big (4)	Medium (2)	Small (0)
2	Condition of Structure	Firm (4)	Medium (2)	Bad (0)
3	Roof Material	RCC/Pucca (4)	Tiles/asbestos (2)	Thatch (0)
4	Wall Material	Brick with cement (4)	Brick with mud (2).	Mud (0)
<b>Cut-off points:</b>		Greater than 8 points	Less poor	
		4-8 Points	Poor	
		Less than 4 points	Poorest	

The houses are given housing index of less than 4 points are the poorest and to be recognized as the main target group members and with a score of greater than 4 secondary target group members. Generally MFI accepts houses with score upto 8 points.

**C. Monthly household per capita income:** This indicator is used for poverty measurement as a stream of resources through which the individuals and households are capable to maintenance their living. But, this indicator has drawbacks for example there is a greater chances of errors of human while reporting and recording of income data.

**D. Geographical distribution of the membership:** Generally in rural areas rather than urban poverty prevailing is frequent because of approach to infrastructure, resources, services and the market (Valenzuela, 1998). The MFIs focuses on urban or more populated areas for low operation cost while scaling up (sustainable banking with the poor, 2008). That is why this research recommends to compare urban rural members before and after the scaling.

**E. Sectoral distribution of loan:** Some sectors are accounted as high riskier than others such as agriculture and industrial. Being riskier sectors, MFIs will try to keep itself away from lending to these sectors (sustainable banking with the poor, 2008). Thus, the study suggests considering changes in the proportion of loans in terms of sectors.

### **Quality of outreach**

Five indicators are used to determine the quality of outreach: (1) The satisfaction of the members of the organization; (2) The average hours of work with the members; (3) The workload of field officer; (4) the service quality (e.g. personal attention, business advice, assistance to the family related to social issues, etc. from the point of view of the members; and (5) The drop-outs percentage, for reasons of the MFI to scale up. When there is organizational scaling up, there is a trend to a greater number of customers by an official on the ground in order to reduce transaction costs. As bigger workload may lead to decrease the working hours worked with each client and therefore the quality of services will be inferior.

### **Scope of outreach**

The number and type of financial and non-financial services of the MFIs are the particular indicators to measure changes in the scope of services before and after the scaling.

The following table shows the general scenarios for mission drift.

**Table 3.1.1: General case scenarios for the mission drift**

(Pre = before March 2007; Post = after. March 2007)

<b>Sample Indicators</b>	<b>Mission drift effect</b>
Average size of loans	Pre < Post
Proportion of poorest members when entering	Pre < Post
Proportion of rural members	Pre > Post
Case/Work Load	Pre < Post
Percentage of members who rated quality of the members service as “Good” to “Excellent”	Pre > Post
Number of financial services	Pre > Post

## **2. Source of data**

The primary qualitative and quantitative data have been used to answer the research questions. The collected data is categorized in to three groups:

- (a) Related information on SRSP comprising the origin, the location, the setting, the history, the philosophy, the objectives, the characteristics of borrowers with the organization, administration and staff and recruitment of the debtor and the support services.

(b) Literature on related topics: microfinance as a poverty improvement plan, the scaling up within the framework of microfinance, the challenges of the scaling up, the evidence and measures the Mission drift.

(C) Primary Data on the experience of borrowers, employees, management, board and representatives of funding agencies, being a part of the SRSP scaling up.

### **3. Plan and methods of data collection**

#### **Selection of microfinance institution for the study**

The Pakistan microfinance network includes 22 MFIs which are classified in three main groups; microfinance banks (MICROFINANCE BANKS), microfinance institutions (MFIS) and Rural Support Programs (RSPS). The PRS includes NRSP, PRSP, SRSP, TRDP and OSR who have worked in the country since 19, 14, 21, 15 and 9 years respectively.

#### **Selection of Locale**

For this research Khyber Pakhtunkhwa province of Pakistan is chosen as a locale, because it is one of the two poorest provinces in the country. It is presumed that the results of the research could be of wide applicability to a number of other provinces. The other reason for the choice of this locale is that the researcher is familiar with the prevailing culture in the province.

Sarhad Rural Support Program (SRSP) was established in November 1989 as a replication of the model of AKRSP in the North West Frontier Province (then Khyber Pakhtunkhwa) of Pakistan. SRSP is selected who has worked in the province for the last 21 years. The following figure shows the coverage SRSP.

#### **Choice of the region**

SRSP has made eight (8) regions which includes 20 out of 25 districts of the province. Survey of the all the regions of SRSP is not an easy task and also expensive, time and labour consuming. Therefore, taking into consideration the time only one region out of the eight regions is to be selected. For this study Peshawar region (highlighted in the following chart) including three districts i.e. Peshawar, Nowshera and Charsadda, is selected as a sample region. All the districts in the region are near to the capital of the province, Nowshera and Charsadda districts are only at 40 Km distance from Peshawar district.

### **Procedures for data collection**

The case study approach is used to address the research questions. The result of the study can not be generalized correctly because the study explores the phenomenon only at a single location.

The study is based on multiple sources of evidence. Main characteristics of the method are: (1) use of pre-post quantitative data, (2) use of mixed methods, (3) purposive sampling techniques.

Use of mixed methods consists of survey of 120 current and 120 former members of SRSP, Focus group discussions with 90 current and 90 former members of SRSP, interviews with front-line staff, members of the Board and representatives of funding agencies.

#### *Survey through questionnaire*

In the context of this study, structure surveys conducted with current and former members of the SRSP while taking 1 to 2 hours to complete the questionnaire. The survey was completed in person current and former members of the SRSP.

#### *Interview/face-to-face meetings*

Qualitative data was collected by researchers through interviews with 4 members of the board, 3 SRSP staff, and 3 representatives of funder.

#### *Focus Group Discussion*

A data was also collected through focus groups discussion by asking a group of people on specific topic for a certain period of time. In addition, two groups discussions were conducted with managers for the collection of data.

### **4. Sampling Strategy**

Primary data were obtained directly from six groups: SRSP current and former members of SRSP, FOs, the management, members of the Board and fund suppliers. For selection of the members of the sample random selection from the list provided by SRSP was made. The list was divided into two sub-groups: Members before 2007 and after 2007. A total of 132 random numbers with 10% replacement have been generated in order to select 120 members for each sub-group. The members matched with the randomly generated numbers have been selected from the provided list by SRSP with a strategy to select a member next to the first selected member.

Another group of 190 have been selected from the list of all former members

(who have abandoned the programme or have no the savings with SRSP). This list was divided into two groups: those who have abandoned SRSP pre-2007 and those who are no longer post-2007. A random selection was made for each sub-group of 102 former members with the selection of 90 for each sub-group following the process for selection of current and former members. The entire sample for the study made 420 members. Table 3.4.1 shows the responses to the survey.

**Table 3.4.1: Complete sample for the survey**

Type members	Pre-2007	After 2007	Total
Current Members	120	120	240
Former members	90	90	180
Total			420

In total, 120 current and 90 former members of pre-2007 and 120 current and 90 former members of post-2007 were interviewed in person.

Additional information has been collected by individual interviews and focus groups discussions on the development of the results of the quantitative methods on the basis of a random sample.

**Table 3.4.2: Sample for the focus group discussions and interviews**

Instrument	Type of participant	Pre-2007	Total	
FGDs	Current Members	9 Groups	108	(9 Groups)
	Former members	9 Groups	108	(9 Groups)
	Management	20	20	(2 Groups)
Interviews	Staff on site	3		3
	Board Members	4		4
	Funders	3		3

A total of 16 FGDs were carried out with current and former participants of the SRSP before the scaling up (8 of the discussions with the current members and 8 of the discussions with the ex-members). Each group was consisted of 10-12 participants. Discussions with two groups of management (familiar with the scaling up process) at head office and 20 employees and three interviews with field staff was held. Finally, the individual interviews with donors and members familiar with knowledge on the scaling up of process were held too.

## 5. Data Analysis

The results of the analysis of the data are in two chapters: (1) Description: the profile of MFI in the context of its existence and is active. These descriptions provide setting for the factors influencing the task of SRSP and the positioning. These data

obtained from SRSP documents and interviews with the board members.

The Plan of the analysis is presented below:

***Analysis of the scaling***

The quantitative data from the management information system (MIS) of SRSP has been taken on order to create an index of the scaling up and the qualitative data used for the analysis of the challenges that have been faced by SRSP while scaling up. Four dimensions have been used in this study for the measurement of the process of scaling up with various indicators, as shown below in table 3.5.1.

**Table 3.5.1: Indicators for the Scaling up**

<b>Dimensions and Indicators</b>	
<p><b><i>Scaling up coverage</i></b>            Number of Members            Number of Branches            Portfolio            Savings            Field officers</p>	<p><b><i>Scaling up strategy *</i></b>            Information and mobilization            Networking            Aggregation            Direct entry into politics</p>
<p><b><i>Scaling up activities</i></b>            Number of financial services            Number of non-financial services*            The financial products</p>	<p><b><i>Scaling up organizational sustainability</i></b>            operational self-sufficiency            Financial self-sufficiency            Proportion of commercial sources of Fund</p>

\*There is no quantitative data available for the number of non-financial services indicator, and the four indicators in domain “Scaling up Strategies”. Therefore, these indicators are analyzed using qualitative data and discussed separately.

First of all percentage of growth and decline was created for all indicators of scaling up from the data obtained from the MIS database using 2007 as the base year, e.g.  $\frac{\text{members in 2008} - \text{members 2007}}{\text{members in 2007}} * 100$  and similarly for 2008 and 2009 etc. Take the following example, the whole of the percentage change for the period 2007-2008 is 316%, and for the year 2008 is 145%, follows percent growth for 2009 is 316-145 = 171%:

Year one = 145% year two = 171% years 1 and 2 = 316%

**Table 3.5.2: Sample Percent Change of scaling up**

Year	Number of members	Change in percent (per year)
2006-2007	12610	
2007-2008	30919	145.19%
2008-2009	52404	171%
2007-2009	Aggregate of two years	315.57%

The above results can be inferred as: SRSP has grown its membership base by 316% in 2007-2009; while the scaling up is 145% for the year 2007-2008 and 171% for the year 2008-2009 which means an important increase in number of members.

Follow the above mentioned procedure for all indicators of scaling up for MFI. For instance, the following Table 3.5.3 shows the %age growth or decline in first area.

**Table 3.5.3: Scaling-up coverage - Sample Results**

Indicators	Actual figures			Percent Growth		
	2007	2008	2009	2007-2008	2008-2009	Aggregate 2007-2009
Number of Members	12609	30920	52404	145%	170%	316%
Number of branches	12	25	22.	108%	-25%	83%
Value Total Outstanding loans Portfolio	567,906	1,289,482	2,610,245	127%	233%	360%
Value Total Savings balances	166,437	371,070	772,975	123%	241%	364%
Number of Fields Officers	49	111	116	127%	10%	137%
<b>Average scaling Up of Coverage</b>				<b>126%</b>	<b>126%</b>	<b>252%</b>

For example, the average increase for 2008 coverage =  $(145\% + 108\% + 127\% + 123\% + 127\% + 126\%) / 5 = 126\%$ . This can be inferred as: SRSP has scaled up in the context of coverage by 126% in 2007-2008. Following the same procedure for next year, the result is shown as 126%. On the whole, SRSP has growth of 252% over a period of two years in its coverage that is the mean of all indicators.

Similarly, the percentage variations for others indicators in the other areas can be calculated using the above procedure. Table 3.5.4 presents the results of the each indicator.

**Table 3.5.4: Sample Results - scaling up Domains**

Indicators	Actual Figures			Percent Growth		
	2007	2008	2009	2007-2008	2008-2009	aggregate: 2007-2009
<b>Domain 1: Scaling up Coverage</b>						
Number of Members	12609	30920	52404	145%	170%	316%
Number of branches	12	25	22.	108%	-25%	83%

Indicators	Actual Figures			Percent Growth		
	2007	2008	2009	2007-2008	2008-2009	aggregate: 2007-2009
Value Total Outstanding loans Portfolio	567,906	1,289,482	2,610,245	127%	233%	360%
Value of Total Savings balances	166,437	371,070	772,975	123%	241%	364%
Number of Fields Officers	49	111	116	127%	10%	137%
<b>Average</b>				<b>126%</b>	<b>126%</b>	<b>252%</b>
<b>Domain 2: Scaling up Activities</b>						
Change in the Number of Financial Services (Annual)	2	3	4	50 %	50 %	100%
Change in the Number of new Financial Products (Annual)	6	7	6	17%	-17%	0%
<b>Average</b>				<b>33%</b>	<b>17%</b>	<b>50 %</b>
<b>Domain 3: Scaling up Organizational Sustainability</b>						
Operation Self-sufficiency	69 %	64 %	95%	-7%	45%	38%
Financial Self-sufficiency	55%	53 %	82%	-4%	53 %	49%
Proportion of Commercial Sources funding	50 %	56%	75 %	12%	38%	50 %
<b>Average</b>				<b>0%</b>	<b>45%</b>	<b>46%</b>

At the end of the table as can be seen, the average loss of level of organization change the scale same procedure as described above is calculated by the system based on: (10) divided by the number of indicators for all 10 of the total number of indicators. Table 3.5.5 shows the average size of the SRSP results of the sample. In addition, the rate of change can be interpreted as the total note, because of the deviations of individual indicators percentage of many will be changed, and the average Delta Set to the process of the acquisition of the necessary to. A variety of indicators, the percentage of change the most important results.

**Table 3.5.5: Sample Results - average scaling up of SRSP**

Indicators	Percent Growth		
	2007-2008	2008-2009	Aggregate 2007-2009
Number of Members	145%	170%	316%
Number of Branches	108%	-25%	83%
Value Total Outstanding loans Portfolio	127%	233%	360%
Value Total Savings	123%	241%	364%
Number of Fields Officials	127%	10%	137%
Change in the Number of financial Services (per year)	50 %	50 %	100%
Change in the Number of new Financial products (Per year)	17%	-17%	0%
Operational Self-sufficiency	-7%	45%	38%
Financial independence Self-sufficiency	- 4%	53 %	49%
Share of Commercial Sources Financing	12%	38%	50 %
<b>Average SRSP Scaling up</b>	<b>70 %</b>	<b>80 %</b>	<b>150%</b>

All the areas are not in the same way as for the organization as a whole on a large scale, are likely to contribute. In addition, the weight of each domain in which you want to get the average value, the organization is the most accurate method is not able to hold. However, there is no theoretical or empirical reason to support the most accurate method. In recognition of this limitation, the study found, weighing procedure, use the weight is the number of indicators i.e. one domain have 5 indicators, domain 2 has 2 and domain 3 has three indicators when they are added together domain one get 50% of the weight (5 of 10), domain two 20% (2 of 10) and domain three 30% (3 of 10). This approach is believed to yield a more accurate measure than forcing a 1/3 weight equally for each of the domains of 50% of the area, to get the 20% (10, 2) and the field is 30% (10 3). This approach yield a more

accurate measure than forcing 1/3 equal weight for each of the fields. The advantage of this approach is for the organization of scale of the time to the point of absolute level of a different organization, and you can compare. Level of this important scale to say, you will probably drift mission is the scale at a particular level of trigger after you have reached that you are receiving the mission drift, it is an important factor in in the sense that potential.

To change the organization's overall average rate calculated for each of the samples, and the scale of the percentage change. Each of their three branches in rural areas, one of the cities that has been sampled semi-urban. Each of the sites to the scaling percentage change percentage change in SRSP if you look at the comparison of the experience, and with the same or different scales to determine whether it is. In this case, the reason for this is if you do not separate?

Additional analyzes of these front-line staff and member of the Board of Directors of a qualitative data from individual interviews with key members of staff, and is based on the interview.

Based on an analysis of more than whether or not the result is that the scale-up SRSP. In fact, the result is very reduce the SRSP was the fact that, if you are in the next step of the process, the scale of poverty reduction, the mission of the SRSP effect on the ability of the research. This mission drift analysis methods are described in the following sections.

### ***Analysis of the Mission drift***

The analysis of the microfinance organizations, whether as scaling SRSP mission from poverty during the move to the questions to answer the main research questions. In the analysis of the mission drift is one of the three proposals in that direction. This. (1) proximity: scale as the depth of the SRSP MFIS to move the market, and provide services to the client, you can (2) quality of information : Your organization's expansion is the number of customers, the official, the trend transaction to reduce the costs on the ground. If the volume of the reduction in the number of hours for each client, and the quality of service will result in the program and to complete the client's satisfaction, and awareness (3) to reduce the area. The MFI extension for some services, especially all financial benefits is not likely to be cut. The analysis of these mainly (imis) management information system of the SRSP data structured and is based on the data of the survey.

The GIS quantitative data with the Survey and the percentage of Mission drift indicator between the profiles of the members of the comparison with the changes to the analysis, the before and after use to scale. In this article, that is shown on the following specific questions in addition to the main research question, the information is included. The scale of the SRSP mission is from a large-scale, the implementation of the drift? There is a social and economic profile, the company before and after, the scale of the members of the people of the service of the overall satisfaction with the difference between the profile? Program is to do before and after of the people who have left a gap between is enlarged? Member Satisfaction has decreased?

In addition to these questions have been answered, the data in the other sub-questions in the following analysis. These are as follows: Mission drift has occurred, if any, in areas such as "Why is that? Mission drift and the challenge that you have? What is in the area, in all cases the mission drift is not done? SRSP, poverty alleviation or zoom in/out to meet the challenges of maintaining the is enabled, there is strategy?

Before the results of the quantitative analysis of the data for the description of the method. Mission drift in the rate of change is determined by calculation of the scaling of the rate of change for the computation based on the same logic to determine the direction of change. Mission drift in three areas, there are multiple indicators in each domain. First, the percentage change of each indicator is calculated in each domain. 3.5.6 of the Show Table - Average size example rate of change (%).

**Table 3.5.6: Sample Percent changes for the average size of loans**

Year	Average size of loans	Change in %
Pre-2007	4979	
Post-2007	4605	- 7% (Decrease)

The mission of the drift, and the data is different from the scale and mission drift data are, and must be considered.

- (i) The rate of change in the calculation of the two period.
- (ii) The magnitude of the change of the direction change is important. This account has two categories of table 3.5.7: The group indicator mission drift (post- 2007) after you have

expanded the values that are displayed in the excellent value (Pre - 2007) before the scale indicates that the group as the group of indicators are used to. Group Mission B Indicator to indicate the People (post - 2007) after the value for the scale, less than the value of the scale to before and drift (Pre -2007).

**Table 3.5.7: List of Mission drift Indicators**

<b>Indicators</b>	<b>Conditions for Mission Drift</b>
<b>Domain 1: Depth of outreach</b>	
<b>Group A</b> Average size of loans Average monthly household income per capita Proportion of the less poor new members entry (with housing Index of 8 points)	Pre2007 < Post2007 Pre2007 < Post2007 Pre2007 < Post2007
<b>Group B</b> Proportion of the poorest members at entry (with housing. Less than 4 points) Proportion of the poor at the entry (with housing. Between 4 and 8 points) Proportion of rural members Proportion of loans for agricultural purposes	Pre2007 > Post 2007 Pre2007 > Post 2007 Pre2007 > Post 2007 Pre2007 > Post 2007
<b>Domain 2: Quality of Outreach</b>	
<b>Group A</b> Case load (number of Members per field officer)	Pre2007 < Post2007
<b>Group B</b> Time available per member service Percentage of members who rated overall quality of service. "Good to Excellent" Percentage of members who rated the variety of services such as "Good to Excellent" Percentage of members who rated quality of the members service As "Good to very good"	Pre2007 > Post 2007 Pre2007 > Post 2007 Pre2007 > Post 2007 Pre2007 > Post 2007
	<b>Conditions for Mission Drift</b>
<b>Group B</b> Number of financial products Number of financial services	Pre2007 > Post 2007 Pre2007 > Post 2007

Percent increase for the Group A indicators the mission drift, and a positive change to the group indicator shows the Group B indicator, the % (decrease) Change the negative of mission drift. The percentage indicates the magnitude of Mission Drift. This is the percentage of the group indicator (1) will change the %Delta B Group, the indicator (1) is multiplied by the analysis. 3.5.8 preparing for the table of the analysis

results of the sample to the consciousness of the average drift depth-of-field of each indicator appears in this domain.

**Table 3.5.8: Sample results of the Mission drift in the depth of outreach**

<i>Depth of outreach</i>	%			<b>Drift</b>	<b>Drift %</b>
	<b>Pre-2007</b>	<b>Post-2007</b>	<b>Change</b>		
Average size of loans	1660	1517	-9%	No	-9%
Income of households	622	483	-22%	No	-22%
Poorest	12%	10%	-17%	Yes	17%
Poor	88%	90%	2%	No	-2%
Less poor	0%	0%	0%	No	0%
Rural Members	80%	55%	-31%	Yes	31%
Agricultural Loans	10%	4 %	-60%	Yes	60 %
Average drift in depth Outreach				3(out of 7)	13%

These results show that the average loan size of 9% for the 9% in the opposite direction (the hypothesis of average size of the loan increase reported mission drift, as described above), Mission Drift to indicate that you want to change is interpreted SRSP has decreased. The Group B indicator is the share of agricultural loans 60% and 60% for mission drift. 7 indicators of the total of the drift that is specified in the mission of the three other four. The average depth of the SRSP awareness to 13% mission drift occurs. For each domain in order for hundreds of drift that, on average, and in the calculation of the mission, the research, the same approach is used as an extension of the analysis of the data, as you can see in the illustration above. This is the mission of the fields of each indicator in the direction of drift, as a percentage of the total change in the field, you have to experience a change is not the excluded) divided by the number of indicators means that value.

In the same way, whether or not the mission drift and drift as a percentage of the remaining indicator and the domain of the decision. Then, the average organization, Mission drift is determined by the same measure, the approach of the scaling. To change the percentage of the total number of mission drift in the direction of all 16 indicators divided into three areas of 13 (none, indicators, does not change, but all the additional contribution. Table 3.5.9 shows the sample results of the mission drift of all 16 indicators, the mission of the SRSP average drift.

**Table 3.5.9: Sample results of the SRSP mission drift**

	<b>Pre2007</b>	<b>Post2007</b>	<b>% Change</b>	<b>Drift</b>	<b>Drift %</b>
Average size of loans	1660	1517	-9%	No	-9%
Income of households	622	483	-22%	No	-22%
Poorest	12%	10%	-17%	Yes	17%
Poor	88 %	90 %	2 %	No	-2%
Less poor	0%	0%	0%	No	0%
Rural Members	80 %	55%	-31%	Yes	31%
Agricultural Loans	10%	4 %	-60%	Yes	60 %
Case Load	257	583	127%	Yes	127%
Time Available per member Service	47	21	-55%	Yes	55%
Percentage of respondents said variety of products and service "Excellent" or "Good"	79%	85 %	8 %	No	-8%
Percentage of respondents said FO quality of service "Excellent" or "Good"	71%	83%	17%	No	-17%
Number of financial services	81 %	75 %	-7%	Yes	7 %
Number of financial products	2	4	100%	No	-100%
Percentage of respondents said variety of products and service "Excellent" or "Good"	4	7	75 %	No	-75%
<b>Average SRSP mission Drift</b>				<b>5 out of 14</b>	<b>5 %</b>

The percentage change is calculated from the database, the data and the survey, the general index and by connecting to the evaluation. The indicators, with such a program, such as to participate in the demographic profiles, the company's profile, and the quality of service, the impact of the reasons. One of these groups that belong to the answers to these questions, the largest category and compared. The scale of the member before, after the response to. This comparison is based on the results of a survey of some of the major differences between the scale before and after the characteristics of the group and the relationship between the question of whether you can see.

Frequency and mean test have been run on each of the indicators to test whether there is any significant difference in the comparison groups. Analysis of these various groups (example: members before 2007, the same question) 2007 after the answer that you have joined the, there is a statistically significant difference to determine whether there is to compare to the members.

Discussions and interviews with the note the specific area or that there can be

no strategy, Mission drift and SRSP's mission is to enhance the process and challenges while maintaining the address to demonstrate something to experience in order to explain why. The qualitative data, the following sub-heading. The depth of the extension, the extension range of awareness, the quality of the strategy, the group. In addition, results of the evaluation of the document archive information is added to the qualitative data, review the results of the integration.

## CHAPTER 4

### CONTEXTUAL DESCRIPTION AND EVOLUTION OF MICROFINANCE SECTOR

In the first part of the Pakistan general context to describe the worst Khyber Pakhtunkhwa in a particular state of the party is the first part of the Financial Sector in Pakistan, SRSP Pakhtunkhwa established a pass Khyber describes the state of the operation is continued . The last section, the evolution of microfinance in Pakistan.

#### 4.1 Background of Pakistani Economy

Pakistan's estimated population is over 187.383 million in 2011, the world's most populous country, behind Brazil and ahead of Nigeria. During 1950-2011. Pakistan's urban population has been extended by four times the increase in total population. In the past, it was a moderate population of birth in the high rate of change has been the relatively high growth rates. Population Growth Rate is 1.6 percent. A dramatic social change rapid urbanization and to the emergence of LED. megacities In 1990, Pakistan in 2009 most of the history of the city-state of South Asia as part of city, the residents accounted for 36% of the population is sustainable. In addition, 50% of Pakistani, who is 5000 or more people in the town. Pakistan is a multi-cultural, and multi-ethnic society is the world's largest refugee population, the young people of the host population. Pakistan's diversity is the difference between culture and language, in conjunction with religious or genetic along the lines. Almost all of the ancestors of Pakistan people Indo-Iranians belong to the group.

Gross Domestic Product (GDP), the recent growth rate of 3.6 percent in fiscal 2007, 4.4 percent in fiscal 2000 compared to the registration. Labor remittance 2012 - 13 July - \$11569.82 in April last year, 6.37 % in the period of growth, is that the same time as the \$100 million, and is 10876.99. As the per capita income in \$ 3.4% growth in nominal terms for the 2012 - 1368 increased to \$13. From 7.5% to 10.9% in 2012 - 13 2011 - 12 recorded in the overall inflation rate is slowing down. During the last crop season price of staple food crops of wheat in 30% of the 88% of the United States. Growing section of the population to drive a potential, or below the poverty line.

About 65% of Pakistan's population lives in the village, which is dependent on

agriculture, or officially appointed. It is approximately 45% of the labor force and contributes 57% of total export revenue. It is the country's gross domestic product (GDP) of %22 or more accounts and raw materials to provide major industries. In the Time of independence, in the agricultural sector are also gradually declining gross domestic product (GDP) to 53 percent of the contribution. Gross domestic agriculture sector (GDP) is the largest single contributor, and it is the main conditions of labor absorption. It is food, consumer and the textile industry in Japan.

The country is 79.61 million hectares of a geographic area of 57.05 million hectares 22.17 million hectares cultivated in 39% are reported as area. under cultivation, available through the use of water resources can be the result of a culture as a waste of water at 8.25 million hectares, improved management of crops and better adapt/Commodity and livestock of additional surface storage, and building. % of cultivated area, such as canals, tube wells, and the rest of the 20% of the rain is receiving the irrigation.

Traditional Agricultural growth in Pakistan has been playing a major role in the development but the overall for Growth and Reduction of Poverty continue to be crucial. Agriculture, Pakistan's economy, the gross domestic product (GDP) to 3.6 percent growth in fiscal year 13 national accounts in constant prices after the revision in the previous year compared with 3.5 percent. (GDP), nearly 21 percent of total output and 44.8 percent of total employment in agricultural production to be generated. Gross Domestic Product (GDP) Contribution of agriculture to the 1990 most of the 25 percent from the current 21 percent decrease compared to 2007. The departments are in Pakistan in the past will be ignored, livestock, fisheries, and 52 percent is to contribute to agricultural GDP. Agricultural growth is considered that it is necessary, but it is no longer a steep decline of rural poverty is considered sufficient. For the most part (57 %) of the rural poor from the non-agricultural households and 40 percent of the poorest households in rural areas only 30% of the derived from the income of the agricultural investment in the country, small town in non-agricultural sectors considered to be an important poverty reduction.

Non-availability of sufficient credit to the growth of the agricultural sector, is one of the main obstacles and was. The Crop sector, 34% is agricultural, the gross domestic product (GDP) is the total for the fiscal year of the agricultural credit (Fiscal

Year) 2012 share of 84 percent of the non-crop sector is only 16 percent. In addition, the microfinance to provide a large geographical disparities has occupied also contribute to that. The Smart Way credit loan very uneven, in the course of the year. Agricultural Credit disbursement of the amount of Punjab province, 73 percent market share in fiscal 2008 from fiscal 2000 is Cindy share of 19% in the form 83% to 11% increase in the same time period. Balochistan shares of ajk and also witnessed a significant decline. () The North West Frontier Province, NWFP during this period to maintain the 5% of the market share.

Decades of Internal politics of foreign investment and a low-level conflict are slow in growth, Pakistan's backward LED to. Output of agricultural employment and the difficulties accounted for one-fifth or more of. In the past few years, low growth, high inflation, and food prices of the LED, poverty in 2011 estimated that the - the United Nations Human Development Report is the amount of poverty, with a population of approximately 50 percent. inflation, the situation has worsened, from 7.7 Percent in 2007, to the year 2011, nearly 12 Percent to 10 Percent in 2012 before declining a climbing. political and economic instability, and as a result of Pakistan Rupees more than 40 percent decline since 2007. Foreign investment is returned, and the governance, energy, security, and the global economy, related to poor investor concerns about the not. remittances from overseas workers on April 1, 2011, from an average \$100 Million in Pakistan, bright spot. Pakistan is a low-income, low-growth trap, the growth rate was 3% on average from 2008 to 2012, on average, but will remain in it. Pakistan is a growing and rapidly growing in population, you need to adopt under the 22 more than half of the amount of economic growth for the Promotion of government revenue and production of energy-related long-term issues that must be addressed. Other long-term challenges, education, and healthcare investment, climate change and adapt to the impact of a natural disaster, and the donor, reduce dependence on is included.

## **4.2 Poverty in Pakistan**

Poverty in Pakistan it is difficult to quantify. At that point, the government estimate, 23.9% of the population is living below the poverty line, but it has been the independent organization - % 28.3 25.7 in the range of the assessment was that it was a figure . The poverty of the 1970s and the 1980s, declined in the 1990s, the federal

government and the policies of corruption is inverted.

As of 2009, Pakistan's Human Development Index of 0.572, and India than in the Bangladesh +0.543 and lower than India 0.612. The HDI Pakistan, according to 60.3 percent of the population of the day \$2, 79% in India and Bangladesh, 81.3 percent, compared to 22.6 percent in the lives of \$1, in India, 24.9 percent, compared to 49.6 Percent of Bangladesh live.

In Pakistan, that the distribution of wealth in the uniform of the population is 27.6 percent, and 10 percent of the top 10 percent earned income. The United Nations Human Development Report, Pakistan's Human Development according to the index, especially in the case of women in much of the country's per capita income of the same level of only 4.1 percent. Pakistan (1000/88, compared with the average South Asia (1000 83) infant mortality rate is higher.

### **4.3 Overview of rural poverty**

In Pakistan, with a population of approximately one-quarter are classified as poor. The government is 23.9% of the people living below the poverty line was estimated. poverty rate 10.6 percent, from 34.46 Percent in 2008 have declined it is said, and health and education related to the health and welfare of non-income low-South Asia and the people of other countries in the comparison. The highest level is close to 30 years has reached a major food products of the international price, the impact of the rise of the bad is very negative impact. In Pakistan, a rise in the prices of food, and as a result, it is the poorest households in the income of more than 70% of the spending on food is thought to have been . Of the 17 million people in Pakistan, the situation of poverty in recent food price inflation. As a result of the re-examination is less secure (60 billion) category, the latest as a result of changes in the food will need to participate in and that it has been a matter of concern. With respect to women in society and the economic indicators in the region is the lowest. Pakistan's Human Development Index and gender Development Index ranking of the men and women between the persistence of inequalities reflect the higher than that. The rise of fundamentalism, in the northern part of the country for women, which led to additional problems.

In 1947 the partition and independence of Pakistan, in the time of the lowest part of the highest in South Asia that is inherited. The country, and have made great progress, the Gross Domestic Product (GNP) per capita, the highest in South Asia. End of poverty reduction programs in the year, with the participation of many of the poor to rise. However, such as the occupation of Afghanistan, a global financial crisis, and other factors affect the growth Pakistan. Pakistan's poverty is high in the rural areas of the city. A total of 40 billion, living at or below the poverty line, and 30 billion living in rural areas. Poverty in Rural Areas is growing exponentially in the 1990s, the rise of the income of the country for a gap between the urban and rural areas has increased. This trend is the urban and rural economy attributed to a disproportionate impact of the event. In Punjab province, a significant amount of poverty in the gradient of the region in a different region.

Pakistan's worst Khyber Pakhtunkhwa of the South Asian region of one of the most back. In spite of this, the significant progress made in a number of areas.

#### **4.4 Khyber Pakhtunkhwa**

The growth rate of 2.81 percent in the 17.74 billion population includes ethnic strata. For many, and, most importantly, (pukhtana pathans) and dominant class in the region of the Hazara people of Indian origin, gujars and other tribes dominated the majority of the agricultural population is the temple form Ismail Khan, primarily living in jats.

At the time of the census, 1998, part 7 and part 4 and compare it to the 24 district and the 1981 census was 12 district. The district is divided into sub-categories. One of the most sub-division one tehsil in the configuration. There is a pass Khyber (3,672 settlement mauzas outstanding 3,664 village of Pakhtunkhwa 7.336 mauzas/villages. Each tehsil qanungo halqas patwar circle to the qanungo halqa and patwar circless ( Revenue Real Estate mauzas) split.

#### **4.5 Financial sector in Pakistan**

The ADB recently, according to a report in the developing countries of the adult population is 2.7 billion people, or 70% reduction or check account as an official financial services will not be accessible. Less Than \$2 A Day in the life in the

emerging markets of the labor force by more than 60 percent. large segments of the population, as they are at their country's social and economic development of critical. Of the 130 million adults in Pakistan of 1.85 million people, which has a population of 59 million labor force. On the other hand, 32 by the depositor ( /financial institutions bank 3.4 M, MFB/MFIs 2.3M, 2012, the 5.7 billion of debt. The population per branch in the financial sector has been limited to a high-capacity retail 16,607 people as it stands. Demand-side estimation of the incidence of financial exclusion, the Unattended formal financial institutions are still the people of the adult population, for a total 86 - 88% is estimated.

The banking sector in Pakistan 64 period of major changes in the country since its independence in 1947 we have witnessed. First, IT resources and uncertainty from lack of common political, social and economic conditions. Trained personnel and lack of experts in product and service quality is poor. However, Pakistan's central bank, as the central bank on August 1, the financial sector control was established in 1948. You can then modify the SBP controls and features Act Pakistan in 1956 to extend the Bank were held. The SBP private-sector financial institutions, and financial institutions of the country, it is recommended that you establish. This is an unhealthy competition and illegal practices for bribery and corruption of the 1950s and 1960s decades of S between the. In 1974, all existing Bank by the government, the state-owned. Performance of state-owned banks in order to protect government employees who were due to the lower of the products and services to be provided. In addition, private investors and foreign financial institutions are also recommended. The poor performance of state-owned banks and the reform is causing the initial /1990, privatization of the banking sector. Today, the Pakistan's banking sector in the economy of a country to play an important role in economic growth. Bank of Pakistan and the Pakistan of the banking system of Pakistan (SBP), the state, banks and commercial banks, banks, development financial institutions (financial institutions) and microfinance bank and Islamic Banks, etc. The two-tier system. The SBP the existing banking system, especially the marginalized population including women and young people an efficient market-based financial services to provide a fair system, in order to convert it to the commit. The year 2000, the mainstream SBP microfinance process is initiated, khushhali Bank, was established in 2007, the law was promulgated by the microfinance. Proportional SBP sector to ensure the regulation of

the system, as well as the focus on access, financial soundness, and Pro - Consumer practices to seek to. With this approach, the Pakistani state to microfinance bank and branchless banking regulatory role to internationally recognized. World-famous newspapers, magazines, financial and economic scholars, and the World Bank, as SBP Financial Services access to the bridge of the country as well as sufficient to increase the population of the innovative approach to recognition.

SBP in 2005-06 microfinance banks in the manual for the coach and the system was developed. Director of the SBP methodology that effectively with key indicator of Microfinance Banks to capture risk and performance based on a percentage of the expert assessment system. In 2007, the microfinance SBP to promote competition to the practical application of the commitment of a sustainable model for domestic capital in the sector, and channelized, international players in this area of Pakistan's venture to the base of the product development and delivery of the Innovation concept, national micro finance strategy. In 2008, the State Bank branchless bank regulation after extensive discussions that have been issued to stakeholders. The branchless bank , Squashni Askari waseela MFB and bank in the commercial launch, now is a branchless banking Provider service in a complete range of motion. The success of the branchless bank in the financial industry of the brick and mortar retail network 11000 in the store after 65- standing in (SEMI)2 in the short span of the agent in the branchless retail bank network agent 30000 had grown beyond. These agents are in the outlet, customers, withdraw or utility bill payments you can make money to be able to move. Nearly 1.8 billion mobile banking account RS branchless banking customers than the value of more than 28.4 billion transactions. 115.3 billion until 2012, during the first quarter of. The average size of a transaction, technical, and financial access to indicate that 4,065 is the RS the railroad bridge. In addition to develop the market of Pakistan, in order to promote (SBP) The Bank Consulting Group has been established to branchless bank. The group, Pakistan Telecommunication Authority of the major stakeholders, a member of from nadra, commercial, microfinance banks, mobile network operators and Technical Solutions, Inc. , a provider of the draw.

The Microfinance Banks Ten in Pakistan, the behavior of the capital injection AIM of a new round of capital to strengthen the base, personal and

microfinance banks to reflect the diversity of approach of the market, has the potential to support the regulatory framework is to consider that the mobile communication service providers) of up most of the mobile network operator Microfinance Banks Microfinance Banks, ownership of both the local and international investors and banks, development institutions, investment funds, the mobile network operators, and large-scale flow, such as domestic MFIs. In addition, the world's largest MFIs ASA and the black is normal which means that the 2008 and later behavior in Pakistan.

Mobile phone bank to new market niches of Both Banks and mobile network operators. It is the growth of an existing agent is used by the network of the national rural and remote geographic location in order to reach the Expand thought to have been. The branchless bank, State Bank of society that is provided to the United Nations in the segment safety of financial services, high-speed, efficient provisioning and great opportunity for.

Microfinance and success of branchless bank, the actual financial exclusion is still very high. Currently, 30 million micro-credit and that it is estimated that the target and less than 10% of the market to be reached by the obligor is 2.3 people it is not possible. This high-level financial exclusion of a huge opportunity, microfinance to the operator in the country, from a favorable market environment fast enough, and the railroad bridge will be millions of people overall in the financial sector is an important participants to be provided for the growth. In particular, development of the new strategy Microfinance Banks cost savings mobilization in the cost savings and the branchless Bank and other infrastructure must also be stressed. In addition, the lending process of another economic, geographic segments that must be extended. regulatory environment and market intervention of these developments, the ongoing support.

In 2010, the banking sector, private-sector banks, 4 of 25 local public institutions, banks 7 foreign bank, etc. ) and 36 commercial banks in the country, 9,087 of the total number of branches in four specialized banks are configured. Among the banks, and 6 in the full-fledged Islamic banks as at the end of the day, 2010.

In addition, the license of China SBP (ICBC) is the industrial and commercial

bank and Cindy in the Bank in 2010, has been granted. Non-commercial banks, microfinance bank 8, 7 development finance institutions (Financial Institutions) in the Banking Sector in Pakistan are working. development finance institutions (financial institutions) of the number in the last decade to the end, the government is one of the current "Infrastructure" or "infrastructure organization," which is a requirement for this country to re-consider the set for. In the early 1970s significant changes have been made to the country's financial landscape of the 1990s to the early start to the area through the reforms of the efficient, sound, and strong in the banking system has been converted, an efficient and competitive financial system. It was banking, technology is almost non-existent to Pakistan in the past few years of the Revolution, and customer service and access bank, Internet banking, ATM, Mobile Phone Banking/branchless banks and other mode that provides for the convenience to the customer to provide the bank transaction costs. business, such as credit cards, debit cards, smart cards are also being deployed. Very foreign exchange supplier and user of Exchange directly control using a system of regulations, that the foreign exchange market liberalization, and all purchases and sales, the active vibrant inter-bank foreign exchange market.

In 2011, a new microfinance Strategic Framework (2007 - 10), the above is based on the National Strategy has been released. 2015 framework to achieve growth in the medium-term plan. Specifically, financing, mobile phone technology, another distribution channel, use the national credit information bureau of the establishment of microfinance department channelized, and strengthen corporate governance and the institutional capacity for improvement measures is recommended.

SBP microfinance the regulatory and supervisory under the jurisdiction of it has brought. However, the micro-credit and rural financial institutions license and regulatory requirements have been relaxed, simple small widespread access to borrowers, especially in rural areas to make it easier. Unlike the commercial banks, microfinance (mfls) Institutions District, at the local and national levels to various capital requirements can be set. 6 microfinance organizations was already running, and then reach out to the customer has been exceeded. However, in this field, in particular, for the Bank of Indonesia BRI, regulations, Indonesia is set to learn from experience.

Credit information (CIB Bureau in 2006 for each of the population accounts for only 3% from the system, the Bank of the obligors in a few people that is 4,781,509 end of the record. Such a consumer, as the residence previously enough regardless of the market credit, medium-sized (SME) is an enterprise, in the agricultural sector will also be increased, and is now in the wide range of financial institutions is provided.

#### **4.6 Historical Context and Evolution of Microfinance**

##### **a. Microfinance in the world**

The microfinance is not a new concept. The Century that they are not in operation, and credit group in Ghana." "susus, the , , , , chit funds in India, " "tandas in Mexico, " ", Indonesia, Sri Lanka, and of the arisan cheetu, West Africa, to the tontines, pasanaku in Bolivia, many clubs and save all of the world contains burial society.

Decades of formal credit and savings institutions commercial banks financial services has been the development of cooperatives, financial institutions have been ignored is bad. Ireland financing system for the benefit of the poor in the country in the early 1700s, mortgage loan is the author, Jonathan and rapid nationalist who initiated in the past have lived in one of micro-credit institutions. The SWIFT slowly started to think that was the 1840s, the popular institutions of all 300 funds in Ireland. The main purpose of the small loan interest rates and the short time period to. At the peak of all the Irish household loans to 20% of the year.

In 1800s, the larger, more formal Savings and Credit Institutions, a variety of types of people European banks, credit unions and savings and credit cooperatives, and called on the advent of the rural and urban poor in between.

The concept of a credit union and Friedrich Wilhelm Raiffeisen International Bank-Holding AG is and his supporters that was developed by the rural population of the Money Lending Business Control and the dependency on the welfare of the business. In 1870, the rapid from labor unions and the Rhine River in Germany, other areas of the State Department of a large scale. quickly to the co-operative movement to other countries in Europe, North America, and in the final, and as a country that has developed countries, developing countries, the co-operative movement is supported by.

In Indonesia, the people of Indonesia's credit (BPR), banks and bank perkreditan Bank Rakyat Indonesia opened in 1895. The BPR microfinance system to the maximum close to Indonesia in 9000.

The initial 1900 S of these models in a variety of adaptive rural Latin America, in part two, the purpose of the rural sector, and "idle" cut through the mobilization of credit and investment growth and a repressive feudal relationship with a practical application of reduction will begin to appear. These new banks for the poor is bad, not the government and the private sector are owned by banks. These institutions, over the years, and the time, and inefficient to slander and defamation.

Between the 1950s and 1970s, the government and donors and the small agricultural credit limits productivity and income to farmers in order to increase focus on providing. Access to agricultural credit in order to expand the efforts of the following intervention by the government and the state of the form will be made on the provided credit card owned development finance institutions, or in some cases the farmers cooperatives, for a fee to customers who have lent the following market interest rates are supplied in that you have received. These subsidies was successful there was very little.

On the other hand, from 1970, Bangladesh, Brazil, poor women small loans to a group of micro-enterprises to invest in that has been extended to a number of other countries, in a pilot program. This type of microenterprise credit, and all members of the group, all members of the guaranteed repayment of the loan is based on group solidarity. These "microenterprise lending" program is A (female) is a very poor borrowers eligible for income-generating (Forced Savings Program, in some cases) in the credits of the activity of the most exclusive focus.

**ACCION International**, Pioneer in 1962, the law student, Joseph Blatchford, was founded in the city in Latin America to address poverty. As the student volunteer activities in the slums of Caracas and the private companies that have occurred from 90,000 to \$start, and accion, in today's world, one of the premier microfinance organizations in Latin America, and the United States, the span, and the African lending partner's network.

**SEWA Bank**. In 1972 the self" woman (take care of the association, as a labor union

(India), western Indian state of Gujarat, is registered in the "Social Security," in 1973, the access to financial services to address the lack of the members of the "take care of your own bank to determine income, employment and access to the increase of the members of the negotiations with the primary purpose of strengthening. Women who take care of the capital contributions in mahila Cooperative Bank. Then, read, and write the banking service is poor and the self-employed to provide women, and today is that you can perform, for a financial company of 30000 was active clients.

**Grameen Bank.** In Bangladesh, the Professor Muhammad Yunus, the poverty of the Research Program of Action that are being faced in dealing with financial issues. In 1976, Jawaharlal Nehru University of his research, he is rapidly spread to hundreds of the village, but those files in the distribution of the experimental credit program design. In the end, with the support of donors, the Grameen Bank was established in 1983, is now more than 4 billion by the obligor. The initial success of the Grameen Bank, black, and proshika ASA, such as some of the other huge Establishment of microfinance institutions, stimulating

You can use the 1980S and grants, rural credit policy is a low attack will increase the credit program the disappointing performance, especially in poor loan recovery, high management costs, and agricultural development bank insolvency, and large-scale farmers a disproportionate share of the benefits of credit cards accrue as evidence of the mounted. Some of the basic principles underlying traditional the credit approach that is the exposed and on behalf of the new school, and I thought," known as the financial system, the financial system of the school approach" to be held to focus on interest rates and credit subsidies ceiling without delay, the development of the financial intermediary function, and recommended the intermediary between savers and investors, and benefits, large-scale producers are smaller, low-income producer.

On the other hand, the micro-program, but also to improve the original methodology, but the Conventional Wisdom of the loans, the world as a whole, for the opposition. First, they are poor people, especially women, excellent repayment rates that were higher. Second, we would be happy with that can be bad (MFI) microfinance organizations to cover the costs of the interest rates that are allowed to be paid.

High repayment cost-recovery and Interest Rates - these features are part of the long-term, sustainable MFIs to realize their potential, the number of clients in 1990 s will be allowed to.

Microfinance is the flagship, move the Bank Rakyat Indonesia (BRI ) Indonesia, in developing countries, the village of the largest microfinance organizations banking unit system. This state-owned bank of autonomous management of microbanks 22 billion microsavers is provided. The BRI microbanks state agricultural bank that is owned by the state in the mid-1980s, the success of the transformation.

The 1990s micro finance to alleviate poverty as part of the strategy for the promotion of the growth of the heat input. Many of the microfinance sector in the country, which has blossomed micro-enterprises, home of poor households more than one needs to lead the financial services companies. These benefits, however, the city's urban and densely populated rural areas have tended to focus on.

The term "micro-credit" of microfinance in 1990 was replaced by the new terms. The credit card, and it contains only the savings and other financial services, insurance, and remittance of such as.

**ACCION helped BANCOSOL** in 1992 could not be found in the world, was the first commercial bank, dedicated to microfinance. Today, more than 70000 bancosol, the client account cost savings, credit card, mortgage five years ago in Bolivia is the class to be able to access the financial services products, including an impressive range is provided. bancosol is unique. For more than 15 accion agencies are regulated financial institutions.

Today, microfinance industry development community and a more permanent reduction of poverty is the poverty of multiple dimension addressing aware of the need to share. The international community, in particular the Millennium Development Goals (MDGs, education, empowerment of women and health, and for other people to reach in between. microfinance, microfinance, the financial system of the country as an integral part of the means that you want to display.

## **Examples of Recent Innovations in Financial Services:**

**i. CCACN (Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua)**"Agricultural" pay reduction product sold to farmers. The goal of the product, the annual or semi-annual harvest from the income of and smooth the flow of income. Each credit union, farmers and the cost of the individual to identify and each month ( , , , , is a combination of the above market interest rates, the Bank is the harvest of the salary from the Credit Union to determine whether to withdraw. is still in the early stages, the Credit Union agricultural-based from the client, reducing the interest rate to a management program are listed.

**ii. Caja los Andes in Bolivia** various agricultural activities on the cash flow of a loan repayment options for the principal and interest in the activities of the corresponding to a single crop is the last of the long-term, including the payment), and crop harvest period of the farmers are planted at random intervals uneven payment is provided. Flexibility in LOAN DISBURSEMENTS, REPAYMENTS AND THE farmers are provided the approved loan amount to as many of the three for the installment you can receive.

**iii. Prodem in Bolivia** biometric fingerprint reader and the smart card, the combination of financial services to the client in order to provide for the implementation. biometrics technology is the individual physical or behavioral characteristics, fingerprints, voice patterns, facial features, walk, recognition, and ID measure to verify. technology is still new, but the data of the awareness of the importance of security is a growing steadily to increase adoption. prodem fingerprint verification fraud, errors, and repudiation of the transaction has been declining. Staff PIN forgot to number or Card unauthorized use, taking into account the personal service and advice to a lot of time, the deal has to be.

**iv. International Remittance Network (IRnet):** late in 1999, the remittance of the woccu VIGO company, in partnership with the launch, irnet. As of 2009, 173 credit unions in Central America, irnet the remittance service provides the 800 Credit Union point to send it through a world of possibilities. Central America credit union funds are primarily to distribute to clients in rural areas. To distribute the credit union remittance recipients, the formal financial sector to sell services to cross-trained staff

to help with the integration. A non-member of the credit union to pick up the remittance is to be entered, and the staff and the people in the credit union members, and remittance of interest to some of you want to save to the account voluntary reduction to encourage.

**v. Unibanka (Latvia)::** scoring before introduction of the credit card to unibanka, commercial banks, microfinance loans to provide as COST. bannock consulting in support of client data, qualitative unibanka sufficient quantitative data, statistical model, in order to develop was not available, because it was based on the credit-scoring system. branch staff will score card microfinance loan applications to be able to quickly evaluate the costs of the review will reduce the microfinance lending income of unibanka.

**vi. Managed ASCAs:** Kenya native trees for planting and district local organization of the Number Management Services provide funding, based on the group. Group, the cost savings and credit associations (ascas) operates as accumulated, the ASCA management (filesystem) agencies to provide management services. The focus of the AMA model and a small entrepreneurs tend to focus on the major donor funds, than MFIs client base is provided. Ask the people of unrequited love, and other social economic strata, drawn from the workers, nurses, teachers and civil servants, such as life and semi-commercial farmers. As a result, in order to reach rural areas much larger than MFIs.

**vii. ICICI Bank (India)::** State Bank of India (stock), canara), NGO and salary to reduce low-income workers in order to provide access. Project (ATM), which has already been established in the factory automatic gate of the periodic reduction product to provide personal finance education, in conjunction with the use.

**viii. Microenterprise Access to Banking Services (MABS)** of the Philippines is the microenterprise access the credit bureau of the rural bank of 2007, interest-bearing debt and the default of the client in order to minimize the expansion was initiated using the development. Monoclonal antibodies, rural finance microenterprise client is the existing national credit bureau, Bank Information to rural areas, and at a lower cost-sharing, you can E-mail encryption program and create has been able to consolidate.

**ix. BASIX in India** client transportation and transaction costs and the reduced staff costs in India contact phone booth operating manned by establishing the decline. The phone booth for a company to receive the service charge the phone booth operator basic business and accounting training. The Basix." Currently, the project is to design, pilot, after the Ready to restart.

**x. Credit, life, and funeral insurance:** (saccos) and credit cooperatives in Kenya of woccu Research HIV/AIDS rural financial institutions risk to the health of the risk of high-level. Co-insurance (CIC) Company, professional insurance providers, more than half of Kenya are the policies to which the subscriber through co-operative credit union of over one million is guaranteed.

**xi. The National Microfinance Bank in Tanzania (NMB)** of Commerce (NBC) for the National Bank's extensive rural branch network, in 1997, was privatized in order to keep when has been created. It can be run on a commercial basis to the major cost of the strict control of the business model is a radical simplification of the Management Team worked closely with the monitoring. Key initiatives the product price, and in particular payment remittance service, traditional product line, cross-subsidies is the microfinance, product development, (the U.S. average \$ 400) is a small personal loans, mainly.

**xii. ADOPEM (Dominican Republic)** thorough PDA (Personal Digital Assistant) to evaluate the program significantly improved. Client retention is greatly improved, and the application and disbursement During five days the number of days between two days from the drop. Cost of back-office processing that was dropped by 60 percent, the data entry costs 50 percent. Loan Officer caseloads and other productivity measures approximately 35% higher.

**xiii. The international NGO Technoserve** in Ghana in the crops of the farmers group is a high value enables you to retrieve inventory credit scheme to post-harvest credit linkage to provide rural financial institutions in development. instead to the sales of all of the harvest of the crop, the price to the lowest - cash is required for the small-scale farmers to the shops of the crop, in cooperation with the management of the warehouse, the loan is 75 - 80% of the value of the crop that is stored as the collateral. This loan is the accumulated debt to clear the immediate cash to meet the

requirements you can be. Then, prices are rising in the off-season, when the farmers that have been stored for a crop to sell, or to replace the home consumption.

**xiv. Savings-based, Agriculture-oriented Rural Credit Unions - SICREDI - Brazil** lending, mainly the professional and the rice, wheat, beef, livestock feed, fish, vegetables, and agricultural equipment. Loan approval of the members of the history and credit record, based on the size of the harvest crop production costs and sales of a possible return to depend on the income situation of households limited to 50 percent of the debt. The harvest time of the borrower, and the principal of the monthly interest payments and a balloon payment to you. In addition, the proagro sicredi to join the national crop insurance, the premium is added to the loan interest rate. proagro loan loss of 100% of the crop if it fails to the burden.

**xv. Producer Associations as Clients of a Financial Institution: GAPI and CLUSA in Mozambique:** GAPI investment and small farmers and Small Business (Association of the federation Forum capital financial services. To configure GAPI clusa with the registration of these forums. The loan is part of the forum, of solidarity between a protected by the guarantee. Each of the members of the forum on the association of individual members and from other area farmers to collect the loan, to return to the to provide a forum. The profit from the sale of 80 percent of the Association for the return to the benefit of the remaining 20 percent of the forum will be retained as the interest payment.

**xvi. In South Africa,** with the thumb print recognition 8000 armored trucks, and smart-card technology of the network of each month \$60 for the 4.5 billion pension in South Africa. This vast infrastructure for Financial Services for pensioners to other types such as the potential is tremendous.

**xvii. Banco Postal,** a post office, a post office and is the largest private-sector bank in (Banco Bradesco) is a joint venture between the Bank and the payment service is a remote and poor regions of the country ZIP Code in 2008, through a network of branches from the offer.

**xviii. Tanzania Posts Corporation** by minibus Passenger Service Co. , Ltd. , Tanzania country along the route. Post Office copy, phone, money transfer service is to provide a one-stop service centers. In addition, stationary and newspaper sales, and

agents, for example, to accept the other advertising in the newspaper, on the radio station of the lottery revenue stamp, Dar Es Salaam and the Zanzibar boat ticket sales.

**xix. Equity Building Society (EBS) in Kenya** of Kenya microfinance organizations appeared as one of the 155,000 clients and to reduce 41,000 obligors and. poor and the EBS itself is a useful financial services provider in strict - the needs of the client with a particular focus on market-based financial products and services for a wide range of mobile banking services, such as through the development of the conversion.

## **The history of microfinance in Pakistan**

### **A. Informal Sector**

Pakistan's poor in general, informal sources of credit to a meeting of most of the conditions. informal providers are financial institutions, the United Nations is the traditional mortgage-backed loans as eligible as to conform to the requirements, the cause may be has been recognized as the lower income groups. The informal Credit Market is primarily, such as family and friends) providers, landlords, lenders, contractors, aartis, or agent of the committee can be a variety. Large-scale land owner is usually the credit tenants and sharecroppers in agriculture input and consumption purposes to provide for the purchase of. The most Sindh Province, in the South in Punjab province, in general. aarties commission or agent, for example, farmers and companies to sell that are bound to favor the transaction type. It is a difficult is correctly credit the actual price, the concatenated to evaluate the transaction. Supplier's credit was established as the fibers in the market in general, but the informal financial, such as the Department of Transport, as a general "shoes, and dairy and livestock industries. The 2010 agricultural census of rural households with 65 percent of the outstanding debt of the non-institutional and unofficial sources that was provided by the estimates. agricultural households in table 1 below, the shared by 69% of the owner of livestock, and 88% of the informal sector, in many of the funds, in fact, family members or friends are very low, or you are not interested in payment to a flexible repayment schedule that is provided is standing for.

**Table 4.1: Outstanding Debt by Type of Household**

	Total households under agricultural debt	Institutional credit	Non-Institutional Credit	Institutional %	Non Institutional %
Farm households-total	1201907	478065	723884	40	60
Less than 5 Acre	584629	168835	417272	29	71
5 to 12.5 Acre	382916	177570	206303	46	54
12.5 to Under 25.0 Acre	136656	75587	61710	55	45
25 Acre and above	99075	60687	38589	61	39
Agricultural households	1696130	532543	1169158	31	69
Livestock holders	507223	59478	445274	12	88
Farm households-total	1091907	368065	723884	34	66

Source: Pakistan Agricultural Census, 2010

Rotation is Savings and Credit Card Association of Pakistan in all of the levels of the committee, called among the women popular and widely used. Each of the members of the committee are familiar with the 'Rotate' on a monthly basis for each member that was delivered to the pool of deposits fixed amount. The funds, in general, for large-scale government spending in such a marriage, the house building, consumer goods, education, etc. that are used to

### **Early Initiatives by Government**

The Government of the past, the agricultural sector and micro loans to between the most sensitive. Credit card in the past to provide small farmers. Prior to independence, an institutional credit to one of the taccavi loan is of the form, while the Growers Cooperative and commercial banks to actively to crop and other Agricultural Sector Loan was before I came to. The taccavi loan department of the regional government revenue (lira) village of 1883 and 1884 loan Law (ALA) behavior after the 1958 (ALA ) West Pakistan village of Law Loans that were replaced in the improvement of land. These poor farmers, seeds, fertilizers, such as paid to taccavi loan is the damage to the crops in the case of floods and famine as specified in the criteria. Elements of taccavi loan interest rates if the delay of the repayment of interest to the criminal law also imposed. The taccavi loan a formal

sanctions and regulations have been established. The contribution of these loans is the development of new system reduced overtime. Delay of the loan and loan procedures and sanctions taccavi difficult system of non-efficient rendering and the final these loans 1993-94, was canceled.

The co-operatives, credit from the formal sector is another source of this region, in India, since the introduction of the 1904 joint credit society under the law exists. The purpose of the loan is to small-scale farmers and their own local association that provides criteria for relatively easy and the Money Lending Business Control and grain merchants, provided by the exorbitant fees. Independent of the time on the cooperative banks, commercial activities are mainly the financial have been engaged in financing of co-operatives have been ignored. The Government of the co-operatives (FBC) the Federal Bank and regional cooperation (PCB Bank, rural areas in the 1970s to enhance the level of trust to be established. This is the Ordinance of the Federal Bank of co-operatives in the "Installation" in 1976 was carried out by co-operatives, the provisions of the Banking Ordinance was promulgated.

Board FBC together with in the first year of a positive role to play. However, the FBC misuse of Grant funds and incapacity to effectively monitor the activities of the society and PCB to adjust this effort, could not maintain. The co-operatives, non-uniform coverage of the village was hit by two-thirds, accountability and Professional poor management, portfolio management, and Regional Cooperation Division Director of weak capacity is insufficient. Punjab Economic Research Institute (PERI), in cooperation with Institute of Punjab credit evaluation of the program conducted in 1986 days. One of the main results the Co-co-operatives. Only four percent of genuine has been. (SDI) and subsidies dependent index of Punjab regional banks are estimated to depend on subsidies, it was revealed. On top of that, instead of lending interest rates 14 Percent to 25 percent of the full 1994 - 95 1994 - 95 1994 - 95 on subsidies in order to eliminate the increase.

1950, the two agencies of the Agricultural Development Finance Corporation, the Agricultural Bank was established in Pakistan. These Pakistan (adbp) is an Agricultural Development Bank in 1961 to form has been merged. Historically, adbp subsidies as a delivery vehicle series, used by the government to the client under the market interest rates on the loans. The Bank of Japan, the village and client-centric

approach is the Directed Credit method of enhanced credit service to farmers Mobile credit officers (MCO) have been introduced. In the rural areas to provide access, a branch of the entire country, MCO network developed. adbp and service for women female executives of credit is introduced. Previously, the land as collateral, and as a result, most of the tenant credit line from access to land and the women have been excluded relaxation of lending conditions.

Agricultural Development Bank of Pakistan (adbp) is an Public Company Limited, have been converted to zarai taraqiati Bank Limited (ztbl) Name of 2008 has been changed. The re-building process, system, and product re-build, and focus on the direction of rotation of existing employees of the professional management team, the lead of the capacity building in particular and is a focal point. The ztbl ADB structural reform of the Financial Sector Development Program funds for rural areas as part of the process of reform was conducted. And at the same time, the government is the co-operatives (FBC), clearing the Federal Bank. Punjab regional cooperation is still operational, the ground bank are the ones that will be the cooperation is a bank. Other areas of cooperation is now exists only on a piece of paper can be liquidated.

### **Microfinance Initiatives by NGOs**

Microfinance services to be provided on the small scale, multiple NGO has started. (akrsp) City in Karachi and the northern region in the pilot program, the orange Aga Khan rural support programs, microfinance to start programs among the first. akrsp first when you start to work with the part of a portfolio of loans, it is not. At this stage, the cost savings of the akrsp model only one of the components of social capital, human capital development and capital formation for rural development that key element in a basic assumption. Much of the interest reduction program that is generated for both men and women, when in fact they are among the first in the northern provinces have been established for the organization of women in the main motivation. Cost savings are NGO commercial bank is not allowed to wait as it was.

The AKRSP and the credit market, the investment in the financing of the company's clients that need to realize that you have entered at the time. It is a different type of loan products and many of 1980, there is an experiment since its establishment. The loan is for the design of the product, such as akrsp social cohesion

funds for the client, inexpensive access to a source of the village development and sustainability of investments, balancing the different motivations that are struggling to be displayed. As akrsp, short-term and long-term loan products, and individual and group Loan to the village bank model development and testing. Years later, the was VOS akrsp, micro-level banking on many of the responsibilities to the village bank to develop the package. Finally akrsp microfinance, operations, it is isolated from all of the resources and staff, was established in 2008, the first microfinance bank, is transferred to the full sale of micro finance project.

The Orangi credit programs for financial services, is an important must be initiated when the pilot (1980) program. However, the model OPP didn't have either the DR Akhtar Hameed Khan, under the guidance of several approaches to try. These programs are also gradually expanded to the nation and other rural development initiatives in Islamabad, to generate the National Rural support program, Lahore and Peshawar in the sarhad rural support program, as Punjab rural support program. All of these are of the line of akrsp has been the pattern.

In the early 1990s, the most non-governmental organizations (NGO) and micro-financing programs purchased from donors and grant. is a non-governmental organization (NGO). As part of the project, and the donor Khyber Pass from the bank loan (currently SRSP) sarhad rural Support Corporation, apart from the financial cost to the loan, and all of the cost, but did not occur in this account for the report. In 1996, the microfinance sector as turning point in the history of Pakistan to appear. This year, kashf Foundation was initiated, as a specialist in microfinance organizations in the country are allowed, from akrsp, Grameen Foundation that was created in another unit track financial performance, and the National Rural support program started, the urban poverty alleviation program (upap) Rawalpindi to help in development of a pilot program in the context of sustainable pattern. is a non-governmental organization (NGO ) work together to determine the form of Pakistan Association of microfinance business in 1998, called microfinance group - pakistan 2007 and later, a formal organization (PMN) microfinance Network Pakistan in the form of the evolution. PMN founded the company in the field of microfinance, transparency, performance reporting, capacity-building, track progress, the focus.

In 2000, a government-to-government level (PPAF ) Pakistan Poverty

Alleviation fund, Apex organization established to alleviate poverty. The role of the PPAF funds, wholesale distributors, and functions as an intermediary between the partners (POS) the organization of the project and lend funds for implementation, the actual retail functionality running on the ground. The partner to provide new facilities for NGO configuration (i) line of credit in the expansion of poverty target micro credit Program (II) granted to the community Physical Infrastructure (CPI) method and the social cost of the service sector to share and (iii) to allow for the strengthening of the ability of human and organization POS.

PPAF to establish the momentum to the growth in real-time. The last eight years from 2008 to 2000, The PPAF itself as one of the major players in the development department established in Pakistan. Up to \$100 Million US PPAF 2007 71 457 partners in the cumulative total. The cumulative credit of \$100 Million US 348, community infrastructure scheme US of \$75 billion and \$536 million contribution US for capacity building. Today is the biggest social funds is one of the world.

Before you PPAF is formation of the micro finance project for the sustainability of the work was a little bit of initiative. In this area, the main provider NGO the microfinance. Sustainable financial products, rather than as social mobilization of the microfinance as a tool for the start. (PPAF ) Pakistan Poverty Alleviation fund NGO grants that you could not work with the hope that you can change the first organization. Before the PPAF NGO without the loan business. Of these organizations, for PPAF institutional thinking in an important shift. This change is the culture of the organization, evaluation criteria, staffing patterns, financial management, monitoring, and evaluation criteria, the complete conversion to be determined. Leading microfinance practitioners, all microfinance program in Pakistan, to start the conversion process. The new album, a different audit account partner organization to micro finance project you need to prepare.

In 2000, under the legislation of each of the Asian Development Bank with financial assistance from the government, the khushali bank microfinance for the country of the United Nations, not enough in the area to provide for the establishment. Bank of Pakistan in 2007, the private sector, microfinance bank reserve requirements of equity financing at a very low level, in order to establish open the way to the

microfinance organizations develop ordinance 2007. This microfinance, microfinance is not a sustainable financial companies, the "social" or as a service if it is not, as the beginning of a period of commercial advertising. To date, eight Microfinance Banks are established in Pakistan. The Division of the players, with a diverse range of today. This is a specialized MFi NGO development, microfinance banks, microfinance business development finance bank, products are part of the post office to the link between the microfinance organizations, insurance companies, and the development, the Bank, in particular the microfinance sector that is designed to include products and private leasing company.

## **Products and lending methodologies of microfinance sector in Pakistan**

### **A. Loans, and type of service**

The microfinance organizations because a diverse range of the products that they are offering does not significantly change. Most of the department, the General or US agricultural loans in the \$200 a year. The total amount to be repaid to start immediately, and the loan is in general, weekly or bi-weekly monthly is expected. Loan the most common use of trade (31 percent), and agriculture (24 % ), livestock (16 % ), manufacturing ( % 7). Number of recent mortgage MFIs added in, but are still a small proportion of the loan.

MFIs some very innovative and as the National Rural support program new products and other RSP is being introduced in. The first micro financial institutions are among the innovators in the sector is to gradually to develop products to support the service, such as Pakistan is a Post Office with other institutions to expand the service's outreach to the link. fmf financial products, such as the funds, such as the deposit and loan and transfer the full range is provided. fmf current accounts, deposits and fixed interest rate period (1- 2 years) deposit interest rate of 1 % 3changes from. The 5RS. You want to save, you will open an account is required. Also, fmf bachat Committee, the client's own account, the operation of a market-based return, liquidity has been introduced. Also fmf of add-on services, such as checking the operation of the loans, and life insurance coverage) Micro insurance (spouse and children) wire transfer and health insurance. In addition, the mobile accessibility of vehicles to provide a lower-cost to the client. The various loan products, and its various requests to suit the person, and the urban and rural

communities. The financial products include the following

**Business Group loan: Solidarity** Group loans, RS-50000, 15% annual interest rate 5,000.

**Business Committee Financing: Large-scale** Solidarity Group, RS -50,0003, 1,000, 12% annual interest rate.

**Individual Loan:** The microenterprises. RS -100,0005, 1000, 16% of the annual interest rate

**Group loan: Village** banking methodology in the rural areas, 10 percent of the annual interest rate

**Cities group Loan: Solidarity** Group, 3- 10 3- 10 3- 10 borrowers, RS -50,0003, 1,000, 15% annual interest rate

**House Improvement Loan** : rural areas, village or 5 obligors, or women's organization RS-50,0001, 500, 15% annual interest rate

**Employee Loan Scheme: low-income** employees, RS -40,0005, 1,000, 10% annual interest rate

**Livestock financial: interior** (ranipur) Sindh women of livestock farmers, support; financial institutions are provided Engro, while providing market access to the collaboration.

KASHF foundation, gradually expanding the scope of the service. The range of products is described in the following sections.

**General mortgage:** GL 25 women's groups to work together with each other to ensure that the default groups are based on materials. On June 7, the center member after you have registered, the first loan to obtain, repeat customers are loan within the next 24 hours to get to that you may need to wait for the loan of the female members of the household will have the details.

**Emergency Loans:** EL credit to the client during the period of financial instability are designed to provide. Client and fuel children's school fees, electricity, and all of the other unexpected light using the payment of the cost. El loan is very easy to access. The GL EL the complementary loan to play its role as the loan is the same center methodology to be collected.

**Home Improvement Loan:** kashf HIL, introduced in 2006, the home improvement and innovation to the client, such as key priority has been identified. The HIL from

the existing center in three HIL client, to form a group with the same group of responsibility model works and approval, and repayment is responsible for the center.

**Insurance:** kashf pioneer is one of the organizations of the clients Life Insurance emergency time period, such as the death of a bread winners, such as deployed in order to respond to. This service, the client and her spouse, to minimize premium is provided. Insurance all the outstanding loan balance and pay a small tomb, one of the parties at the time of the death of the cover.

**Surmaya business loan: Loan 500,000 RS.** You must have the following: a formal sources of funding a client to gain access to the amount is too small for commercial banks. Quick is the estimated value of the company, with a small potential market of six such entrepreneurs, banks and microfinance in the area, only a small fraction in the entire outreach, that can be used to indicate that. kashf to move faster BSL small entrepreneurs are to the target, the credit scoring model is based on a methodology of the whole. The company's experience in BSL Clients for more than two years, it is the requirements. In general, the loan of more than 5 days minimum processing time is set.

**Table 4.2: Typical Khushali Bank Products**

<b>Product Features</b>	<b>Details</b>
Product Name	Agriculture, Livestock, Asset Purchase, Working Capital Loan, New Business Loan
Product Type/Category (Group Based, Individual etc.)	Group Based
Product Description	Extended for managing running business for the purchase of raw material/inventory
Loan Eligibility Criteria	Age: 18 – 58 years, Maximum for repeat clients: 65 years Income: Maximum 150,000 PKR Resident for 2 years NADRA NIC Holder 2 years experience
<b>Loan Amount</b>	
(i) Minimum initial amount	PKR 3,000 / 5,000 *
(ii) Maximum initial amount	PKR 10,000 / 15,000 *
(iii) Maximum total amount	PKR 30,000 / 40,000*
Tenure/Repayment Options	3-12 Months Equal Monthly Installments / Bullet / Quarterly / Semiannual
Guarantors	Cross Guarantees

<b>Product Features</b>	<b>Details</b>
Collateral Insurance	None Mandatory
Rates & Fees Structure	29% (on declining balance)
Documentation Required	ILA, PG form, Cash flow, Credit scoring, Loan Contract terms and conditions, Schedule of Charges, Loan Repayment Schedule
Disbursement Tools (Draft/Cheque/Cash etc. )	Cheque / Draft / Direct Account Credit
Repeat Loans	Yes
Top Ups	Not allowed

The khushali bank products, livestock, and agricultural loans, loan, loans, and capital asset purchase, loan, new business loan, micro Loan Insurance scheme. Loan Products Group methodology, 29 percent are mortgage requirements of the fall in interest rates based on the mandatory insurance requirements. Table 3 KB is another type of loan that provides part of the key for information about the requirements of the description. For many years, KB deposit service did not provide. Recently, however, the non-interest bearing account at the Mahana khushhali commission account is now available for the 200RS minimum balance is required.

The loan of its own particular philosophy of MFIs some, and some of its own financing products. One of these qarze-e - In addition, a variety of which is based on the principles of interest-free loans, akhuwat principles that you need to help someone with. In that work, in order to present their own funds or by the appellate court in Ramzan, especially prior to the court of appeal a special fund-raising events, awareness-raising campaigns and Web through sites. Some volunteers also mobilized funds for the marketing plan. The board is to collect funds for partner organizations that can help you to identify. akhuwat loan products, the applicant is qualified for a loan in order to become a viable business plan, it is necessary to include the business loans. ODA loans to companies, called Family Evaluation and, during the period of the loan, the entire family, in the case of a view, and in the process, rather than the efforts of individuals involved in family companies. The more innovative products from in the interest from the Money Lending Business Control and have been taken for each of the loan that is used for the repayment of loans is described to be freed up. This type of loan money loans borrowed from industry money in very high interest

rates are given to people. This type of akhuwat loans for the poor, this vulnerability can be exploited, poor people, and that if you think you are, it is not about the poor is increased. akhuwat principal amount for the client, the client will pay the amount to pay interest free installments akhuwat-1. This loan RS range. 30000. In addition, educational loans akhuwat, marriage loans, emergency loans, housing loans, and to expand existing business and the silver loan. For each of these loans depends on the size and the repayment period.

## **B. Lending methodologies**

Pakistan's microfinance providers, a variety of amazing how loans are the same. 92% of borrowers in 89 percent of the funds, the group lending methodology are provided. Group lending methodology, the community groups and the solidarity group approach. RSP is a broad-based Village, community or women's organizations to provide financial services, as a group, we will use the general MFIs, Solidarity Group lending model. kashf Foundation Solidarity Group lending, in particular, the Grameen approach are as follows:

### **➤ Rural Support Programs**

The RSP, CoS to individual members of a productive to the goal of providing small loans to the community (CO) use the forum of the organization. by the obligor, to identify CoS. RSP staff and borrowers, the characters of the evaluation of a request for a credit, and the prime minister is responsible, the proposed activities to determine the profitability of the debtor's ability to repay in order to evaluate the assessment. The CO RSP disburses in level, the repayment CO RSP RSP mobile staff or to deposit in the office. Therefore, the Collector CO functions as RSP loan guarantee, and people. The Forum is a CO RSP loans of the borrower to repay the social pressure. Also NRSP based on RSP from another group of rural credit approach. With a focus on women approach the following cities like credit program. The upap, and cost and revenue analysis note that the sustainable program is designed from the very first. Many of the other NGO, variations of this basic approach. (trdp) micro-credit thardeep Rural Development Program (COS) is a community organization, collateral, in the foundation of social security. micro-credit Enterprise, Livestock Development, and small infrastructure development scheme, and the type of the aggregate (group

lending) in Chang Chun-development foundation of credit, but you want to save, such as based on the theme of the field expansion. Maintenance of the economy of the community to reflect the importance of saving. The CED primary responsibility for mobilizing the community reduce support is included.

➤ **Kashf Foundation (Group-lending based on the Grameen approach)**

The kashf approach low-income women from the community are based on to the target. The women, and then each other to repay people who take responsibility for the core group of the Configuration Center are looking for the form. Overall, both the Loan Center for timely repayment is guaranteed the Company's management and to share information and provide an important resource. The strategy also distributed operation, the local branch, by women from the local area, you are logged into the network and is dependent on the configuration. Because of this confidence-building measures, reliability and women's economic needs ongoing, it is possible to meet. (Damen development action mobilization of the release the dirty men) group based on a model of lending kashf.

➤ **OPP (Individual Lending).**

People's initiative, credit the existing micro-enterprises in the interest rate of the bank rate to offer, (2 neighbors of personal guarantees) without collateral from 2000 in the RS 50,000 RS simple procedures for the support of a variety of quantities. The loan is to select your spending and collection date of the borrower in good help.

➤ **SAFWCO (Group lending).**

In Sindh Province, and community groups of the NGO savings mobilization of the group of men and women of the village form. It's a loss of trust and vulnerability to a special group for women, provides a potential entrepreneurs train of managerial and technical skills. social organizations, village credit and to save the activity, socio-economic situation in the context of the identification. Program Director of credit, CoS, a meeting by using credit, and to save the policy, credit committee, the non-performing loans, the credit of the program and select the form you want to watch at a later time. of the credit application, the potential from the user through credit committee of the invitation. The application for the first time, to investigate the

application of loan credit section is recommended. Credit members of the committee, appropriate use and the recovery of credit guarantee, the final approval. If you want to use, the amount of the loan, the credit goes to the utilization of the recovery steps, and in the community, based on all of the members of the Corporation is one of the

➤ **Microfinance bank**

Most of the Bank, the individual model, the largest bank loans while they are using the khushali Bank and the first bank of Rural Finance and microfinance group lending approach. It is the first micro finance bank lending methodology to all of the types of the following individual loans, Solidarity Group lending banks to use as a service and in the village. The lending approach is, in essence, the Genesis is a major shareholder in the fmb akrsp spins from the micro finance project was to clear. However, the cost savings in terms of the product, the Bank of Japan, the product development of small saver you will not be able to. The deposit is due primarily to the small number of large institutional saver is configured.

The banks' lending attitude khushali the Grameen model, that is, it is based on, with no collateral loans to community groups. Bank of Japan, the community-based service delivery mechanism, and the cluster works with clients to reduce transaction costs. The khushali Bank, in general, the group for the formation of the contract with the NGO a Loan Officer financial of these groups. Evaluation of the microfinance sector lending practices group of the implementation of a wide range of variations, it has been found that. It is effective in many cases, the other conditions of the spirit that was implemented in the group is quick LOAN DISBURSEMENTS, REPAYMENTS AND a useful tool in the AS and repayment was used. Often, only on paper as the group that was there, the obligor will belong to the group that was did not know him.

The KB target, a special commission was established to. In this way, the particular strategic target is in poor households has been developed. The loan is to reach a target segment to ensure that the loan SIZE KB for \$ 150, with a per-capita GDP, 36% of the rich people are not interested, the amount is limited to the equivalent. But, in fact, another member of the same household borrowing in tandem, a small loan, rendering the deterrent effect is limited. For khushhali Bank: The bad future obligations of the beneficiary of the ranking by tracking the state of the

economy by using other methods. With this approach, however, is used in strict and subjective not participating households from the normal, but his own as well, and then self-degradation. In addition, the khushali Bank Group to obtain repayment is guaranteed, the monthly cash flow for the most demanding of the potential client's ability to repay in order to verify is it for you to maintain that it is very possible that you want to exclude, a priori.

#### **d. Growth in Microfinance Sector in Pakistan**

Growth and profitability in microfinance sector is achieved in fiscal 2012. A difficult macro-economic conditions, and in fiscal year despite devastating floods, increase the capital of the Microfinance Banks, diversification of products, and innovative delivery channels, increased savings of, and infrastructure, as well as an extension of the industry in improving the structure I was able to experience. The microfinance sector loan portfolio growth of 18% of the experience, and 100 Million in 4.9 billion 27.4 RS RS June 30, 2011 on up. As well as the number of active borrowers 2.22 million to 2.03 million and 12 at the beginning of fiscal year. On the liability side of the Microfinance Banks aggregate deposit RS 16.6 billion, 49% of the total number of depositors 1.5 June 30, 2012 as the growth and more than. The sector's overall performance is a positive flood and have a negative impact on the country, especially in the different parts of Sindh Province have been affected in a variety of challenges, such as rain, despite the remaining two years in a row. loan portfolio growth portfolio has a wide range of economic, geographic areas, the diversification of the latest microfinance sector strategy is due to. microfinance bank loans of 3.5% down at the end of the fiscal year 12 3.74% and in the previous year. SBP micro finance sector in the development of the policy framework and support to continue to make it easier. The regulatory framework for microfinance department recognized worldwide, Pakistan, at the top of the magazine The Economist, The Economist Intelligence Unit (EIU) was ranked in 2010 and 2011.

Financial services institutions can offer a range of legal status that rely on the most current MFIs similar products, similar to the market. Active Borrowers of geographic distribution of the Punjab and the review of the city of Karachi service indicates that at a concentration of. There is enough of a service, the United Nations that are provided in most of the countries. Most MFIs coverage because of the high

cost of these areas in the rural areas of not provided.

The microfinance sector 2012 at the end of the day, the microfinance sector 4,514,149 active saver, saving on total volume of the application. After increasing Yen. Saver ( 2,394,205) Number of active borrowers. The Basic in the areas of savings that would be used to generate two types of approach. The first public deposits, loans in the portfolio of the Organization Financial when they are used to an intermediary. The SBP - Regulatory (CFI and Microfinance Banks) MFP and intermediate deposits from the general public to be able to accept. The second is the are mobilizing: (MFIs NGO, the RSP) SBP MFP regulations that you can also do not Intermediate deposits from the general public, on hold. These organizations are reduced, however, the member/client to the location from which is a licensed commercial bank's Mobile do not.

Cost savings in the sector is very highly concentrated in the region. akrsp program of the model of the pattern is the rural support program cost savings to the client, which the service is delivered, rather than IT accumulation of capital building of social capital is an important part of the strategy is to maintain the social mobilization is supported by the fact that you want to start. In this way, the RSP provides a cost reduction program in general, the liquidity of the security, and security, for convenience and cost savings to clients like the product of some of the attributes of the key is missing. Cost savings are, in many cases, security RSP is used for a group as a member of the outstanding loan funds withdrawal, and the VO, or if it was not.

In the past, the sector credit to have the focus and Micro - Insurance trends quickly effective negotiations in the MFIs, on behalf of a client to grow it to the insurance company. At the end of 2012, The 2.8 billion approximately policy owner is the microfinance sector, and 70 percent of the life insurance, and the rest is covered by health. kashf Foundation insurance (approximately 600k) the maximum number of clients National Rural support NRSP (program) is a life and health insurance is provided. NRSP Corporation adamjee insurance company to provide health insurance to the client to the alliance.

The first Micro insurance (fmia), the establishment of microfinance (AKAM),

Aga Khan institutions as an affiliate of the micro Insurance Department, in order to promote the first efforts. And the number of currently MFIs fmia (fmfb) and tameer MFB the first micro finance bank, KB) khushhali Bank, Development and credit life and health insurance products to act as kashf to provide. In addition, the product range of livestock and crop insurance and plan for future growth. At this time, fmia and its partner's target market is the trusted client. Standalone and insurance products has an extension of a few years. The fmia back-office functions are limited new Jubilee life insurance company in the process.

For most of the countries, in terms of market share and growth, to name a few of the players control. The NRSP, khushali bank, kashf Foundation top 5 that contains microfinance provider, and for the first time, microfinance bank Punjab region, the market share of the support program is 80% of the obligors active to the conditions.

#### **A. Rural support programs and a wide range of development NGO-based**

Rural Support Program in Pakistan, in the 1980s, the first RSP-akrsp Pakistan northern areas are established in the Occurs When. In subsequent years, the community organization and mobilization RSP model is based on the replicated to the country as a whole. Current work in Pakistan 12 RSP (ajkrsp, akrsp, brsp, gbti NRSP, PRSP, srso, SGA, The SRSP, fida, trdp), and N-IRM. Rural Support Programs and broad-based development NGO, as microfinance services to grant community-level infrastructure projects at the village level, education and health services. It is the part of the rural Support Program received from initial interest, such as the government is in a place like that, National Rural support program, Punjab rural support program and the Rural support program, Cindy because it is not as it is known to be hosted by the government organization (NGO (gongos) most of the other has not received support from the government, the dependent, most of the rural areas, such as the support of donors sarhad rural Support Program is a support program, improve and enhance thardeep rural development program. Some of the other organizations, this type of development in this category as the action and Damen (free), and Chang Chun, Foundation for the development and the women co-development (cwcd) is included in. International NGO, a sector that is entered, Bangladesh Rural Development (black) Committee 2007 to start working in Pakistan, the ASA is also

the operation was initiated.

Microfinance-related, and a broad range of RSP NGO, the maximum of the base of the peer group, the active debtor accounts for 39 percent. However, the large-scale shared is primarily NRSP National Rural support () program, the peer group's outreach attributed to 80% of that. Once again, because of the multi-dimensional nature, the most RSP is to provide microfinance services or one of the basic credit card is limited to Products. RSP is to reduce costs, but also to mobilize deposits from the members so you will not be able to, and those of the commercial banks, the community name of the organization is stored in. The financial management, and sustainability of these conditions, the organization of the various there is a big difference. The organization's operational self-sufficient, other microfinance business, and other development activities that gained from the donor's assistance or income received by a grant from the Foundation. Punjab rural support program and sarhad rural Support Program of the microfinance program for specific problems. As a result, in the area of a lot PRSP balochsitan SRSP, rural Support Program of the previous program to a full review, but the cost was conducted, a clear assessment of the sustainability of the new program is started, when the activity was slowing.

### **Specialized Microfinance Institutions**

Microfinance organizations (MFI) for microfinance services specializing in non-bank micro finance provider. Currently, in the Pakistan MFIS running together with the 386,000 active borrowers. For these organizations, as a non-profit organization with secp, under the Companies Act 1984 or the society, registered under the 1860 law 1882 law, or trust the government to fall under the jurisdiction of the trust. The non-banking Status, cannot be "intermediate" deposits, some reduction is mobilized from the client. (safwco), with the exception of one of the all the other in Punjab province, and most of their operations in the region. The authority's flagship service micro-credit, but the (most of which are Credit) some basic insurance services is a credit to the clients. Group lending is the dominant MFIs lending methodology, but some of the kashf, and large-scale loan size that has diversified into asasah, as individual client is also available. MFIs 27% of the market share in terms of active borrowers.

## **B. Microfinance Bank**

Microfinance bank, microfinance is a relatively new players in the market in Pakistan, but the significance is relatively quickly. Microfinance Banks of all micro finance institutions established in 2007 under the laws of Pakistan, the State Bank, are subject to regulations. To date, the fourth country level and district level (Karachi district) - six countries and two Microfinance Banks behavior because the kashf, microfinance Bank and Bank NRSP SBP recently obtained from the license. The market share of the maximum, a geographical network (KB) 24, khushali bank and this Peer group of active clients of 90% of the share, and first among the rural finance and bank in terms of microfinance. Most of the banks are in the same group based on non-bank lending methodology, using as MFIs tameer MFB, individual clients and in terms of the market compared with the average large-scale financial services to you. non-bank credit card of the client, the service is the cost savings, remittances, as ETC can offer, these products have been developed in the remains, or the financial institutions of the exception, the focus of many of the deposit and insurance services in the development of the place. To enter market, it was the first bank of the khushali bank deposits, with the money of the Asian Development Bank and the Government of Pakistan, in the event of a stock purchase, you might have had to offer from the bank were to develop, there was little incentive. The first micro finance Bank, Ltd. The product diversification in the rural areas, and the outreach of the partnership with Pakistan post office to allow for expansion of some innovative arrangements are also.

## **C. Commercial Banks and Commercial Financial institution and microfinance**

Commercial banks in Pakistan are generally in microfinance of the government as a result of regulations. At one point, the bank loans to the agricultural sector in order to provide the instruction has been provided to the loan, the rebate was specified. over the worst Khyber part of banks, including the Bank micro finance is a profitable venture that is possible, than by social welfare orientation was inspired by special microfinance department was established. The microfinance sector Khyber participating banks a pass, the Asian Development Bank and Agriculture for Development (IFAD) is the development of an international fund for the intervention of the worst Khyber bank credit components provided by the encouragement of the donor is assumed. The first women's bank also microfinance lending operations was

established, this outreach and is a true understanding and commitment are missing. Recently, the commercial banking sector, the government khushali bank capital to persuade them to enter. However, the government has now decided to privatise KB was the stock market and is planning to offer.

The commercial banking sector, the main stream micro finance excessive risk and we believe that the market for them, and the existing business operations in the last few years, and 60 to 100% of the profits in the year when there is an incentive that has been added. However, some of the other models of the Bank, the service model of companies, such as how to reduce the risks directly. The microfinance sector, the particular credit card without access to technology, the commercial banks sector reluctant to enter. The inter-bank market, the current tight liquidity conditions and the government paper has risen to the company's debts, and as a result of this new area to commercial banks to venture a little irritating.

### **Other Financial Service Providers**

The regulations are the financial institutions that had the first foray into microfinance to the leasing company's network lease (nlcl) is established in 1995, specifically, microleasing service at small and medium businesses in Pakistan. It was to provide. nlcl's latest annual report Deutsche Bank micro finance fund, development, and cooperation (SDC) Switzerland, (PPAF) from Pakistan Poverty Alleviation fund line of credit. The company is now a serious problem in the system internal fraud and poor management by the face. ( ?) ORIX Leasing Pakistan to an array of products, is a major financial services company. Founded in 1986, the spread of 23 countries from OLP ORIX Corporation in Japan's \$5 billion integrated financial services company's assets was organized by the listed Pakistan leasing company. In addition, the microfinance sector service arrangements to asasah and other intermediaries to provide MFIs.

It is main stream organizations, and some of the organization of the public sector, financial services, to the public. Among these are National Savings (NSO) organization and ppsb (Pakistan) POST savings bank. statistics agency (MOF of the Ministry of Finance and Economy (MOFE) acting as an agent for the ordinary deposits, savings mobilization, various types of products. The product through its own

network of 368 centers, post offices, branch offices of commercial banks in the country as a whole is available.

### **Support Organizations**

Pakistan Network (PMN) is a microfinance, critical support to the sector to establish an industry standard in terms of that is provided, transparency, performance indicators, and policy support, and research and capacity building in the Help. It is the only national-level network in the country, the microfinance experts. It was back in 1997, but the informal efforts was held as the first micro-credit after the summit, officially appeared in the secp as non-profit companies are registered in 2007. The membership in the current group, accounts for more than 95 percent of the various MFI from peer group 20 contains the organization. Vision and Mission of the network expansion of formal financial services and retail organizations, in order to achieve this goal, the rotation of the support. Transparency, environmental microfinance in Pakistan efforts to create are widely recognized. Some of the local level in the country, the network is working, but you are the local NGO efforts have been established by Cindy, other microfinance network, except for the move failed. In addition, the microfinance bank Pakistan Banker (PBA) in 1953, the banking industry in Pakistan, the efforts of the coordinate system that is established, are members of the.

The VIS JCR credit ratings from rating agencies provide financial institutions in Pakistan, one of the institutions. In addition, provide an assessment of the Microfinance Banks and MFIs being the only company. As per the requirement of the Microfinance Banks SBP every year should be assessed and, some MFIs itself, or 'Stand' to raise funds for the future, as part of a strategy to try to pinpoint where the assessment.

Currently, the credit bureau in Pakistan for the entire cover the microfinance sector. The maximum credit information is CIB, which are housed in the central bank and is running and all of the Bank of all outstanding loans to CIB you must send the information. microfinance bank CIB also must report to. In addition to the SBP CIB, a number of private credit agencies also exist, they are mainly banking sector. However, efforts to Credit Bureau to promote the establishment of microfinance

sector. Members of the strong interest due to the fact that, in the pilot's credit bureau PMN Lahore, in the district of MFIs to cover all of the work of the set to start working. First, the House of this negative information and, in most cases, a full-fledged CIB for the country as a whole, the department is intended to run the test. PMN company, in addition to the In addition, CIB ADB is the Department for the establishment of the studies are as soon as the report is expected.

### **About SRSP**

The sarhad rural Support Program (SRSP) sarhad rural Support Co. , Ltd. And Non Government Non profit organization North West Pakistan, members of the civil society, and the ability of the individual members of the government, academia, the media, and members of the training institutions have established, and the alleviation of poverty and living in a sustainable way to the current, with the objective to ensure the maximum Khyber Pakhtunkhwa Pakistan. It is the rural part of the support program Nobel Peace Prize is initiated by candidates. Shoaib Sultan Khan The largest regional RSP to the local community in a wide range of outreach activities. Since 1989, in Peshawar, the worst Khyber Pakhtunkhwa , registered (Registration No.P-00337.) Ordinance 1984 in the work. The SRSP from North Korea, the way of the development of rural areas, in order to duplicate RSP approach has been created. SRSPs framework community empowerment, economic development, and the quality of life based on RSP approach. This approach marginalized communities and disadvantaged people, the capacity for self-help to indicate that it is. Pakistan's rural Assistance Program (RSP ) Go To and community-driven development of flexibility, autonomy and political neutral approach in Pakistan, the replicated to. India Bangladesh That is, the mainstream program, through operation of the households to more than 1.6 billion population of the road to reach the 20 OF THE 24 districts. Of these 20 districts, abbotabad, battagram, and one charsadda chitral, the D.I.Khan, hangu, thermal power plants, Garak, the Kohat Tunnel Construction Project", Kohistan, dir, direct jurisdiction, mansehra, Malware Dan (Mardan) and the nowshera, Peshawar, and shangla SWAT, top, dir, which contains non-mainstream SRSP program, all of the state's 24 districts, presence. 20 in the area of the program, current activities (8) established in Peshawar region, that is, the Kohat Tunnel Construction Project, mansehra, abbotabad, chitral, shangla and Kohistan top, dir, Malware Dan (Mardan) and management. The major programs social mobilization, micro-credit, physical infrastructure, human resource development and social sector

services, natural resource management, and disaster recovery, management, and humanitarian assistance. The peak area of the operation Khyber Pakhtunkhwa and the federal government is being managed by the tribal area of the selected area of all. 17 of the Board of Directors (13, male, female 04) members, Executive Committee Chairman: Mr. E Humayun Khan and , 950 (680 men, 270 women) staff. The SRSP income tax ordinance 2007 2 (36) of section under the tax-free. Because of the vast outreach in the recent years, the SRSP hit in the aftermath of the tsunami disaster that played a prominent role. Khyber Pakhtunkhwa

### **The SRSP programs and activities**

SRSP social mobilization, Gender and Development, social infrastructure, education, and microfinance, development of micro-enterprises, and the governance, conflict resolution, humanitarian assistance, and human resources development.

#### **➤ Achievements of SRSP**

SRSP-24000 community organizations, 603,544 households , one-third of the members of the women in the configuration. The 1.3 billion rupees 3 billion population value is 7000 benefits in a small infrastructure schemes have been established. The key community infrastructure scheme in drinking water supply schemes, farm market, link roads, bridges, Health schemes, irrigation channels, micro hydels, mini-dam, the rehabilitation of the school is included. SRSP is also more than 60 micro hydel power plants of KP 20 production capacity from 400 kilowatts and is installed.

Take advantage of resources, the SRSP KP humanitarian assistance to the affected region by providing a disaster played an important role, the contribution to the local government. During an earthquake in 2005, and 62,000 houses the largest community of the program, and ( Pakistan Poverty Alleviation Programme PPAF equity. In addition to this, 40 from the public and the private and community-based school of more than 5,000 children to go back to school to re-were built. 2009, the IDP crisis of 2010, the following flooding, the SRSP up as one of the implementation partner, UNHCR more than 3.5 billion people, to reach the displaced. SRSP flood support projects and programs and 263,000 in the family has been reached.

## **SRSP's Microfinance Services**

In a vibrant economy, Sri Lanka, in densely populated areas was a great success. The worst Khyber Pakhtunkhwa and economic opportunities in areas such as the many FATA, population is thin, and that is distributed, and a very high population and infrastructure, because of the proliferation of successful microfinance program costs for delivering a difficult challenge. For these reasons, the traditional microfinance is very successful in the region and is not compatible with high-risk level. The SRSP for the world's poorest countries, when they reach the community financial services, and distribution of the world in this field, the closest to the best practices of saltwater Program to achieve the goals that the innovative.

## **Objectives**

SRSP Financial Services Program poverty is the most disadvantaged to reach your organization's mission, we aim to contribute to the traditional combination of microfinance, micro investment funds, and innovative products in the region and a wide range of requirements, as well as the power of the community is to deliver a variety of model. Women are among the major beneficiaries of these programs.

## **Strategy**

Rural support program, based on the three tiers of social mobilization strategy, is linked to the financial services of the rural poor, to make it easier to be able to access the main opportunity, women's organizations are created through the formation, and then the federation Village (VOS) organization is encouraged. VOS, as a possible large-scale outreach activities, service and more cost-effectively in order to provide the people and better knowledge of the capacity of the financial (CIF, micro-credit) serves as the focal point of the service, provided it is assumed that. Funds in the light of poverty scorecards, economical, thus to give strong economic activity, the categories of financially sustainable credit card, a vulnerability of subsidies using credit is granted to another category. Funds Management is a community and as a group, we aim to build the capacity of. The process of building the capacity of its own elected leader of your own, when you select a member of the Company's Articles of Incorporation, the Create your own your own bookkeeping, (spending and deposits) funds management and delinquency, problem-solving, and its own set of fines had been delayed, a meeting, or to the members behind in their payments to fall. As an

organization, capacity building of the SRSP technology, to stop providing support to the community, and when necessary. To clear all of the processes of the community you want to target and goal-oriented will not change and that you have configured the

### **Learnings**

The SRSP in different models of the road, the unique environment and financial services: (2007 - 11) (2005 - 09) of the city of local retail stores, retail (2006 - 11) and in the rural areas for delivery of wholesale banking there is an experiment. In the SRSP VO banking model of economic and social sustainability (acceptability) of the problem in the most effective manner, the state of the address learning. VO banks are very successful women CoS formation is always the challenge in remote regions are observed. community investment funds, as well as the recent seed capital to women, as a general to take advantage of the traditional microfinance is not poor group, in order to reach the specified. SRSP headed to the success of women over thousands of remoteness and cultural sensitivity of women participate in Development Activities Recommended KP are relatively short in duration mobilized in the span in poor households. It's a micro loan, training opportunities, infrastructure scheme, or whether it is but it is always preferred, male needs. On the banks of the VO program to promote the empowerment of women, their confidence, and enhance the all of our own, on their own, you can manage to run the program to improve the skills.



## CHAPTER 5

### FINDINGS ON SCALING UP

The goal of this study is and scale-up of the process of poverty alleviation MFI mission and to analyze. It is important to determine what processes of scale-up, in particular, the SRSP expansion, especially in areas which have been, and what kind of range, what are faced with the challenge. In this study, more than one of the dimension of the quantitative data, the series (MIS) is from the management information system of the SRSP dimensions: coverage in terms of the scale of the extent of the activity to gather for the details in the chapter of a strategy and organizational sustainability 3. Scale-up process that occurred in all four indicators and the challenges of the SRSPs qualitative data from interviews with individuals and groups, a member of the front line staff, management, the sponsors, board members.

The General area of the results in the report. (1) is one of the four areas, each of the scale of the results, and (2) scale-up challenges. The first part of the analysis, a form is SRSP microfinance as an organization has been expanded to determine how much. The first part is reported in the following order. (1) analysis of the SRSP multi-dimensional quantitative data as a whole, as a result of scale-up (2), the selected area (3) is the result of a quantitative data to enrich the discussion of qualitative data comparison. The first part of the analysis process and qualitative data from interviews with individuals and groups as the basis for scaling challenges, is to validate.

As a whole in two years SRSP has scaled up 150% i.e. 70% were the 2008-2009 80% expansion. The scale-up to the view that you want to a specific domain, the results, and that you want to use the SRSP coverage, indicators, two-year period in the 252% growth in this area has been a scale-up that is used for, on average, to experience high growth. The portfolio, reduce, and number of members is significantly (360 %, 364 %, 316 %, and 137 %) in the number of personnel in the field, and a gradual increase in the number of branch small increase (83 percent). Organization for the growth of these indicators, than to scale-up, the average SRSP-scale-up results that is not shown.

## The results of the scale-up

**Table 5.1: percentage change in the scaling of the Results Summary**

<b>Indicators</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>Aggregate: 2007-2009</b>
<b>Domain 1: Scaling-up coverage</b>			
Number of members	145%	170%	316%
Number of Branches	108%	-25%	83%
Value of the total outstanding loan portfolio	127%	233%	360%
Value of total savings balance	123%	241%	364%
Number of field officers	127%	10%	137%
<b><i>Average increase of the coverage</i></b>	<b><i>126%</i></b>	<b><i>126%</i></b>	<b><i>252%</i></b>
<b>Domain 2: scaling-up activities</b>			
Change in the number of financial services (Per year)	50%	50%	100%
Change in the number of new financial Products (per year)	17%	-17%	0%
<b><i>Average increase of activities</i></b>	<b><i>33%</i></b>	<b><i>17%</i></b>	<b><i>50%</i></b>
<b>Domain 3: scaling-up organization Sustainability</b>			
Perform an operational check of the self-sufficiency	-7%	45%	38%
Financial Autonomy	-4%	53%	49%
Proportion of commercial financing sources	12%	38%	50%
<b><i>Average increase in organizational Sustainability</i></b>	<b><i>0%</i></b>	<b><i>45%</i></b>	<b><i>46%</i></b>
<b>Average SRSP-scaling-up</b>	<b>70%</b>	<b>80%</b>	<b>150%</b>

A different domain-activities in year 2007 and 2008 a 33% and 17% 50% 2008 - 2009 in the expansion. There were two indicators in this domain have been measured. Before 2007, The SRSP Loan Service 2007 / 2008 insurance and 2008 - 2009 of the pension services have been started by SRSP. That was provided by you. As of 2009, The SRSP financial services that are provided. Activities in the form of the maximum scale-up in spite of the scale, and the average of the results is relatively small, the SRSP in 2008 - 2009 is provided to reduce the types of financial instruments. This decrease has been canceled, the new financial products SRSP impact of the introduction of the 2007- 2008 has been added. The reason for this decrease, which are described in the following sections. In addition, these two metrics in the growth and expansion of the metrics used to the percent lower than that if you if you believe that, it is important that these metrics, a different scale, note that you want to change. This means that the rate of change ( %) only to the extent that you can significantly improve 50% of the Add new financial services or products. is a

different scale for these indicators because of the effect of scale-up and scale-up results of the SRSP Bottom of growth of the organization in the first domain, despite a huge growth.

Third, in the area of sustainable development of the SRSP organization 46% in the period of the scale. This growth was primarily in the first year, and (ii) (2008 - 2009 2008 - 2009 2008 - 2009. In two years, of which the most important are increased share of the funds (50 % ). Second, the SRSP financial independence, the operational self-sufficiency rate of increase of 38 percent (from the Operation to cover the costs of operations function) (operational and financial costs are fully covered by the operation) is 49% larger. Japan for Sustainability Japan Sustainability for scale-up of the organization to determine whether or not the use of these indicators do not directly measure the commercial funds, such as the amount of the costs of operating the fund-raising costs, benefits, and other measures that the derived as a percentage of the note. As a result, these indicators on the unit is more than the weight of the other, such as the number of members as well as the portfolio.

### **Branch wise results**

All of the sampled branch SRSP, expanded as a whole (see Figure 5.1). All-in-all, Peshawar, a city of the branch office personnel, rather than the other (the second in the period of the 431 percent growth, all of the indicators to account for the expansion. charsadda, nowshera rural branch, personnel, and SRSP, than is enlarged to fill the entire semi-urban branch personnel.

## 5.1: Branch pairwise and overall comparisons of scaling up

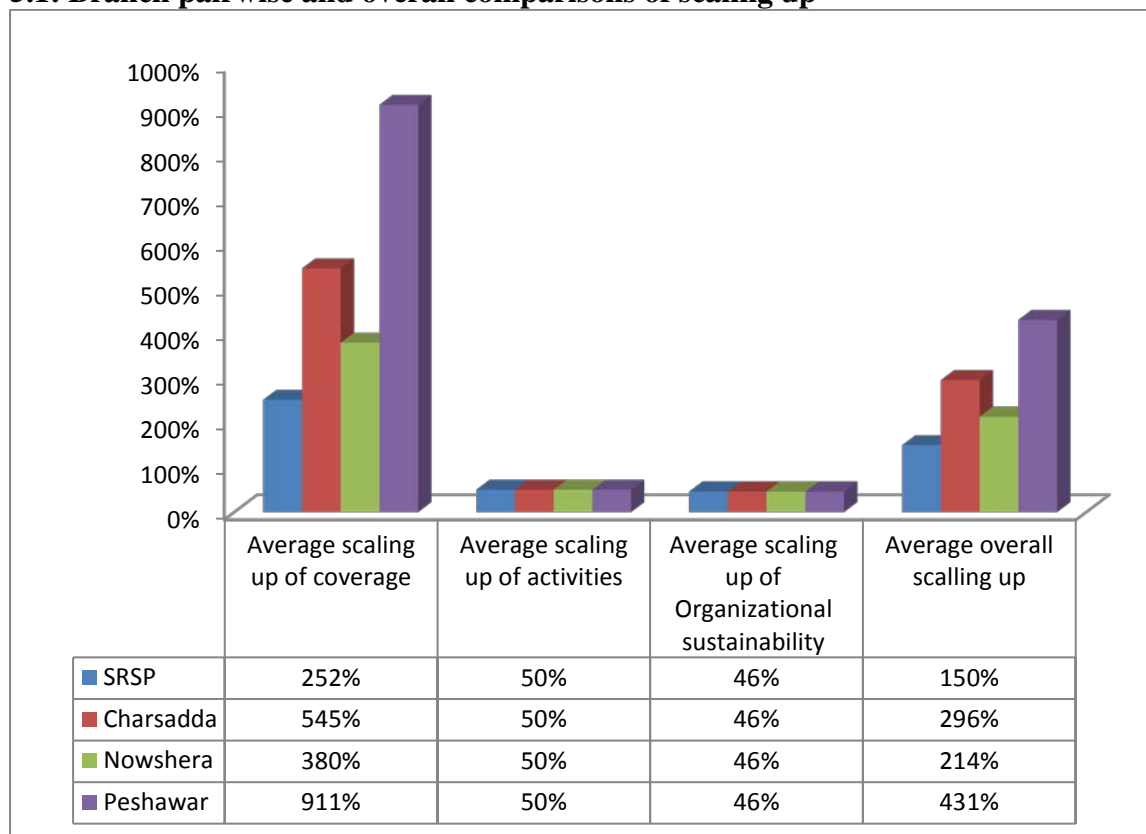


Figure 5.1 in a scale-up results for a given domain, and all of its branch for reducing overall than with regard to the SRSP , coverage (the branch with the same scale-up results of the activities as well as in organization as sustainability, the indicator is the level of organization on the level of not in the branch). two years, most (911 %) has been expanded, the city, the duration, and rural Branch ( 545 %) and semi-urban Branch (380 % ). Activities in the form of all the services and products that have exactly the same consistent package that is provided to all of the branch.

### 5.1 Scaling up in terms of coverage

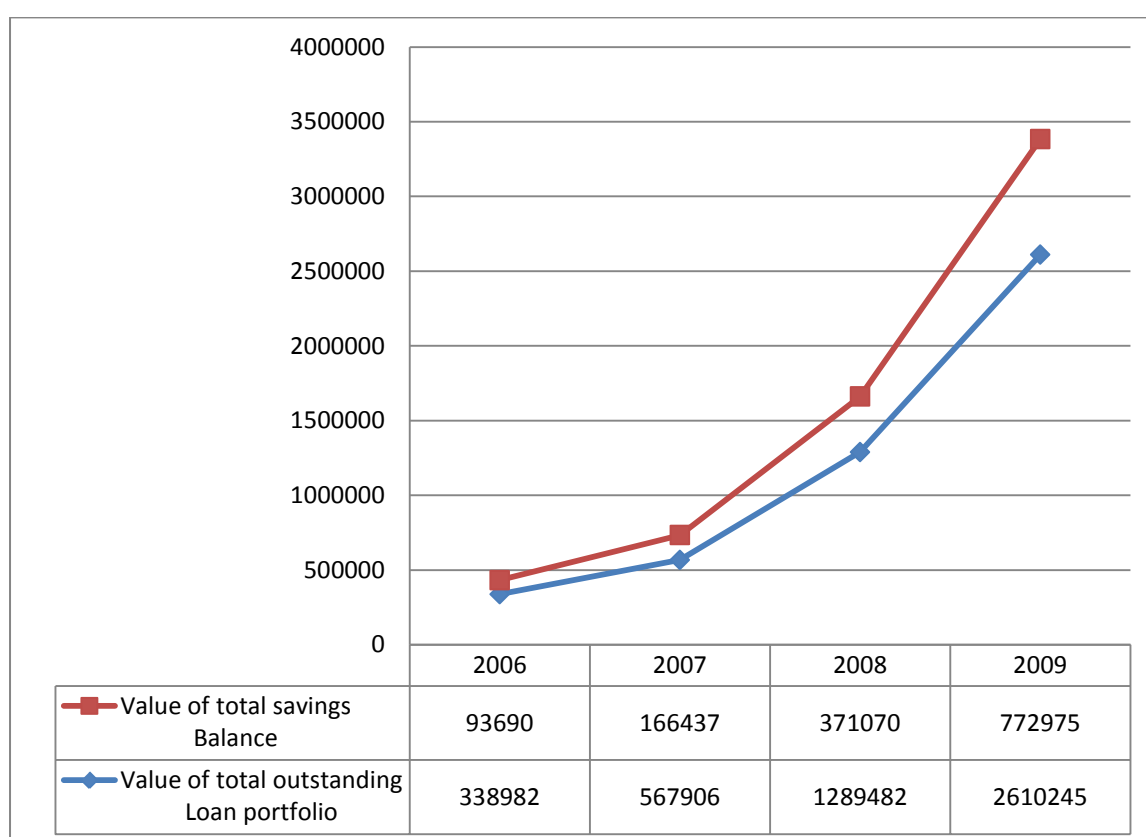
In terms of coverage, the most "important" and scale-up of loan portfolio context , and reduce the balance and membership has occurred. All of them will be extended to more than 300 percent. Number of branches and the number of field personnel at least in the aggregate, 5.1.1, like a table.

**Table 5.1.1: Results of the scaling up coverage**

Indicators	2007-2008	2008-2009	Aggregate: 2007-2009
Number of members	145%	170%	316%
Number of Branches	108%	-25%	83%
Value of total outstanding Loan portfolio	127%	233%	360%
Value of total savings Balance	123%	241%	364%
Number of field officers	127%	10%	137%

However, the above result is more than 100 percent in the first year. Lower aggregate scale-up results, reducing the number of branches in the number of field personnel, and two in the second year growth is slowing. 5.1.1 data in absolute values.

**Figure 5.1.1 Growth of loan portfolio and Savings**



Loan portfolio value of 338,982 RS in 2000 from 2,610,245 RS. In 2009, more than doubled. For each value, the reduction of 93,690 from RS 772,975 RS to 2000 times. The data of the lending portfolio is always faster than the savings that has been displayed. However, exponential function of both, grew up in absolute value.

This growth, such as the number of the members of the table 5.1.2, as the rapid growth in the same way as a match. In addition, the increase in the number of

members down 2008 - 2009 2008 - 2009 2008 - 2009 within the time period that the slower speed. After a period of rapid growth, SRSP down during periods of rapid growth because of a problem that occurred in the fall. A particular challenge, which are described in the following sections are a low growth rate.

**Table 5.1.2: Historical record of the coverage**

<b>Indicators</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Number of members	9760	12609	30920	52404
Number of Branches	9	12	25	22
Number of Fields Officials	30	49	111	116

Table 5.1.2 also, field personnel, and to increase the number of branch offices. In addition, the two are, credit and savings at a slower pace than the growth. 3 as the number of field personnel, the index of a moderate to zoom in/out. First of all, many of the new SRSP almost three times as much as the field representative, as in 2008, 2007, and is to be adopted. These 13 new branch offices opened, so it is more than doubled compared with the previous 2007. Afterwards, in 2009, SRSP branch closes and the new field representative in the recruitment of a lower growth rate. SRSP third branch of the reasons for the closure of the following reasons is a qualitative data.

### **Branch Comparisons**

Three of the selected branch charsadda, nowshera and Peshawar SRSP all is greatly increased. Overall, the coverage of all the branches at a rate higher than that of the SRSP as a whole, rather than scale-up.

**Table 5.1.3: Scaling up coverage of branches**

	<b>SRSP</b>	<b>Charsadda</b>	<b>Nowshera</b>	<b>Peshawar</b>
Number of members	316%	294%	369%	274%
Number of branches	83%	202%	177%	194%
Value Total Outstanding Loan Portfolio	360%	499%	508%	735%
Value of total savings Balance	364%	1580%	698%	2485%
Number of field officers	137%	150%	150%	150%
<b>Average scaling up of Coverage</b>	<b>252%</b>	<b>545%</b>	<b>380%</b>	<b>768%</b>

The most powerful growth, reduction in the number of records in the form. Save peshawr branch 2485 percent of the total amount of 698% of the nowshera 1580% of the branch of the branch charsadda value is increased. To change the percentage of these, the following 5.1.4 in the table, in absolute value. The second is the value of the total loan portfolio has been significantly increased. All of the

branch again to a higher growth rate than SRSP, experience as a whole. City Branch, outstanding portfolio is the total number of the most (735 %) increase, semi-urban Branch ( % 508) and rural Branch (499 percent). 5.1.3 the table, loans on time by the absolute value of the branch.

**Table 5.1.4: Branch-wise historical record of savings and Portfolio (in 000)**

	2007	2008	2009
<b>Savings</b>			
Charsadda	2,057	20,050	34,549
Nowshera	6,845	23,341	54,599
Peshawar	2,102	21,573	54,354
<b>Loan Portfolio</b>			
Charsadda	17,974	67,950	107,678
Nowshera	25,917	93,127	157,688
Peshawar	22,144	68,258	185,002

The number of members in charsadda, all the branches are slightly lower rate Peshawar, Pakistan Branch Office: 369% nowshera at the branch office, 294 % charsadda branch and a branch in Peshawar and 274% of the increase. Absolutely, nowshera branch and outreach from 540 in 2007, 2009, 2530, 2007, 655 in 2009, up from 2581 in the charsadda branch in 2007, 760 in 2009, up from (the "5.1.5 refer to the table in Peshawar 2843 increase in the branch.

**Table 5.1.5: Historic record of members, Branch and field officers**

	2007	2008	2009
<b>Number of Members</b>			
Charsadda	655	1845	2581
Nowshera	540	1725	2530
Peshawar	760	1970	2843
<b>Number of centers</b>			
Charsadda	44	114	133
Nowshera	35	69	97
Peshawar	33	97	97
<b>Number of Fields Officials</b>			
Charsadda	2	5	5
Nowshera	2	5	5
Peshawar	2	5	5

All these values are the same pattern as the SRSP branch, as a whole, 2007 - 2008, and the number is three times as much as in the 2008 - 2009 in the course of this year, indicates that stable. The same pattern regardless of the number of field personnel in 2007-2009: in the time period, and then doubling the 2008 - 2009 period, the growth is slowing. Is the difference between a branch could not be.

2007, each of the Branch field 2 and the executives of the Year for 2008 and 2009, 5 field officers and each.

The center is not the number of the number of branches of the branch was being used. 5.1.3 all branch and center Table: 202 % charsadda are an increase in the number of branch offices indicates that Peshawar, nowshera by 194% and 177% in the branch. 2007 charsadda branch of the 44 center, and 133 in 2009, rose to 33 from 97 branches and branch nowshera Peshawar from 35 to 97. Increase in the number of center, for an increase in the number of members to reflect. This is a significant development, and outreach to reflect the huge growth.

Each indicator this indicator is the same as the average weight of all the branches, the coverage is at a higher rate than the overall (5.1.3table, extend the SRSP. Peshawar Branch (768 percent), has been expanded, charsadda Branch ( % 545) and nowshera (380 % ), followed by two years in the period.

#### **Analysis of qualitative data**

For quantitative data, the above result results of qualitative data is consistent. In the village, and the individual members of the Management Committee and the chairman of the board, all of the SRSP, we expand the scale of the organization and to the reduction of poverty in the model.

The members of the individuals and groups from the interview with clear fgds at the level of all the stakeholders in SRSP to scale up the imagination. According to sources, scale-up, scale, and number of members of the organization, the number of branch offices, and field personnel , the number of loans in the portfolio and is used as the value of savings. The management group is in more than one of the other indicators, the district, the number of loans and the number of insured persons and the number of members. In addition, the SRSP significant growth in all of these areas that were reported. For example 2007 and earlier SRSP in one district with up to 2009 SRSP Khyber Pakhtunkhwa a pass of the 21st district of the advanced. On the whole, the SRSP meeting of the group in the view of a strong SRSP coverage is growing significantly the quantitative analysis of the data of the results to the support.

However, rapid growth and the first course of the year, the growth in an impressive performance, in order to realize this vision and easy to maintain. The

above is from an analysis of the data, the MIS SRSP , scale-up, after the first year, for a variety of challenges, to zoom in/out during the operation of the stability and growth. The SRSP displays one of the following actions, in the year 2008, 2007 - 2008 2007 - 2008 2007 - 2008 was held at the end of a branch that was. However, SRSP management, the staff at the front desk, and a branch was closed, so the branch is not the same high-speed rate, however, to the resources available in order to adjust for decided to open that there are sufficient resources to the lack of said. Here, financial and capital resources in the branch office personnel, a new branch of the contributions, salary, in order to cover operational costs.

The following years, rapid growth is another example of the stability of the SRSP Member Number field of the number of corporate auditors more than speed is increased.

This is the human infrastructure for rapid growth. In an interview with the Group field that does not have administrative staff personnel, operating costs, and increase the " Mission" of the shortage of candidates and increase the number of such as the other reason is added. They say: "Mission" is a candidate that has been prepared under the harsh conditions, poor people and people if the reference is to move the early morning in the village, the village and the between the driver and the late night Center meeting or training, to help the poor, to have the skills to make it easier on the people.

## **5.2 Scaling up in the terms of activities**

Activities related to the SRSP this domain and shows you how to scale. In the literature, many MFIs services and products for a variety of of the poor, to meet the various needs of the client in order to attract greater than the effort are on the increase. The SRSP , or scaling in this domain to determine if the development of indicators for the quantitative data, the available MIS data help to analyze. In particular, the Financial Services and the product of the change in the number of hours in the course of the analysis. 5.2.1 the table results of quantitative data.

**Table 5.2.1: Results of the scaling up in terms of activities**

Indicators	Current Figures			Percent Growth		
	2007	2008	2009	2007-2008	2008-2009	Aggregate: 2007-2009
Change in the number of Financial Services (Annual)	2	3	3	50%	0%	50%
Change in the number of New financial products (Annual)	6	7	6	17%	-14%	3%
<b><i>Average scaling up in Activities</i></b>				<b>33%</b>	<b>14%</b>	<b>47%</b>

Financial Services under the terms of the deal, SRSP before 2007 Type of Service loans and savings. In 2008, insurance. These add-on service that represents 50% of the time period in more than two years are added. It is important, a 50% growth in the SRSP to complete financial services is the extent of the changes that are not reflected in the note. The SRSP NGO, as to provide credit only is allowed. However, various arrangements of these services, such as reducing SRSP, loans, and insurance can be provided. Is it really SRSP, financial services, legal status is given up, zooming in/out means that you want to.

In terms of financial products in 2007, The SRSP Loan Type Type of product, and reduce costs. In 2008, The SRSP insurance products increased by 17 percent. In 2009, together with SRSP, loan products, one of which means that income generation loans, and agricultural loans to a substantial loan. The number of financial products is 14 percent. Once again, the number of financial products are being measured , to note that organizational measures, such as number of members, portfolio, as cost savings and is extended to different scales. As a result, it is essential that all of the changes that have been made, the aggregated results for the coverage of scale-up of a significant growth of view to the view that you want to be the reason why it is not to think about. Add new financial perspective, a lot of weight to a new member to the increase. The display of the above considerations, the data is still a significant increase in the financial activities.

In addition, the note that this is the result of the metric for financial services, products, and , with the result that the display and the non-financial services and products if you do not want to reflect a change in the interpretation of this diagnostic procedure, you will need to exercise. This study is, however, non-financial services in

the SRSP 's mission is to provide in order to achieve that the bulk of the research. The indicators, the report of the financial services of the reasons for the financial services and products, the data is available from SRSP MIS was of the non-financial data on the service. Therefore, the non-financial services, data management, field staff and the board members and the individual and group interview that are retrieved in the member and focus on using the group discussion has been recorded. In addition, archive documents and SRSP, PMN rspn, and another review the report. SRSP for this area of non-financial services, scale-up of the results of qualitative data are provided below .

### **Branch comparison**

There is no difference between all branch services and products on the same package, you need to provide.

### **Analysis of Qualitative Data**

Financial and non-financial services and a variety of types of changes to the Add a deeper insight into the qualitative information from the source document and archive management, personal and group conversations, employees, and members as a member of the Management Committee has been collected. interviews and reviews, in the process of understanding the scale of the financial and non-financial services and products with a focus on the conditions.

The SRSP, archive documents review of micro-credit and Cost Saving services began providing in 1989. The SRSP (general credit, credit products and product (Forced Savings). In 1998, The SRSP loans product development three (IGP) income-generating programs, important Loan (consumption EL) and ( AI) Agricultural loans to the diversity. In 2000, the voluntary reduction, and cost savings as product was introduced.

In fact, scale-up, especially before the SRSP basic microfinance services, loans, savings, and basic product are focused on delivering. After 2007, some of the key new SRSP Financial services: insurance. **In addition, a mortgage as the new product was introduced.** The SRSP more fully fledged financial institutions financial services major types of offers was in.

Save this extension was not easy. SRSP voluntary reduction in the center of the fraud and embezzlement was stopped, field personnel to the center part of the time at the level must be free. Previously, members, and any amount of voluntary savings

account during a meeting in the center, which can be paid. In 2009, the deposits during the conference center was not allowed. Then, as always, you move in the branch office. The collection is a voluntary reduction in the center of the stop is the most important reason, the member is expanded and the workload of field representative if you increase the payment to the members of the money is difficult to monitor the transaction fields was that there are no leaks, and as a result, began to grow. Fraud, by a member of the reserve fund embezzlement case, rate of growth in the field is growing rapidly, to start a voluntary reduction in the increase. The FOS was voluntary savings deposits or the center leader, to the other members of the lending or any other member of the payment. The management group, the organization is always IT field representative's time-saving collection of very small amount to be used as expensive. This is the officer's workload increases, the challenges and the members in the field enter the number of the Board of Directors is increased.

Since it started in the SRSP development services focused on specific problems, in particular the members of the community at the time, they faced in address to the group members of the community to organize, it was in the land of tenant rights and women's rights. One of the members of the board.

"In the beginning, the SRSP by members of the community, the community of other members of the organization of the importance of all the development work of the project was established. As a result, the SRSP, developmental programs to give priority to the use.

The SRSP development activities, various scale-up four main categories into before you can be used to provide.

- (1) **Right-based advocacy work:** Community land for a tenant to fight for the rights of workers to organize, to same wage workers and quarries.
- (2) **Natural Resource Management:** Watershed Management, Waste Land management and development of the drought-prone area.
- (3) **Education program and Training:** Literacy education, health education, and child labor elimination, rehabilitation, gender equality and promote the

participation and leadership skills, improve women's leadership, the promotion of participation and local governance program of the sensitization, awareness

(4) **Campaign:**International Women's Day celebration in the same way.

All of the interviews, and focus group discussions, members, employees, management, and board members and a sponsor - all stakeholders - SRSP mission of poverty as an important part of the development services continue. The words "other development activities SRSP without "ID is not.

### **5.3 Scaling up in terms of organizational sustainability**

The expansion of the SRSP and organizational sustainability of the MIS related data from the analysis of the indicators: the level of self-sufficiency and financial independence and funds. These indicators are in the same way that the data is already in the beginning of this chapter, the analysis using the has been determined by the ratio of the market.

A quantitative analysis of the data a SRSP 41% and 51% of the operational and financial self-sufficiency rate is increased, and 2009 (5.3.1 refer to the table in 2007 suggest that there are the operational and cost benefits of SRSP to cover the features of the most important improvement 2008 - 2009 in the course of this year. This improvement, however, the decrease of the year before, and load balancing. The IT operational and financial costs for the first year of a significant increase in the rapidly growing organization, this is usually the cover from their own revenue to decline in the capacity. This pattern was rapidly SRSP and the coverage that is displayed in the result, in 2007, the number of branch offices, and the infrastructure in general is increased, the scale-up and is consistent. This comes at a cost, the cost is high, in 2008, the Internal Revenue generated on the cover in the SRSP degradation in performance. In the portfolio, rapid growth in order to support the operational and financial resources to the initial investment during the following years, the production has started. As a result, the SRSP both operational and financial independence 2008 - 2009 has increased dramatically. Pre-scale-up period compared with the 2009, The SRSP yet self-generated revenue from 95% of operating costs to cover, was in a position to turn off as compared to 69 Percent in 2007. When the cost of funding that are not taken into account in the SRSP when the cost of funding in 2009, compared

with 55% in 2007, 82% of the total costs can be covered. These self-sufficiency indicators inside the SRSP, generated by direct measurement of revenue, not to cover the costs, and, in the long term, to assist in the ability of the SRSP. In this way, the attention of the organization, the indicator is a large-scale view of sustainability.

**Table 5.3.1: Results of the scaling up organization Sustainability**

Indicators	Current Figures			Percent Growth		
	2007	2008	2009	2007-2008	2008-2009	Aggregate: 2007-2009
Operation Self-sufficiency	69%	64%	95%	-7%	48%	41%
Financial Self-sufficiency	55%	53%	82%	-4%	55%	51%
Proportion of Commercial Sources of funding	50%	56%	75%	12%	34%	46%
<i>Average vertical scaling up Of organizational Sustainability</i>				<b>0%</b>	<b>46%</b>	<b>46%</b>

How SRSP, scale-up the source of financial capital? The above 5.3.1 table is displayed with the SRSP for the source of the funds, and commercial 46 Percent from 2007 - 2009. What's important here is the commercial source of this indicator the subsidies and funds in a relationship, the percentage of the funds, not anti-because of the absolute values, and the donor source increase has been detected in that note. Figure 5.3.1 of the funds to develop commercial access to the source of the absolute value of the time displayed in the course.

By the absolute value of the funds, is significantly SRSP commercial source 2000-2009. Funding sources of funding for a more stable and to reduce costs. In addition, the large-scale production to achieve this goal, and the stable, low-cost funding, a considerable amount of time that you need to provide sources, and the donor number. Therefore, the Financial MFIs are looking for more than that amount of resources can be said to offer. Results of the source, the SRSP commercial loan subsidies to rely on, and the donor funding are mobilized under the indicates that it is not.

### **Branch Comparison**

You can use the historical data at the level of the branch operational and financial self-reliance. The analysis is available at the organization level. There is, in the branch office, the record of some of the funds, it was not a complete and consistent.

## **Analysis of qualitative data**

The SRSP, quantitative data in 2007, the operational costs of 69% and 95% in 2009, as described in both operational and financial to cover the costs, with a capacity from 55 Percent in 2007, increasing 82 Percent in 2009. This is a pretty powerful strength is enlarged. However, 100% of goal in order to achieve the goal is not reached, the reason is that management and the board members are as follows: "Now, all of the branch of the loan, it will not be sufficient and a description. All of the branch of the SRSP more money when you can get to the SRSP 100% self-sufficiency ratio can be achieved. But for now, all of the branch's loan fund." The lack of financing of at least two factors that have been linked, is missing. (1) legal and regulatory trust is a symbol, and (2) The members of the top management of the financial, lack of human resources is registered as. In the short term, but also to the SRSP loan financing for commercial source, the operational costs, in the long term, the total fund-raising in the board and the internal reduction of the increase in external sources to reduce reliance on the Plan.

Three indicators, the index Japan for Sustainability Japan Sustainability organization for scale-up of the domain and the data is readily available for the duration of the analysis is the mis-was from the system has been used. This is the production of self-sufficiency, financial self-sufficiency ratio, and percentage of procurement sources. These important indicators of MFI Japan for Sustainability Japan Sustainability for the evaluation of.

Increasing the efforts to manage the organizational structure of the SRSP is making significant changes. An important component of IT: developmental programs and separated by microfinance program. German Year in Japan about the key microfinance by Department, Finance Department and operations. The development program in the Department of multiple stand-alone area. Prior to scale-up, the unit: Financial and micro-program.

Now, in addition, department coordinator for each of these departments in the CO - Adjust the branch manager is responsible for. In addition, social auditors poverty line of new members, the member 's presence and is the center of the other operations of the conference level to the person in charge of monitoring and auditing is specified. This is raised by members, they CC to lead the

meeting, share your experience, ask questions for listening to add your contacts. Financial Transactions in the internal auditors.

Each employee's responsibility to receive and they are capable and are competent. For example, internal auditors and management skills. If it is, he added, she is the branch manager if it is assigned to. This strategy is the capacity of an individual employee to assign multiple tasks, and the maximum available. It's tasks according to each employee to the talent and skills are selected based on.

The field-level at the branch, one member commented that the Federation as a leader of the SRSP Add As branch manager of the federation leader is elected as the appointment. They SRSP's full-time staff will be paid. In previous releases, the leader of the cluster, this practice of donor funds from these executive compensation to you for use. Now, the federation SRSP reader and additional branch manager to continue to promote. In addition, more than 6 months CFO SRSP was promoted in the center. The CFO of promotion of this concept in the last section in Chapter 6 of the development.

#### **5.4 Scaling up in terms of strategies**

The fourth is the domain of the SRSP analysis to the extent of the expansion strategy in terms of social and political causes of poverty determines how to react, and IMPACT networks and social other players, and to mobilize. The SRSP is strategy how to scale to measure quantitative time series data. As data and an interview with the management team of the Board of Management is collected from individual interviews. This type of qualitative data is a scale-up in other areas, the multiple-dimensional quantitative data so that you can consolidate. The analysis is not the individual, are discussed here.

Information Strategy and mobilization in terms of the scale-up as the first indicator used. It is a member of the organization of the society and is a general, as a member of a larger community in order to participate in the body to bring the mobilization, to be measured. (1994) uvin & Miller . The letter in the creation of the meetings, conferences, and through the organization of the workshop, the documents, and through the distribution of brochures and media are used in the proposed method. The SRSP, SRSP prior to scale-up with the members of a specific problem in the rural areas, such as land rights of non-members of the tenant, gender

issues, daily rise in wages and workers' rights and quarries , as in used to organize.

**Table 5.4.1: Information Mobilization**

Scaling up strategies Indicators	Pre2007	Post2007
	YES = 1; No = 0	YES = 1; No = 0
<b>A. Information and mobilization:</b>	<b>2</b>	<b>3</b>
1. Letters Writing	0	0
2. Organization of meetings, conferences and workshops	1	1
3. Distribution of the documents and Brochures	1	1
4. Through media	0	1

Table 5.4.1 indicates the results of our analysis of the information strategy, that is, the mobilization for scale-up to the first indicator is displayed. An index of 1, the review of archived materials for an interview with an individual or a group of a particular practice, presence information, and to propagate the 0 mobilization is when it has been assigned to. In this study, the researchers have been developed, and the methods used to alleviate poverty on the strategy in the form of the scaling in average to obtain the index of the effort. The scale-up of indicators, qualitative in nature, a researcher of the same weight and assigned to all of the indicators. The Poverty Reduction Strategy of the SRSP of scale-up, in a qualitative analysis of the data, the purpose of this method is in the context of the strategy of the MFI scale-up can be measured. Index a qualitative discussion on the results of the context and a variety of causes of poverty SRSP in combat strategy is the expansion of the methods that is to provide a richer understanding.

These methodological limitations, see the index of 1, the analysis SRSP to alleviate poverty in the context of the strategy, in the quarter to mobilize four point scale for scale-up the information that it means that. The " 0" of the smallest index" and the scale-up and the four, an index is up to 100 % or full scale-up indicates that it.

As shown in the table, the SRSP , one of two ways to use the information for the mobilization of the member and the distribution, Conference, meetings, workshops, and distribute documents, brochures, and other organizations. In the first year of the existence of the members of the SRSP community groups, and members of the community may be facing, to address the specific issues in order to be used to organize. Review of the record of the SRSP SRSP at various levels of the lobby and

advocacy activities since its foundation in 1989, to continue with the relationship.

The second is the indicator of the different organizations of common interest between the creation of the link, the problem is usually between the NGO, however, also between them, the non-persistent collaboration means to the network. (1994) uvin & Mirror Link meetings, newsletters, and E - mail, or Exchange Representative claims that are supported.

The SRSP 3<sup>rd</sup> domain is greatly increased. Archive documents and interviews with the main actors of the network to review if you are not already viewing period efforts to scale up displayed in front of it. 5.4 based on the information in the table.

**Table 5.4.2: Networking**

Scaling up strategies Indicators	Pre2007	Post2007	Post-Pre
	YES= 1; No=0	YES= 1; No=0	Index
<b>B. Networking:</b>	<b>0</b>	<b>4</b>	<b>4</b>
1. Creation of Networks	0	1	
2. Exchange of ideas and information through written documents	0	1	
3. Exchange of ideas and information through training, workshops and meetings at the local level	0	1	
4. Participation in regional, national and International conferences, workshops and Meetings	0	1	

Since 2007, and the significant efforts to SRSP network has increased. At the national level, Pakistan SRSP called microfinance Network is a member of the national network. At the international level, the SRSP Grameen Foundation, the partner in an international NGO, our partners in the world .

At a variety of levels in the network while participating in the SRSP SRSP and the number of a document report on performance, and innovative initiatives. Progress of this work and the research on some of the reports of the Client Assessment and Monitoring System In SRSP experience was published. Also SRSP -SRSP, post information about the program, the existing service and/or product and an innovative program based on the activity of the program, the impact of audio-visual materials, news, and description of the report, and its own Web site for development. The SRSP published its own annual reports, and other publications.

Not only does SRSP work with a network of other NGO and started work on the development, but also in the SRSP government work in the private sector has been

initiated. Members of the private sector of the SRSP Network provides the service you need, including the source of the link.

Third, the convergence strategy .grassroots organizations to develop regional structure of state structure and the creation of regional organizations to create the conditions for extended another indicator of structure of the people, and to establish in some regions the National Organization International to create the structure. At the beginning of the year, the SRSP women members of the distributed structure from a group in the center of the association branch, the branch office in the organization. However, in the aggregate , a condition at a level beyond that, it's either a deliberate efforts, peer review, and political decision-making to affect. In SRSP to state level research to formally Apex body of the district Federation leaders began to realize that I have to have. All of the states, the coordinate system of the district Association. The leaders who were elected by members of the network. political decision-making body Apex aims to affect.

Table 5.4.3 is not the awareness that it is shown, the structure is to create a state level from the Members. Other MFIs's structure or network is already national and international level, described in the previous section.

**Table 5.4.3: Aggregation**

<b>Scaling up Strategies Indicators</b>	<b>Pre2007 YES= 1; No=0</b>	<b>Post2007 YES= 1; No=0</b>	<b>Post-Pre Index</b>
<b>C. Aggregation:</b>	<b>0</b>	<b>1</b>	<b>1</b>
1. State structure	0	1	
2. Regional Structure	0	0	
3. National Structure	0	0	
4. International Structure	0	0	

In the case of SRSP, both before and after the 2007 directly to politics to enter the huge effort. In fact, his official documents and reports, the SRSP SRSP repeat non-partisan organization, stressed. The SRSP was still political parties and it is not linked to a specific members of a political party to provide support for the applicant. The only exceptions are organized SRSP voters the election and the worst for the participation in the electoral process, local governance, these 5.4.4 table to the right to designate the information about.

**Table 5.4.4: Direct entry into politics**

Scaling up strategies Indicators	Pre2007 YES= 1; No=0	Post2007 YES= 1; No=0	Post-Pre Index
<b>D. Direct entry into policy:</b>	1	1	0
1. Leader or an individual of the organization run for a political post	0	0	
2. Member (s) of the organization is supported to run for election campaigns	1	1	
3. Leader or an individual of the organization enter high civil service or government post	0	0	
4. Member (s) enter high civil service or government post	0	0	

Members of the reasons for the development of the SRSP , has been approved for the poor , the local resources you need to stay in control, decision making, and in particular the development of their community if you have to participate in the process of thought. SRSP directly in politics does not have an entry. In addition, members of the operation of the campaign has continued to support, the responsible person or a staff member in any of the political parties or actually created new logo.

Is a big difference in the view to the SRSP, there is an urgent need, a large framework for the supply of services to the student. SRSP Strategy: of your own, instead to expand the size of trying to determine the SRSP, society, government and each of the fields of the partnership, the private sector, and civil society as the shift. The SRSP IT to expand the impact of these actors and the impact of the network and are working with them and that we were able to understand that. The reason is that the SRSP partners with the government in the effort to build the number of existing government programs by the members of the implementation of the other NGO Training and private providers and the connection between member services as needed to provide SRSP does not have the capacity to provide access to them.

### **5.5 Challenges of scaling up**

Overall, the qualitative and quantitative data SRSP , coverage, and the number is the nature of activities, and organizational sustainability and its strategy to expand and show the improvement. The results of these results despite the challenges that the achieve. A number of issues, zoom in/out, during the set up process has been

encountered. In this section, major issues were identified. The data for the last year of archived materials, annual reports, etc. that are extracted from inspection. Qualitative Data from these sources, the most important issue. (i) adverse legal and regulatory environment, (ii) is not sufficient financial resources, and (iii) lack of human resources; and (iv) an unhealthy competition, (V) increased cost, (VI) incompetent management and information system, and (vii) natural disaster

## CHAPTER 6

### RESULTS OF MISSION DRIFT

The effect of scale-up and poverty alleviation of the mission in the SRSP to meet the challenges. Whether or not this chapter SRSP away from the battle against poverty and drifted to the scale-up in the process and to reduce that meet the challenges posed by contains the results. The results of the mission areas drift has occurred, and the management of the drift and strategy to prevent drift on the reason for the search.

Mission drift is the general reported in the area. (1) the depth of outreach, and (2) Outreach quality and (3) Scope of outreach. The depth of the Outreach MFIs reached to the customer in the Refers to the poor. Outreach of the quality, service, and support staff on the quality of the time of the client's satisfaction and measure the length of the client that refers to your needs. Outreach are provided to the customer range of financial and non-financial services and range of products. In each section , the selected area, the sampled survey indicators of quantitative data analysis of your organization, the comparison of quantitative data analysis.

Data Collection ( quantitative or qualitative) is a specific procedure is described in Chapter 3. The last part of this chapter , the SRSP Poverty Alleviation scaling to enable you to maintain the quality of the strategy describes the results of the data.

As mentioned in the previous section, to MFIs of scale-up , the original Poverty Alleviation mission of deviation from can occur. The Literature of the MFIs Poverty Alleviation mission one of the two is called a critical component: the bad and the struggle against poverty. These 92008 schreiner framework developed by based on the outreach in three areas: outreach depth, quality, and scope of Chapter 3. The mission of poverty alleviation of these domains, in some of the proposals, the mission to measure drift have been drawn.

**Proposal:** *outreach activities and the depth of poverty outreach: The organization* of the MFIS when extending, in many cases, to serve the market trends and the clients.

**Proposed B:** *The quality of the Outreach: the organization when you're zoomed*

*in, the* fields, and of the person responsible for the transaction costs have been processed, the more customers you will be increasing the number of time a load number, which can lead to work with the customer to tend to be low-quality of service and customer satisfaction to the members of the program to exit.

**Proposal C:** *Is the range of its outreach: the organization* when you scale the service MFIS more limited and specialized and it is highly possible that some of the services that the financial benefits to cut the production is not in particular.

And these proposals in the SRSP, this analysis, such as (1) and multi-dimensional PRE-POST - Quantitative data the extent to which they represent a , whether or not that is the mission-drift or not, (2) How do I use a mixture of some of the quantitative and qualitative, for promotion or suppression mechanism to identify drift during the scale-up, depending on whether you are the mission drift or not, (3) to use, significant sampling to extract the theme selected key results and understanding.

First, more than one-dimensional PRE-POST - quantitative data analysis section of the plan, described in Using a method analysis. The mission of the three-dimensional data in one of the three proposals as to drift organized and as you can see in the illustration above. Each domain has a more specific measure of Mission drift in the measurements, are configured as described in Table 6.1.

Change the percent deviation of each dimension in the direction of the change is to determine whether or not the calculation. In the first domain, the indicator of the depth of the Outreach SRSP move the market to determine if process A better person after you have expanded the service is started. In another domain, the indicator, outreach , and the quality of service and quality of the SRSP services on the level of satisfaction of the members have been changed to measure whether or not. The third has to do with the indicators in the domain, and outreach is the scope of the SRSP to scale up the number of the services to be provided and whether or not there is a change in nature. The following changes to the average ratio of the percentage of each indicator is calculated based on the changes. At the organization level, the average % change after it has been calculated individually, the % change for the study of the selected SRSP rural, semi-urban and urban branches exist in the region. There is a

deviation in the form to determine whether the branch will be likely the property in the urban-rural branch mission experience more mission drift, or vice versa.

**Table 6.1: Indicators used to measure mission drift**

<b>Indicator</b>	<b>Definition</b>	<b>Conditions for drift</b>
<b><i>Depth of outreach</i></b>		
Average size of Loans	Average size of loans (in rupees real term)	Pre 2007 < post 2007
Household Income	Average monthly household income per capita (in rupees in real term)	Pre 2007 < post 2007
Poorest	Percentage of new members with housing Index below 4 points	Pre 2007 > post 2007
Poor	Percentage of new members with housing Index between 4 and 8 points	Pre 2007 > post 2007
Less poor	Percentage of new members with housing Index above 8 points (the scale is 0-16)	Pre 2007 < post 2007
Rural Members	Percentage of rural members	Pre 2007 > post 2007
Agriculture Loans	Percentage of loans for agricultural purposes	Pre 2007 > post 2007
<b><i>Quality of outreach</i></b>		
Case Load	Total number of active members divided by The total number of field officers	Pre 2007 < post 2007
Time per Member	Total number of working hours per field Officer is divided by the average number Members per field officer (hours/case load) In Minutes	Pre 2007 > post 2007
Satisfaction with Overall quality of the Service	Percentage of total respondents overall Quality of Service "Excellent " or "good"	Pre 2007 > post 2007
Satisfaction with Variety of services	Percentage of respondents said variety of Products and Service "Excellent" or "good"	Pre 2007 > post 2007
Satisfaction with Member Service	Percentage of respondents said FO Quality The service "Excellent" or "good"	Pre 2007 > post 2007
<b><i>Scope of outreach</i></b>		
Financial Services	Number of financial services	Pre 2007 > post 2007
Financial Products	The financial products	Pre 2007 > post 2007

Second, the change of the profile data member of a scale-up to be created in order to identify the response to a survey conducted for the set. Of these two types of data to the new members to the new members before you scale-up is - 2007) and as a new member to immediately (post-2007, after the scale-up. These two groups of members of each of the 210 randomly selected, in 2004, the interview. The scale-up that are associated with the profile of the members as possible, the shift in the study of the household on the Set PRE - 2007 new entrants set of characteristics of the households and the community, and enterprise-level, social and economic statistics,

the post-2007 new entrants, as well as quality of service and a variety of satisfaction and compared. Finally, there are no members from the program and the satisfaction that is participating in the main reason is to stop participating in advance. Indicators on the table is set to 6.2. Two of these indicators from the group in the answer is statistically independent sample t-test, Chi-square statistics of the evaluation of the direction of the effect of category variables and KENDALL Tau statistics for the evaluation of the association between the non-parametric statistics used to test the significant differences.

**Table 6.2: Additional indicators of outreach**

<b>Indicators</b>	<b>Definition</b>
<b>Socio-economic profile</b>	
Gender	Percentage of woman member
Age	Average age of members
Civil status	Percentage of members in each civil status
Education	Percentage of members who has never gone to school
income per-capita (Rs.)	Total household income of a member divided by the total number of household members in Rupees
Salary	Percentage of members whose household receives at least one full-time wage
Working Child	Percentage of children in member's family working to earn income
Income per child Working	Income per working child in the family (in Rs.)
Housing	Ownership status of member's housing at the time of the survey
Housing index	Condition of the housing owned by those who reported to have own house (less than 4 points=Poorest; 4-8 points=Poor and more than 8 points=Less poor)
Food security	Percentage of members by food security scale that measures the ability of members' family to have sufficient amount of and variety of food
Savings	Percentage of members who has own voluntary savings besides compulsory savings with SRSP
Sector	The sector of primary microenterprise financed by last loan
<b>Participation in the program</b>	
Number of loans	Number of loans taken since becoming a member
Loan size	Average size of last loan in Rupees
Loan term	Average term of last loan in months
Use of loans	Specific usages of last loans
Services received	Percentage of members receiving each specific service at the time of the survey
Other sources of Service	Percentage of members who have access to other sources of services besides SRSP

<b>Indicators</b>	<b>Definition</b>
<b>Satisfaction of current members</b>	
Overall quality of Service	Percentage of members who rated the overall quality of services as "Good" or "Excellent"
Service	Percentage of members who rated the quality of member services as "Good" or "Excellent"
Member service	Percentage of members who rated the variety of services as "Good" or "Excellent"
Variety of services	Average number of hours spent with FO per month, as indicated by members
Time spent with FO	Change in the number of hours spent with FO per month at the time of the survey compared with three years ago (prior to the scaling up), as indicated by the pre-2007 members.
<b>Satisfaction of former Members</b>	
Decision to leave	Proportion of former members who departed due to decisions made by herself, her family, her group or SRSP management
Most important reasons for departure	Proportion of former members who departed because of reasons outside the program and business, or problems in her own business, or did not need capital, or problems with borrowing in a group, or reasons related to SRSP
Reasons for SRSP or borrowing group to expel a member	Percentage of members who were expelled by her group or SRSP management due to specific reasons
Specific reasons for member to depart that were related to SRSP and borrowing in group	Percentage of members who departed due to specific reasons related to SRSP and borrowing in a group
Overall quality of Service	Percentage of former members who rated the overall quality of services as "Good" or "Excellent"
Member service	Percentage of former members who rated the quality of member services as "Good" or "Excellent"
Variety of services	Percentage of former members who rated the variety of services as "Good" or "Excellent"
Most liked attribute	Percentage of former members who liked specific attributes of SRSP
Least liked attribute	Percentage of former members who liked least specific attributes of SRSP
Things to improve	Percentage of former members who suggested improvement of specific attributes of SRSP

## **6.1 Depth of Outreach**

A total of seven indicators have been used to make changes in the poverty profile of SRSP clients at the time they enter the program.

**Table 6.1.1: Results of the Mission drift in the depth of the range**

	Pre2007	Post2007	% change	Drift	Drift%
Rural members	80%	55%	-31%	Yes	31%
Agricultural loans	10%	4%	-60%	Yes	60%
Poorest	12%	10%	-17%	Yes	17%
Household income	622	483	-22%	No	-22
Average size of loans	1660	1517	-9%	No	-9%
Poor	88%	90%	2%	No	-2%
Less poor	0%	0%	0%	No	0%
Average Drift in Depth of Outreach				3(out of 7)	12%

Three indicators showed mission drift, drift is not displayed in the table 6.1.1. In other word, SRSP 2000 (scale-up before) from 10% in 2009, after the (scale-up) to 4% share of agricultural loans, and 55% from the present 80% Percentage of the rural members, and 12 Percent to 10 percent of the poorest members to share the savings. The table above, these cut 60 %, and 31% and 17% for mission drift LED is lit. Before you scale up, 10% of the total portfolio in agriculture and agricultural purposes have been granted only 4% of the loan immediately to the scale-up was gone.

One of the first important drift rural members. 80% of the pre-scale level, the percentage of rural members to 55 Percent in 2009, due to the decline of the SRSP outreach experience.

In this domain, the last indicator of drift of the member experience in poverty. Member, "As the world's poorest countries, the housing index 12 Percent to 10 percent after that is defined in the percentage is. As a whole, the bad SRSP new entrants into a massive increase in the number of it was not. As a result, the ratio of the absolute decrease in the number of new entrants into the poorest of the poor, who are new entrants to the growing number of the compensation.

The drift of the remaining four indicators. One of them is changed. They are in the ( % 0) Percentage of the member was. (MIS) management information system, the data from the actual (RP, reduction in the size of the average of the loan to ensure that it. 1660 to 1570 RP real-time). The same as the per capita, the average monthly income was reduced from RP could not be found. 483 FP 622 actual. The SRSP these considerations more people than in the past suggests that you can enjoy.

The Outreach has the depth of SRSP branch with the entire interesting results if you compare it to.

**Table 6.1.2: Results of the depth of the measures from the branches**

	<b>SRSP</b>	<b>Charsadda</b>	<b>Nowshera</b>	<b>Peshawar</b>
Average size of the Loans	No	Yes	Yes	Yes
Income of households	No	Yes	No	No
Poorest	Yes	Yes	Yes	Yes
Poor	No	No	No	No
Less poor	No	No	Yes	Yes
Rural Members	Yes	Yes	Yes	Yes
Agricultural Loans	Yes	No	No	No
Average number of Drift	3	4	4	4

Table 6.1.2 that are listed in the previous table, charsadda, nowshera, as this means that the selected branch and the branch of Peshawar SRSP drift entry-level of the client's poverty profile that will be used as a proxy for the percentage of Bad members) indicator. This drift SRSP in general, as a whole is not the experience of a single area. In other areas, the resulting mixed pattern.

Experienced charsadda branch contains the following four areas, the average loan size and household income in the rural areas and the poorest members of the members of the percentage increase of the reduction in the drift. nowshera branch of one of the four areas, and drift in the experience of charsadda Branch: Increasing the rate of the member, and the loan of the average size of the world's poorest countries, and the members of the members of the rural areas with decreases in the percentages are different. Experienced nowshera Peshawar branch branch with the same four areas drift. All of the branch of the general was one of the things that all of the average size of the increase. They SRSP are common in rural areas of the poorest members members of the percentage of the reduction in the proportion. 6.1.1 the drift range ( minus % change in this figure, the drift in the opposite direction in the sense that the change has occurred.

**Figure 6.1.1: Mission Drift: depth of outreach of branches**

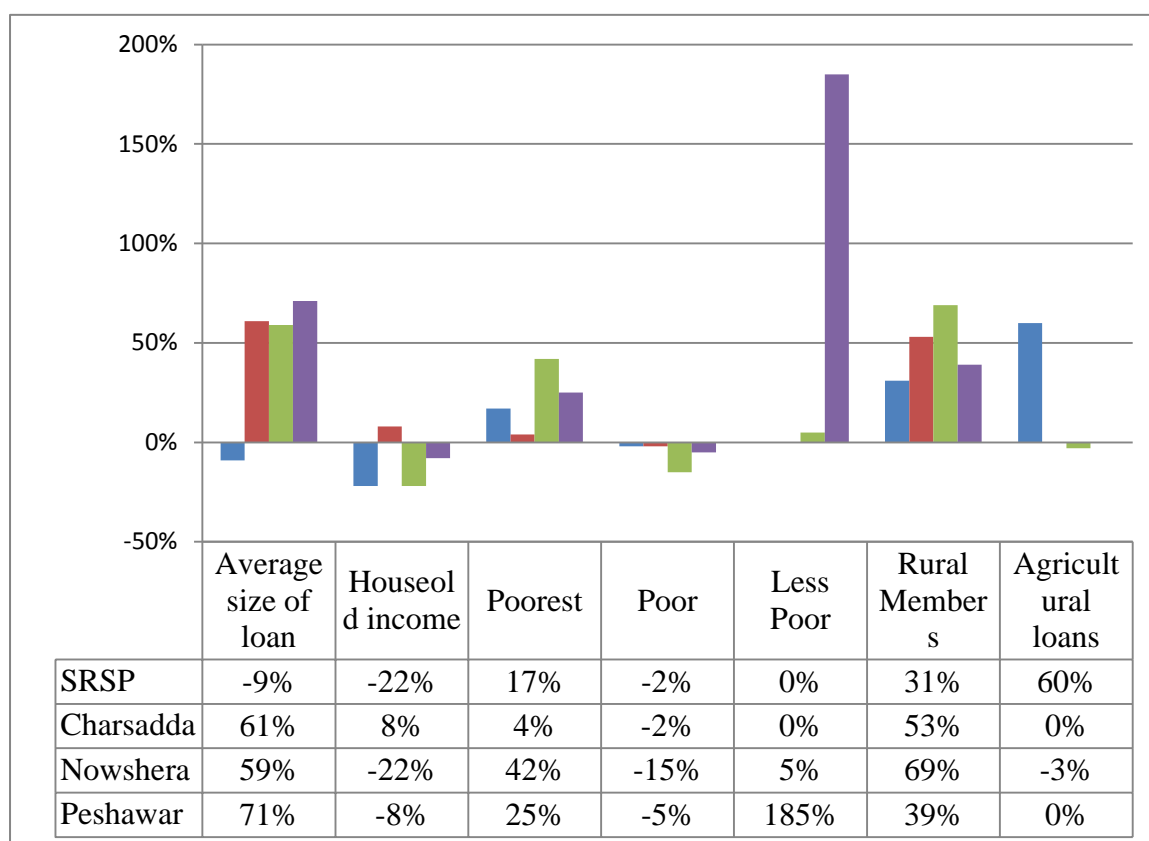


Figure 6.1.1 as shown in the figure, the percentage of the members are not in Peshawar, nowshera branch to the increase. Peshawar, the branch mission drift in the highest level, and an increase in the percentage of new members that participate in the SRSP. Scaling, poverty has been defined in the new entrants or housing 8 points of up to 2 % of the House of the time, depending on the housing index and experienced. As soon as the index to change the size, after 5.7% of new entrants is housing are based on an index. nowshera, branch office, members of the 5-percent increase in the percentage. As a whole , the SRSP charsadda branch and indicates an increase in percentage of the members are not to be.

The mission of the next stage in the branch Peshawar, average size of the loan from RP rise since the drift. 971 RP to real (71% change) 1660). Large-scale The average loan size is also the other branch office: RP higher. The charsadda Branch (61 %) from 1593. FP RP, 988 to 1368 RP nowshera branch in the 2175 (69 percent). However, the above emphasized the SRSP claims as a whole, the differences between the average size was not displaying. In fact, the average loan size of 9% would have decreased.

As charsadda branch of the percentage of the rural members from 94.1 Percent to 44.1 percent. One of the causes of this and there is more to the members, and existing members of the other newly opened a branch in order to transfer to the city, near to the members, if you want to achieve. Previously, members, and the branch in the village , the branch to come from so far away from the village to be used for that. Now, SRSP area, near to them to open a center, and the new, more closely to the branch office. The same change is nowshera branch of the rural members Percentage From 92% to 28.6% reduction. To a lesser extent in Peshawar, the percentage of branch sales represented 83.1 percent percent decrease from the 50.5 percent.

The SRSP as all three branches are the world's poorest countries percentage of members is decreasing. nowshera Branch (42 %) is the most degraded, Peshawar Residence (25 % ), and charsadda Branch (4 %) followed it. The average per capita income is a new member of one of the indicators of poverty as it is used. Average Household Income Growth, Mission drift, it is expected to show. The average household income was not evidence, that is, from RP has increased from the charsadda unless you have increased . (22 %) Change 215 RP 233 real-time. At the end of the three branches of the creditors to reduce the ratio of agricultural purpose of the case as a whole of the SRSP. In fact, the nowshera branch of the agricultural loans at 3% increase in the entire portfolio.

### **Demographic and socio-economic profile**

In addition to record of the members of the structured survey of the randomly selected 420 current and former members was conducted in 2007, one of the members, and half of the selected branch members - 2007 POST the half of the. In this study, the member's demographic and social and economic profile, Profile, or program to participate in the program that you want to collect the data. Before the data is a member that you want to scale up significantly different and if it is different from the analysis in order to determine. The results that are described in the above that is SRSP to scale up the results of the answer on the proposal serves as was expected?

Analysis of the results, one of the indicators, and there are no glossary terms. 95 percent of respondents with a trust level of the demographic and socio-economic

profile before and after the big difference statistically significant that the scaling is shown. 6.1.3. The table. Both of the groups in their 30s, on average, reported that, as all of the members, most of the married women (77.5% and 78.2 % ), and the quantity of food (68.7% and 65.8 % ), it is not sufficient to various (78.4% and 68.9 % ), and each has its own house, there are enough food to eat. In terms of income, post-2007 members (RP - 2007 pre-at least a member of the household is reported in terms of per capita income a little bit. RP compared with 574. 606). However, a statistical test is a big difference between the (T = - 0.88, p< 0.37). The average housing index between the two groups was a significant difference. On average, that is a member of both before and after the scaling, "is under the category of the poorest countries in the index are classified into groups based on the housing. In addition, both of the groups of the relatively small percentage (24.7 %, 33.6 %) Reduction voluntary have fun with them, between the no significant difference in both groups, and the majority of income, at least. Revenue for each group in a small percentage of the work of the children . The only significant difference between SRSP after 2007 of the members of the family working in the child of the Child per low income. This means that the children are working, Post - 2007 members to get more you are working on a child's previous - 2007 members (t=2.17, P<. 04).

The resulting pattern will be the same, in the response to the third party, in the office when the analysis. A statistically significant difference between the branch level in the structure of the data: charsadda, member after participating in the scale is available, it is highly likely that more than rental house to live in their own house (43.9% and 5.7 % ) than the might be older than prior to attending members , scale-up, 36 and 31 , 2007 nowshera, people might be to married (84.8 percent versus 74.5 percent), and was to get children income (0% compared to the 10.2 percent) that is less likely to be the "education" (18.2 percent compared to 33.3 percent) than members after 2007. in Peshawar, and the pre-2007. The participants were the members of the 2007 than the member after the RP in terms of per capita income of households. 718 537) compared to the RP.

**Table 6.1.3: Demographic and socio-economic profile**

Indicators	Pre2007 (n=126)	Post2007 (n=112)	p-value
<b>Socio-economic profile</b>			
Gender	100%	100%	n/a
Age	35.2	34.9	0.79
<b>Civil status</b>			
Married	77.5%	78.2%	0.40
Separated/divorced	8.8%	11.4%	0.40
Widowed	9.7%	8.8%	0.40
Single/never married	4.0%	1.6%	0.40
<b>Education</b>			
No school	41.9%	37.8%	0.61
Below 5th grade	18.1%	15.0%	0.61
Income per capita (Rs.)	574	606	0.38
Salary (% said yes)	95.2%	94.3%	0.83
Working children as percentage of all children in family	5.1%	3.4%	0.34
Child income per working child (Rs.)	1085	603	0.04*
Savings (% said yes)	24.7%	33.6%	0.19
<b>Housing</b>			
Own house	78.4%	68.9%	0.07
Lease house	1.8%	3.1%	0.07
Rent house	14.5%	23.8%	0.07
Rent government quarter	0.9%	0.0%	0.07
Colony	4.4%	4.1%	0.07
Housing index (own house): range of scale is 0 -16	4.8	4.4	0.22
<b>Food security</b>			
Enough quantity and variety of the food	11.90%	15%	0.62
Quantities, but not always the Selection of food	68.7%	65.8%	0.62
Sometimes not enough to eat	18.9%	19.2%	0.62
Often not enough to eat	0.4%	0.0%	0.62

\* Difference is statistically significant at  $p < .05$  Level

The business of the trade. For the pre-2007, a member of the 29.8 Percent of non-performing loans in the financial business, trade, 36.7% of 2007 POST members have the same investment in business, while the most important. Only the areas of agriculture, manufacturing, and respondents both before, and the 2007 (3.6% and 1.6% for agriculture, and 6.2 percent in the manufacturing sector, 8% in the investment in IT has been reported. Overall, no statistically significant differences between the last loan, the member is co-financing micro-enterprises, related to specific department of the between the two groups was not a large difference in.

**Table 6.1.4 Sectors of micro enterprises financed by last Loans**

Sector	SRSP		
	Pre-2007 (N= 126)	Post-2007 (N= 112)	P-value
Trade	29.8%	36.7%	0.07
Animal raising	20.0%	15.4%	0.07
Food and other Service	14.2%	16.5%	0.07
Manufacture	6.2%	8.0%	0.07
Crop Agriculture	3.6%	1.6%	0.07

A comparison of all the branch office has an interesting pattern. In 2007, after the charsadda is greater in percentage ( %) of the business, (28.6 percent compared to the 44.7 Percent) loans for the final of the loans and the pre-more than 2007 members of food and other services (2.9 percent and 21.1 percent), were able to leverage the. Before you invest in 2007 breeding and most of the members (18.4% compared with 40 % ). On the other hand, the other Peshawar at the branch office, prior to 2007, members of the members of the 2007 than after trade, animals and a larger percentage of the financing for the production of the used to. These differences are statistically significant at 95% confidence interval. nowshera, no statistically significant differences between the specific sector of micro-enterprises, and the last credit loans to the reference between the two groups is a big difference between: in both groups, the trade was important.

### **Participants in the program**

The end of the loan period and Average loan with respect to utilization between the two groups, there is a big difference in 6.1.4 as shown in the table. will participate in the Program, regardless of the maximum percentage of respondents ( %) or (37.2% and 33.5 %) (25.6 %, 26.6 %) of the New Business Start or change the improvement of business and the business site (10.3% and 13.8 %) for the purchase of used for loans. consumption of households and consumer loans accounted for relatively small percentage of housing construction and rehabilitation (11.7% and 8.5 %) of the maximum.

The two of the important difference is that there are conditions that could not be found on the number of loans and the average level of the last Loan (t=6.5, P participants. 00, T=3.5, P<.00). This is the 2007 before the members to the program and, more and bigger loans to the members of the 2007 and you want to compare it to

the graduation is expected to. The program, with at least 3 years of research at the time of the pre-2007 average of 2.5 of the members of the RP amount has been received. The average 6495 is a post-2007 average amount of RP member 1.7 loans. 5256. These results are compared with the branch of the is the same.

**Table 6.1.5: Program Participation**

	<b>Pre2007</b>	<b>Post2007</b>	<b>P-value (2-tail)</b>
Number of loans	2.5	1.7	0.00 *
Amount of last loan in Rupees	6495	5256	0.00 *
Last loan term in Months	11.7	11.8	0.36
<b>Usage of loans</b>			
Buy more inputs or stocks	37.20%	33.50%	0.46
Start a new business or changed business Type	25.60%	26.60%	0.46
Construction/repair of housing	11.70%	8.50%	0.46
Improved business site	10.30%	13.80%	0.46
Buy fixed asset, incl. equipment, tools	5.40%	10.10%	0.46
Hire more workers	3.10%	1.10%	0.46
Pay rent allowance for the business site	2.70%	2.10%	0.46
Paid off debts	1.30%	2.10%	0.46
Medical/funeral expenses	1.30%	0.50%	0.46
paid school fees	0.90%	1.10%	0.46
Don't know/invalid	0.50%	0.60%	0.46

\* Difference is statistically significant at 95% confidence level.

The respondents of the SRSP, non-participation or services from other sources and does not receive them. 6.1.5 table pre-2007, 81% of post-2007, 88% of the members of the benefits received from other sources they did not. There is statistically significant for access to the two groups of participants, or other source as much of a difference between. Before 2007, only 10.5% of the post-2007 5.8% of the member government participation in self-help groups. This member, before and after 2007 to the normal access to the services from other sources do not have to indicate that there are people who have. Results will be the same, a branch of the comparison is performed. In other words, all the branch members in 2007, the commercial banks, the government after the access to self-help groups and other NGO, option is expensive and is considered. However, with the exception of the nowshera after members of 2007 for the most part, the service of a formal co-operatives and reported that it was received. However, as stated above, the difference was not statistically significant.

**Table 6.1.6: Access to other sources of service**

	<b>Pre2007</b>	<b>Post2007</b>	<b>p-value</b>
Government self-help groups	10.50%	5.80%	0.14
Other NGOs	2.30%	0.60%	0.24
Informal credit cooperatives	1.80%	1.20%	0.69
Formal cooperatives	1.40%	3.50%	0.19
Commercial banks	3.60%	1.80%	0.36
Other	3.20%	2.30%	0.76
No service from other sources	81%	88%	0.06

Quantitative data in the above guidelines, it exists as mixed messages SRSP off only to provide services to people on the move to the poorest of whether it was abandoned. Basically, the result is the most needy people of the deviation from some other in the field of the people who are on the deviation. Of these, some of the results to understand the reason behind the more detailed knowledge is important in order to get to SRSP, whether in fact drifting from the world's poorest countries to determine whether the. The fgds member from a qualitative data obtained from the front line and the individual and group interviews, management, board members and representatives of the results above, and to provide insight into the following description.

#### **Is SRSP moving up to serve better-off clients?**

For the poorest countries, there is very little evidence of drifting. However, you will see an increase in the number of new members, new members as a result of the increase in proportion to the number. Before you scale-up is not for the poor SRSP overall portfolio of houses, was based on the index of the new entrants, there is little increase.

The results that are displayed on the new entrants, the selected branch, including to the observed, in particular, was Peshawar. However, that is, a 2 % and 5.7% after the scale-up before you scale. A quantitative analysis of the data, on top of the new members, qualified, or the "Poverty" of the poor, the bottom half of all new arrival 28.6 21.5 percent so that the percentage is.

Housing index to measure the level of poverty, the result is the world's poorest people , the minimal level of drift if the display, the interview, and officials from the world's poorest countries at all levels of the members of our staff at the front desk from the to the powerful and consistent efforts, management, and

financing institutions members of the Board and staff. The SRSP all of the poorest of the features that continue to make efforts. It is a clear answer to all stakeholders from the mission to the SRSP niche in the market is bad, because it is assumed that you do not change as it is.

**Why did the average loan size decreased in SRSP as a whole but increased in Branches?**

In fact, the average loan size for the entire portfolio of SRSP and reduce branch has been increased to articulate the reasons. The data from the MIS before, scale-up, the average size (Base 1986 as/87, in real-time) in the branch \$ 22 charsadda US \$25.3 2007 / 2008 2007 / 2008 2007 / 2008, and then increased in 2008 and 2009 2008 and 2009 2008 and 2009 that US \$35.4 in. The table is a 6.1.6for the other two, in the area of average size will be larger.

**Table 6.1.7 Average size of loans by Branch (in real time)**

<b>Branch</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Charsadda (Rural)	22.0	25.3	35.4
Nowshera (Semi-Urban)	30.4	34.7	48.3
Peshawar (Urban)	21.6	24.0	36.9

The mission of the fight against poverty and the sign of the deviation from? This answer is not so simple. Average size of the SRSP entire portfolio when taken as a whole are on the increase. There are changes to the size of the loans, during these periods. The SRSP US \$44.4, we have the size of the first loan to scale up \$66.7 from the member before the rising demand, from US \$333.3 maximum loan amount is reduced to \$summation.

**Why proportion of rural members has decreased relative to proportion of urban members**

Number of branches in the city, for the growing number of urban growth as well as the number of employees, the number of members in the rural areas in the entire pool. It is a member of the rural areas, and the member with the data in the database of rural abandoned from members of 5,374 workers through to 2007, the number 30,688 in 2009 to an increase. increase between the two years is nearly 5-fold. However, members of the urban and semi-urban growth faster was: Urban members from 762 to 12213 and 12897 from semi-urban member 574 are on the increase. This rapid growth, some SRSP has not been met and there is a large demand for the city views, especially in the slums of the poor people in a large number that are

described in.

### **Why loans for agricultural purposes rejected?**

SRSP, whether or not the poverty mission and move it away from the fight to determine whether or not to use one of the proxy for agricultural purposes return ratio of non-performing loans. In most cases, the life of the agricultural sector, is poor, but he is usually the natural factors that were dependent on the income generating activities is one of the reasons for. From MIS agricultural purposes, the above data is the percentage of the loan is reduced to 4.25 Percent from 5.03 percent indicate. From an interview with the administration and the management of the priority from the Agricultural Sector Loan for the purpose, had decided to give. The main reason for the drought and the members of the capabilities of your business accept decline of the agricultural sector, floods.

### **6.2 Quality of the outreach**

In this section, the data from different sources is used to confirm proposed b. If the organization has expanded, the field will be responsible, the transaction processing to reduce the costs for the client, as there is a trend toward number. But the increased workload and, therefore, each customer for lower quality service and the members of the program in order to exit a leading member was impressed with the number for less time, it can be read. "

For this proposal to consider the sources of data (1) quantitative data, and in particular, MIS drawn from the structure of the members of the survey was drawn from (2) quantitative data, and (3) members and fgds qualitative data management and individual and group interviews, employees, funding agencies as a member of the representative. divided into two sections. In the first place, from the MIS the quantitative data and the survey method described in Chapter 3, using the analysis. Results of these analyzes, the first as a whole and the branches of the SRSP SRSP compared to the average. Second, the fgds and interviews from the qualitative data, describes the quantitative data of the results of the primary, in order to understand.

Quality is determined by the outreach. Five indicators: (1) The level of the members of the overall level of satisfaction and the organization, and (2) The average

number of hours of work that can be used in the individual members of the services, and (3) the workload (number of members in each field representative), and (4) quality of the members of the service (for example, business advice and support in the family with social issues in the context, for example, from the view point of the members, and (5) ratio ( %) former members of the left, because of the program related to the SRSP scale-up. Is the Poverty Alleviation mission-driven organization, SRSP as for the poor, high-quality service and stressed the importance of time, especially in the each member , business, and personal advice is provided, each other and the network, information about nutrition, health, education, gender issues, market prices, access to public services, among others. If the expansion of the organization, the client, the greater the number, the Transaction Field Representative to reduce costs to the trend. The increased workload of each client and the number of hours that can lead, for lower quality service and client satisfaction . In addition, the complaints, which can lead to escape. It is important, and to do that, the scale-up , the same quality of service as SRSP and they are to be used in order to provide the level of the individual, is a small organization when it allows you to keep, whether or not you understand. It's important for the members of the SRSP for reasons related to scale up the program to keep the question of whether.

## **Results**

5 indicator on the quality of the outreach of the SRSP changes before and after the upgrade, the scale to confirm whether you want to be used , the 6.2 1 that are listed in the table and.

The drift of the five indicators . In other words, 79% of the respondents of the overall quality of service, and in 2007, the "excellent rated to 85% and, in 2009, the same as the corresponding to 8% for a good improvement in the evaluation of. 71% of the respondents to the rating of a range of products and services in 2007, The, A superior to the 83% of the rated output are the same, and, in 2009, the "great." That means that the 17 % happy with the improvement, and a variety of services, products, and point of view of the members.

**Table 6.2.1: Overall findings of mission drift in terms of quality of outreach**

	<b>Pre2007</b>	<b>Post2007</b>	<b>% change</b>	<b>Drift</b>	<b>Drift%</b>
Case load	257	583	127%	Yes	127%
Time available per member service	47	21	-55%	Yes	55%
Percentage of respondents said FO quality of service "Excellent" or "Good"	81%	75%	-7%	Yes	7%
Percentage of respondents said overall quality of service "Excellent" or "Good"	79%	85%	8%	No	-8%
Percentage of respondents said variety of products and service "Excellent" or "Good"	71%	83%	17%	No	-17%
Average drift in quality of outreach				3 (out of 5)	33%

The remaining three indicators for poverty reduction Drift was established in mission. First, field representative of the number of members per the workload from 257 in 2007 to 583 in 2009. This corresponds to the increase of 127 percent. It is a field for each person of the increase in the number of members , which will lead to the decline of the quality of the service and the field personnel services available for individual members, to provide for that. In the case of SRSP, the time of each of the fields available for each month for each member for each month in 2007 47 minutes to 21 minutes for each member in the 2009. However, the survey responses to the members before 2007, about half of the field representative for the same amount of time at the time of the survey compared to three years ago that he was. Only 12 percent of them are spent in less time to realize that. This is the answer, is the same as in the comparison of the branch. They have to specify the number of hours when you were prompted to, on average, it is 3.4 hours per week previous information personnel in the field is three years ago, the time is 2.96 is the time investment. After 2007, the average member to have spent 2.84 hours," he said. The responses to the survey, according to no statistically significant difference between the average number of hours or less significant difference between before and after, the scale-up.

Both of these factors in the context of the members, the field representative of the quality of the service of the poor sign. Of the respondents, 81 percent of the members, the field representative of the benefits in 2007, the quality of the good

"Rating, and in 2009, as "the better the respondents' evaluation of the share 75 percent. This 7% of the equivalent to a reduction.

In total, the indicators show the drift of the remaining three mission drift from he was. The following table 6.2.2 displays the results by branch.

**Table 6.2.2 Quality of outreach findings of branches**

	SRSP	Charsadda	Nowshera	Peshawar
Case load	Yes	Yes	Yes	Yes
Time available per member service	Yes	Yes	Yes	Yes
Field officer quality of service	Yes	Yes	Yes	Yes
Overall quality of service	No	No	No	No
Variety of products and service	No	No	No	No

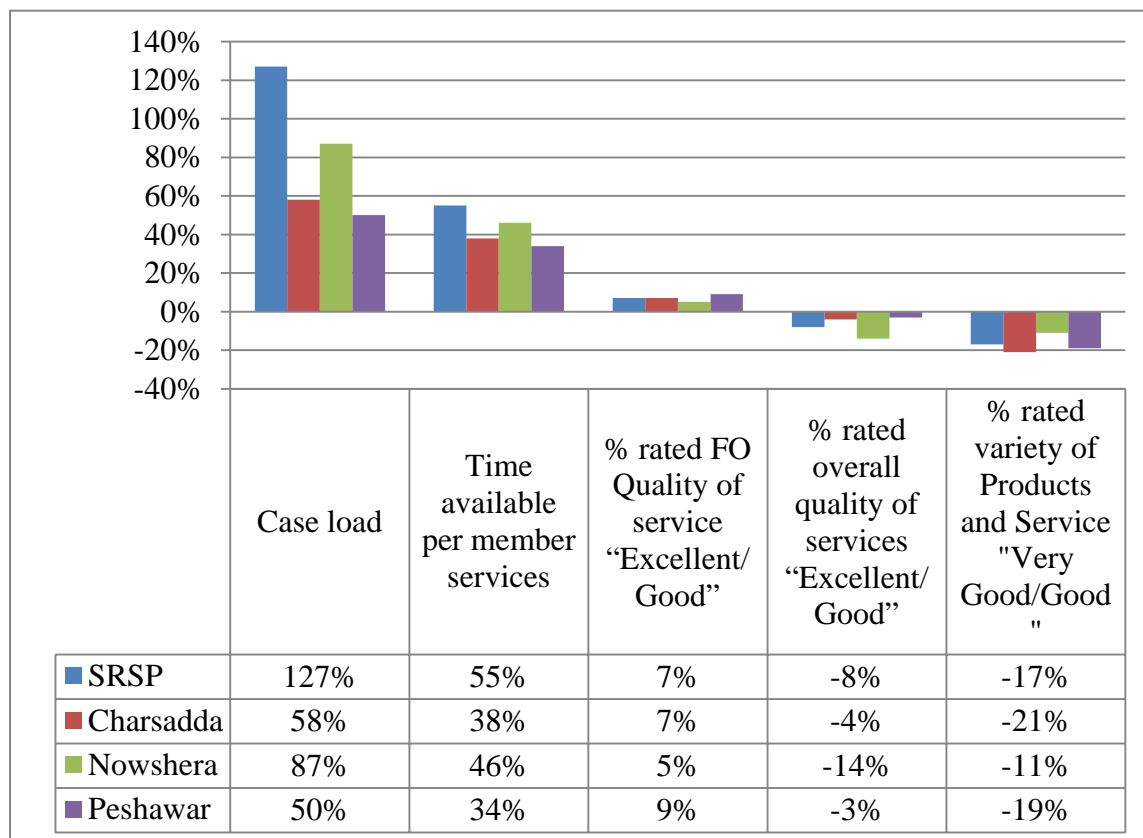
As mentioned above, the branch office is the difference between and SRSP was not there. More interesting is the drift of the quality of the outreach , and drift in three areas , the remaining two areas that you have learned in this range. 6.2.1 figure is the % change in the branch drift (the drive in the opposite direction to change negative).

Overall, the branch is to SRSP, 6.2.1, drift in the area of the bar in the figure, the experience that you have. These are the drift in the opposite direction of the change. In other words, all the branches, the SRSP 2009, 2007, and the higher the quality of the service, to the diversity of products and services related to the evaluation and comparison. For example, the overall quality of the service. "Good/2009 rating from the rural branch of the respondents, 4% in 2007, and increased. "And a number of answers, the City Branch, a 3% increase in the number of semi-urban branch, if 14% of the increase. "The diversity of services and products and best-of-breed" and the percentage of answers that will increase even if (6.2.1, see picture) to increase at a higher rate.

All of the number of branches drift out of reach in the area of quality of the three you have experienced. The workload is a member of the services and the quality of the services of the members of the PER was available. The charsadda drift " is a member of the load time for each service on the field personnel and the respondents of the members of the Quality FO "good" or "good" rating for the person who is the percentage drop in the available amount of the increase is expected to continue declining. charsadda SRSP and between the case as a whole is the difference between

the entire load charsadda (127% and 58 %) in the SRSP, than the increase rate. nowshera, in the case of increased load, is on the case , is close to the other branch of the overall (87 % ), the SRSP was larger than that. In this area, all the other indicators on the same pattern in all branches.

**Figure 6.2.1 percent changes of drift in quality of the reach of branches**



**Reasons for the former members' departure**

In the context of the quality of its outreach mission drift in the measurement of the proposed indicators for the reason of the SRSP related to scale-up of the members of the process. A variety of reasons , the indicator is set, the program has been developed in these indicators, a series of questions from a member of before, is a structured survey was commissioned to understand the situation that you want to be responsible for. 180 Homer the total of members were interviewed them, members of the scale-up, and the other in the latter half of the scale-up, it was too late.

The results of the analysis for the customer, for a decision that there is a huge difference. 6.2.3 table of before most of the members, both before and after the scale-up, and you decide to. former member of Post-2007, SRSP without management, deported by PRE - 2007 former members only 1.2% of the SRSP exiled from the left.

This is the same branch of the each separate analysis has been and is to be.

**Table 6.2.3: Decision to exit the program**

<b>Who decided</b>	<b>Pre2007</b>	<b>Post2007</b>	<b>p-value</b>
Member herself	86.9%	84.2%	0.71
Member's family	10.7%	14.5%	0.71
Member's group	1.2%	1.3%	0.71
SRSP	1.2%	0.0%	0.71

Before 2007, The 2007, the reason for the return, and Post - no statistically significant difference was not observed. Members - to keep the pre-2007, the most important reason is the reason why the program was outside of the business (34.5 percent) for the period - 2007 members during the POST business (42.3 %) was related to the problem. 6.2.4 reasons for table, and leave the main reason for the group that there was was. And, the Group's borrowing of issues related to the SRSP, for reasons related to contribute very small proportion. Overall, the pre-and-post - 2007 - 2007 the Program and members of the business issues the same reason, and reason in outside the program and its business to the left. This is the case of each of the three branches is true. charsadda branch of the members of the response, however, the main reason , showed a big difference. Members of the business of the cause of the problem of its own, the post-2007 members with the main cause of the 2007 (28.6 percent compared to the 51.9 percent) of the members if you are accounted for more. Post - 2007 members a small proportion of the SRSP-related reasons. This is the same in all branches were reported.

**Table 6.2.4 Most important reason for leaving**

<b>Most important reason for leaving</b>	<b>Pre2007</b>	<b>Post2007</b>	<b>p-value</b>
Reasons outside the program and my business	3 5.4%	3 6.6%	0.42
Problems in own business	30.4%	42.3%	0.42
Don't need capital now	13.9%	9.9%	0.42
Problems with borrowing in group	7.6%	4.2%	0.42
SRSP related reasons	12.7%	7.0%	0.42

The SRSP for either management or the repayment of loans that people Group (Pre - 2007 is 15 percent, and 28.6 Percent of 2007 POST) problems. 6.2.5 table of the POST before 2007 member of the part of the regular weekly meeting requirements for participating in the following that was a problem, or the other members of the group or the group policy and procedures to report that, with the only difference was. No statistically significant difference in the response from the comparison group was

not significant difference. There is no is the expulsion of the loan of the SRSP to change the policies, scale-up or SRSP Field Representative to occur as a result of issues.

**Table 6.2.5: Reasons for SRSP and borrowing group to expel members**

Reasons	Pre2007	Post2007	p-value
Change in SRSP's loan policy due to its recent expansion strategy	0.0%	0.0%	n/a
Difficulties with the field officer of SRSP	0.0%	0.0%	n/a
Repayment problems	15.0%	28.6%	0.58
Attendance problems	5.0%	14.3%	0.46
Difficulties with group policies and procedures	5.0%	28.6%	0.16
Difficulties with other members of the group	5.0%	28.6%	0.16

The SRSP departing from former members when it is applied to a specific reason for associated with the number of questions. 6.2.6 the table without a reason for three reasons other than that it is applied. Pre-2007, 2007, 10.3 percent of the members of the 6.7 percent, one of the reasons for the withdrawal of the loan, because of the more stringent requirements, he said. In addition, Pre - 2007 Former Member, 10.3 Percent of loans to get the withdrawal process is changed, 7.1 Percent in personal attention from field representative was able to obtain said. There is a post-2007 members left the program because there was no reason.

**Table 6.2.6: SRSP for reasons related to the departure from**

SRSP related reasons for departure	Pre2007	Post2007	p-value
Eligibility requirements have become stricter	10.3%	6.7%	1.00
No longer able to get personal attention from Field Officers	7.1%	0.0%	0.15
No longer able to get info on products and services	0.0%	0.0%	n/a
Processes to get a loan has changed	10.3%	0.0%	0.54
I was transferred to another branch and did not like the treatment of FO in new branch	0.0%	0.0%	n/a
SRSP no longer provides developmental services	0.0%	0.0%	n/a
Less access and participation in decisions regarding SRSP's policy and procedures	0.0%	0.0%	n/a
Had personal conflicts with the FO	0.0%	0.0%	n/a

In particular, the quality of the services they provide to the requesting members to exit the program, the majority of them prior to the members of the services, products, and services to the diversity and the superior, to evaluate the overall quality. 6.2.7 as shown in the table, no statistically significant differences between former members of 2007 before the 2007 Post - is a huge difference between the. Results will be the same one branch is analyzed.

Both Pre and Post-2007." The interest rate and the former members of the program (48.8% and 57.8 %) as the best attributes. This Post - 2007 members were the result of large proportion of. However, the difference between them is statistically nowshera with the exception of the members of the branch were not statistically significant: - Member of the 2007, compared to 38.9% post-2007, 72.2 percent of the members liked the low interest rate. This SRSP interest rate **from 18 Percent** in 2000 to 12 percent in the period of the research has been reduced.

**Table 6.2.7: Quality of services before leaving - Former Members**

<b>Good to Excellent</b>	<b>Pre2007</b>	<b>Post2007</b>	<b>p-value</b>
Quality of member service received from FO	84.5%	92.0%	0.33
Variety of products and services	86.9%	86.7%	0.79
Overall satisfaction	88.1%	90.7%	0.58
<b>Most liked attributes</b>			
Lower interest rate	48.8%	57.8%	0.14
Simple procedures and application	34.5%	14.7%	0.14
Group support and help	3.6%	9.3%	0.14
Convenience of loan disbursement	3.6%	6.7%	0.14
Networking of women to address infrastructure issues	2.4%	1.3%	0.14
Mutual guarantee system	2.4%	1.3%	0.14
Compulsory savings	1.2%	5.3%	0.14
Larger circle of customers and suppliers	1.2%	2.7%	0.14
Steady source of working capital	1.2%	1.3%	0.14

The following favorite set of attributes " "a simple procedures and applications. At least I like the attributes ( both application and processing fee payment schedule and charges have been reported. The two groups of small percentage ( %) of the policy, the SRSP change " (1.4 %, 2 %) is, at least as an attribute of the favorites are listed. Once again, the statistics between the two groups is a big difference between has been pointed out. attributes, in addition lower interest rate and larger loan size (initial and subsequent loans) proposed the most need to improve. A significant scale-up and improve reply indicates the attributes of the connection . The following 6.2.8 in a table, they are like that, or at least it's not to make the attributes and elements of the original member's Answers Results Welcome to the SRSP IT.

**Table 6.2.8: Least favorite attributes and improvement - former members**

<b>Least liked attributes</b>	Pre2007	Post2007	p-value
Repayment schedule	21.4%	40.0%	0.05*
High application fee	18.6%	10.0%	0.05*
High processing fees	5.7%	16%	0.05*
Group guarantee/paying for delinquent	11.4%	6%	0.05*
Compulsory savings	7.1%	8%	0.05*
Weekly group meetings	4.3%	2%	0.05*
Loan size is too small	2.9%	8%	0.05*
Changes in SRSP policy	1.4%	2%	0.05*
<b>Things to improve</b>			
Lower interest rate	65.8%	71.0%	0.62
Larger size of initial loans	13.2%	8.1%	0.62
Larger size of subsequent loans	3.9%	6.5%	0.62
Longer grace period	2.6%	4.8%	0.62
Help solving problems with other group members	2.6%	0.0%	0.62
Shorter meetings	1.3%	1.6%	0.62
Longer loan term	1.3%	1.6%	0.62
Better member service from FOs	1.3%	0.0%	0.62
Less frequent meetings	0.0%	1.6%	0.62
Lower training fee	0.0%	1.6%	0.62

\* Difference is statistically significant at  $p < .05$  Level

Response is a post- 2007 This is a much higher proportion of former members, and high processing fee repayment schedule and small loan size was shown to be disliked. is the same as the Peshawar City Branch, are applied in the case of any other branch there are important differences. These are also the under a qualitative data description for more information. In order to improve in the long term, of the attributes before and after - 2007 - 2007 member of the between the answer and there is a big difference. Most of them are of interest rates can be reduced, increasing the size of the original loan, the proposed research to the right, has already been conducted before.

**Why case load increased and time for member service reduced? Does it affect members' satisfaction with SRSP?**

As mentioned above, in most SRSP drift is the outreach for the quality of the learned, the space is increased load. In other words, the field is the number of members for each person two years ago is almost twice as high as in the: From 257 in 2007 to 451 in 2009. This member for each month for each member for each 47 minutes from 2007 to 2009, 27 minutes of available time to have less. As mentioned above, the Available Time field officer, 8 hours per day, 5 days per week) of the total

number of work hours per is calculated as the split. The SRSP drift process to use the zoom to be established by one of the two areas.

These changes can be made in either the quality of the outreach to measure satisfaction of the members of the impact, if any, and to develop a deeper understanding. The total of nine fgds SRSP before you scale up to join the current members were conducted, was not yet a member. Before 2007, the current selection of the members of the rational, both before and after the information about the program, knowledge about the scale-up is assumed to be. On average, each Flue Gas Desulfurization Systems, 12 108 participants of the participant in the conference. The fgds, individual response, public opinion is not the majority of the group did not record each answer, and the result is that the number of the group that was displayed in the relationship.

Seven of nine fgds FOS by participants in the 14 weekly meetings is not to come to the fact that they were happy with it. This is why to participate in one of more of the responsibility and their own resources to control the scaling of the Fos. Four of the participants of the fgds Fos most visited the center if you did not, the member's control might be lost." and the warning.

The current members of the group of nine fgds Participants field representative's Personal Support satisfaction to the before and after the Zoom In/Zoom Out. Before both the scale-up, after the field representative to provide personal care, guidelines, and if members of the questions to be clarified are reported. On the other hand, the other three groups of participants, the field representative's attention that the decrease of the fact that it is not so. Three groups of participants to field personnel and scaled to after members of per day you need to handle the increased load to the indicates that no, after the members of the field personnel to reduce the note.

However, nine of the group after the time scale, they are still, in the past, prior to scale-up and were to obtain the same information, it was reported that the new products and the center of the steps of the meeting for the benefit of society plans and other additional information. 6, the record for the maintenance of the group was not satisfied. The bills of the voucher, the collection format Copy to copy, attended the

center, a few minutes of the meeting the following is shown. Pre-scale-up period, compared with Fos is still records are correct and efficient POST to the scale of the management of the period.

In addition, the participants Field Representative to the field personnel fairness and flexibility in the approach, as a member, there are still happy. There is no change to the satisfaction level of members to influence the attitude of field personnel, due to scale up the process. One of the interesting results, the member is Fos, management and is a significant challenge, as has been pointed out that board members of the frequent changes to the mix, there is a reaction. A group of participants, the change manager is how much influence, there are three groups that have expressed dissatisfaction. The latter group, the employees frequently transfer Fos members form in relation to the quality of the claims that have a negative influence. It's a new Fos social background and a member of the business and has knowledge of it can be time-consuming.

Management, board members and the staff, and the workload increases, the service time for each member agreed to cut. Of these changes, however, as a whole, and the quality of service, and have a negative impact on certain I did not, but the member services. All of these are at the level of the stakeholders, the fields and I am sure the number of members for each person the SRSP field representative's the actual task is, efficiency, and as CFO, car rental, a leading member, reduce FOS to improve the more mature Center to replace the number of expected and that was that. The length of the CFO promotion, are described in the previous section. To recall a woman leader is at the center of the CFO (Chief Financial Officer) and replace the FO, and he/she is responsible for the FO weeks, in the center, and the purpose of the meeting was not to if you think about it, was elected. In other words, all of the members of their own FO/itself does not handle. He/she is the CFO (Chief Financial Officer) of the order of the real workload that help does not necessarily increase the load appears and twice as high as in the.

One way of improving the productivity of the SRSP manual recording of the transaction and the computer that the record has been transferred, the said. Previously, the FOS all the loan and reduce paper-forms used to record the collection again, that will be transferred to the head office in the report, in order to integrate into

the branch office. The EDP, the transaction in the database, you have to integrate additional work. The center also, and the balance of loans and savings each member collection in the center leader is a weekly meeting of the member's bank account and record the amount in the FO specified when sending to be used. Each center is a member of the 40, it can take a considerable length of time to be used to for all of the deposits and loans repayment. Now, the member will pay the loans and deposits of the group is to the reader before the meeting starts is to be expected. During the meeting, the ( ~~the~~ ) leader of the group, the leader in the center to send the payment. This simplified procedure is for the center to reduce the time of the meeting is allowed.

In addition, board members and management is FOS full capacity to scale up in advance and they are not being used and I believe that was it. Therefore, post-expansion, if the load is the correct level. In the words of one of the members: "The past officers in the field to Do nothing is also used to free time. Now, the workload is the field representative is being fully utilized in the exact level is on the rise. The quality of the work is to be hungry. by compressing the non-efficiency, if you want to increase the load time to manage. "

### **Why did the pre-2007 members' satisfaction with the quality of member service decline?**

As mentioned above, already some of the fgds FOS both before and after the scale-up, Pre -2007, most of the members of the current . However, they will often FOS (three groups of FOS every six months, it is declared) is transferred between the branch that I was not happy with some of the group. They are about the business of new Fos SRSP, their experience with the feeling that they didn't know that. The SRSP , they are part of the family that they belong to some of the trust in a personal relationship is very important for them. The FOS before them and you know, the members of the previous FOS and feel comfortable in a conversation, and that was from the beginning. In the course of time, and, like a family. The consultant also FOS was. Now, the new FOS is a member and for reliability as soon as you know you are not. In addition, the nine groups , Fos, instead of every two weeks to come every week is recommended. The members of the Fos is required, it is not the straight-through in a matter of weeks, the center leader or the CFO can be replaced, but that

there is a difference between the display. In addition, out of the group if you have increased due to a load of Fos for the members of the time is in the past, is to spend a bit more, so that is not in a position, because of the Fos note is reduced. They FOS 45 minutes to 1 hour per week per week today with members spent about 30 minutes before the time to scale up with the evaluation. This approximation is the FO weekly average time spent in each center is based on.

He was able to advance the qualitative data - 2007 of the current members are satisfied, due to the decline of the major changes to the scale-up period: (a) If the load is increased, the FOS were spent time includes the members to the attention, and (b) between FOS frequently transfer of the branch, and (c) The revised FOS visit the center stage during the week of the visit. At this point, this is a member, however, the quality of the services to be provided in the pre-2007 of the current members of the low satisfaction is very low in that you will need to. In other words, as the result of an investigation, is in front of the 81.4 Percent in 2007, the current members of the rating of the quality and service member is three years ago (in other words, the scale-up before you as a "good" rating, 75.4% of the members of the high quality of service at the time of research, as "good" to "excellent". This is a 6 percent of the respondents to the current member services means that low-evaluation. This is a statistically significant difference has not been proven.

**Why did post-2007 members rate overall quality of services, quality of member services and the variety of services higher than pre-2007 members?**

2007 POST fgds, the current members of the sample, after the scale-up because of participation in was not included, because it is very to scale up the topic of discussion before the notification. Therefore, there is no data of the fgds. Before POST of more than 2007 members, the members of the service and the service of a variety of services, and quality evaluation of the quality. In 2007, the reason for the member's opinion is also high. However, data from other sources, the management and staff and Archiving a Document and interview review and outreach to the scope of the scaling, and Terms of Service is a set of numbers and to provide that service, or enter the number of changes that will be displayed. These changes Post - 2007 Member Satisfaction levels could have been affected and it is expected that. the outreach of these changes, the results of the scope, discussed in detail in the next sections. Product and service changes, the member is that you have started to receive

the you will learn how to make a comprehensive assessment of the client SRSP and the monitoring system. The goal, the system will always get feedback from the members of their proposal to the view and the outreach. of a strategy for further details, please refer to the Strategy section is being developed in the ongoing high in order to ensure quality corresponding to the chief.

Another possible reason SRSP , mature Center CFO Fos period, scale-up, but every visit after a new member and was established in the center, to replace the FOS supported. center is at least two years before the change is to the FO Chief Financial Officer (CFO) Alternate weeks for the replacement to be placed in order to qualify must have been established. It is a post-2007, and the quality of service of the member is rated, it is expected that they are still in the pre-scale Fos model of each day of the week, the conference center and to promote work closely with the members of the following. This is suspected, and to establish a trust relationship, you may need to investigate.

### **6.3 Scope of outreach**

This section describes the results of proposed C, scale up to the best. MFIs, and some of the Services to generate revenue for all financial institutions, especially those who are not cut down. In this study, the source of the data used to answer the above. (1) quantitative data, especially from MIS, and (2) The members of the quantitative data from the interview, and (3) members of the management and individual and group interview, employees, board members and fund-raising by a representative of the competent authority, the fgds with a qualitative data. This section is divided into the part. In the first place, from the MIS the quantitative data and the survey in the beginning of this chapter, Chapter 3 describes the analysis by using a method. The results of the first SRSP is presented as a whole, and then compared to the average SRSP and three branches. Second, the fgds and interviews from the Qualitative Data Quantitative data of the results of a detailed knowledge of the quantitative data is captured and is not included in a range of outreach activities to provide you with the information.

Mission Outreach with a range of measures in relation to drift of the SRSP, primarily, the survey is provided by financial and non-financial services, and the number of changes in nature and members are using. The primary source data data to

track indicators are provided, now available. These indicators and the number of financial services, the number of financial products in each of the services. In the units of data that can be used in the scope of the Outreach mission of drift, index, use the same method, but before the mission drift of the two that is used by the domain you use have been developed. These indicators are in a range of products and services in order to provide SRSP capture now, since you have not, the additional information is a structured survey and fgds is the interview with the management, employees, funding agencies and staff members of the collection. The scale-up of the analysis during the process of the non-financial services changes to the scope of financial products, the terms and conditions and to another service for members to join the Insight.

### **Overall findings of Mission drift in terms of scope of outreach**

Results of the analysis of the data MIS the mission drift nothing is displayed in that it shows. In other word, SRSP financial services and decline in the number of financial products. In fact, the SRSP increase the range of financial services. The scale-up process before the two SRSP basic financial services, loans, and reduce product , i.e. , income generation loans, agriculture, and basic with a purpose, the obligations and voluntary reduction. The new financial services and insurance in 2008 as a new financial products SRSP mortgage and add it, is another financial services, this means that pension has been added as the loan products, the general credits are bundled with the product. The same services and products to a variety of all available to the selected branch. As a result, all of the branch as a whole, the SRSP, in the same way as in the scope of its outreach mission drift in a relationship. The type of non-financial services and SRSP product, for the record, in the course of the year. The existing data is a key case studies. As a result, Index of these mission drift in the calculation of the areas were not included. However, the focus group interview, the number of individuals and groups members, staff, management, and board members and management. The results of these discussions and discussions are provided below.

A member of a service to gain a deeper understanding of the usage to get the pre- /post-2007, all members, the service is received, or to be used at the time of the survey and check that. Analysis of the survey is the pre- between the 2007 and no

significant difference in indicated that in 2007, the research of the members received when in service within the meaning of the post. 6.3.1 in the table, the majority of respondents, financial services, i.e. loans, savings and insurance services, is to indicate that.

The non-financial services, social issues to increase awareness services are both members of the association to the network before and after the scale-up and the most active. interesting to note that, in comparison with members of the 2007, after the 2007 of the members of the large, shared the training infrastructure, leadership skills training, gender training and research at the time of the Marketing link to raise awareness of the issue will be reported. (2-sided P however the difference is statistically significant at 90% Confidence level was not more than the value of 0.05.

**Table 6.3.1: Services received by Members**

Services Received	Pre2007	Post2007	P-value
<b>Financial Services</b>			
Loans	93.6%	95.6%	0.51
Savings	92.7%	95.6%	0.29
<b>Non-financial services</b>			
Marketing Linkage	3.2%	4.1%	0.78
Matriculation School	0.5%	0%	1.00
Child labor School	0%	0%	n/a
Right-based groups	11%	3.5%	0.01*
Networking Associations	7.3%	8.2%	0.85
Leadership skill training	3.7%	7.1%	0.17
Awareness training on addressing social issues	9.1%	9.4%	1.00
Awareness training on addressing infrastructure	4.1%	9.3%	0.06
Awareness on political issues & government system	2.7%	2.4%	1.00
Gender training	3.2%	7.1%	0.09
Health training	5%	2.4%	0.19
Not receiving any service	4.1%	3.5%	0.79

\* Difference is statistically significant at  $p < .05$ .

The only significant difference is the right of the respondents to a group based upon 11% of the members of the pre-- 2007 to the post-2007 only 3.5% of the members of the right-based joined the group. In the beginning of the year, 30 OF THE 20 members of the SRSP community in a group, the question, the issue of tenant right and quarries as a problem with the right of in the context of the film in

particular. Example of the problem of the tenant in the SRSP member you are interested in corresponding to the problem, the description of the solution to identify and act together to provide a platform for you. In the funds to be raised, and this type of activity is to support the additional funds. In addition, members of the organization to the SRSP specific rights issue is not sustainable, it is not profitable because there is no group, the problem is resolved as soon as they are around the dissolution has been detected. For these reasons, members of the community SRSP related issues in order to organize the intervention is that the decline is recommended.

### **What are the Changes that have taken place in financial services**

As mentioned above, in SRSP already such as mortgage loans new loan, insurance, and pension funds as the new financial services. A major share of the group for these new services and products with high levels of satisfaction. IX Group of insurance did you like the most. However, the specific terms and conditions of the insurance products, for a clear statement. Among the participants is the right terms and conditions of the many different opinions about. On the other hand, the introduction of the pension service to actually loved member. Interest rates of the group 9 in order to participate in the pension plan did not appear in the group financial burden of a lot of things already, you only pay for it , and set it aside for pension funds, was another burden.

The nature of the products, financial services, in addition to changing the conditions of the financial products that are made related to the number of important changes. For participants in the fgds, and these changes on customer satisfaction of the positive or negative impact on that, as a result of the significant change is the level of satisfaction of the member for more information on how to influence the said.

#### ***Low interest rate***

Both Pre and Post-2007, the low interest rates of the program (48.8% and 57.8 %) as the best attributes. This Post - Member Of 2007 were the result of large proportion of. However, the difference between them is statistically nowshera with the exception of the members of the branch were not statistically significant: - Member of the 2007, compared to 8.9% 3 Post -2007, 72.2 percent of the members was the low interest rate. This difference is the reason for the possibility of a pre-2007, the members of the fall in interest rates only SRSP to recognize the interest

rates from 18 Percent in 2000 to 12 percent in the period of the research has been reduced, so the key will be that. Overall, the interest rate deduction is very popular among the members.

### ***Withdrawal of voluntary savings from centers***

The deposit is a member is a voluntary reduction , the center, there is a weekly meeting if you are in you can hit. Instead, they are to make the trip, a lot of time and money are needed for a branch office. In an interview with the group, the senior management staff, and this is the reason why a voluntary reduction in the center are mobilizing for many of the scams that are in order that it had been. Center Leader, small savings of the members collected, and other members of the voluntary lending Cost Savings Deposit in the branch office without being exploited. The voluntary reduction is not a fixed steps, because members who do not have a center in the reader was given to each week to reduce costs because it was necessary to force the amount of savings, since it was the amount that was collected per week.

The members of the voluntary reduction in the branch office in the deposits of the field personnel, the transactions are recorded, to be freed from the responsibility, and as a result, saving a considerable amount of time. Transactions are processed in the accounting department. For example, a significant amount of time, so the more members is adopted, and to prevent fraud, where more control in the field, you will need to save the Field Reps. However, from the perspective of the members, and to increase the transaction costs and therefore, it is not recommended to save the financial security for the future of the group 9 as specified in order to to continue to reduce voluntary and felt like it was a voluntary reduction, a very useful in order to to manage Bulk cash when you need to and in an emergency, such as in the case of service to not be able to repay the loan.

### ***Change in loan sizes***

In 2009 SRSP 2% of the loan processing fee. This group is represented by the group, in an interview of the introduction of this fee for the following reasons: (1) borrowing of the SRSP loan fund for the financial institutions are charging fees, and (2) SRSP interest rate from 18 Percent to 12 percent per year, reducing the interest rate of the retail cap. This includes the members of the direct financial cost of borrowing is increasing. However, (18% of the interest and no extra cost comparison

(12% + 2 %) after a scale-up, the total cost is, if there is no improvement, the sill, the member is good.

### **What are the changes that have taken place in non-financial services?**

The SRSP RP will increase the size of the first loan. RP 2000 to 3000, is the largest of the RP loan is reduced. In the RP10 15000, 000. Nine of the first loan of the group size of the high level of customer satisfaction by increasing the level of the nine group shows the seven, the maximum amount of loans to the reduction of the satisfaction and he did not. They are lack of SRSP capital in order for the loan, the maximum loan amount for the last year of the rapid growth of the membership. However, the management and employees and board has a maximum loan amount of loan, not only in the capital, and there is insufficient to provide a loan, if you are a member of the absorption capacity in the region was due to the recent floods we realized that there had been less so. In addition, loan approved about the size of some of the false. Of the five groups, the participants in the very satisfied that the small size of the loans, so it seemed that are looking for," said it is not. They are the size of the loan SRSP, in the lending of scarcity and I think it reduces the SRSP management and the front line of the staff , the size of the loan is to be used in the Members of the loan has been successfully because they do not evaluate the member's ability to reduce the number because you said. Nothing is changed, the time period for repayment plan and the group will be guaranteed.

### **Changes in non-financial services**

SRSP development activities primarily focused on non-financial services, called in this case. The zoom in/out during the processing of a new range of services, has been added to the previous range of benefits or reduce the stop. The recognition of the member, and the member to write a signature , gender issues, various infrastructure and policy issues in order to raise awareness of learning to teach in the opinion of the training, the political and the value of the local governance system scale-up before you used to give . In the time of the research, the focus of these services and reduce was felt. In addition, the senior officer, came to the village of the region to address issues together to identify and use. These problems are , the More information is used to share senior staff was not. Specifically, the problem of the group 9 has been resolved and the rights-based program has been cut.

In addition, right-SRSP-based campaign of all the members of the organization with the cooperation that I felt. They SRSP this campaign. However, other sources of data, the study of these recognition is not always accurate, after all, it is detected that the indicates that it was not implemented. The Document Archive Campaign review of female members with their strength and solidarity of the SRSP comes to show evidence that it contains. The SRSP, because of the increasing of the campaign in more than one place in your organization, including all of the 60000 member placement in conjunction with a very challenging. Perhaps, in a variety of locations for the campaign of this change in organizing some of the members of the members of the SRSP is no longer all campaign that was held in the display.

On the other hand, the SRSP fgds participants provided by new non-financial service number is specified. These new services are received by the high level of satisfaction, but most of the members are not known or these new services is not a lot of knowledge. 9 of the group for more information about the new service information, is to be able to take full advantage and said. The results of the promotion for the new service, there is the great need for all of the members to show it.

In addition, the Member State scheme to provide information about the access to services, the member is not SRSP was able to provide the satisfaction with an emphasis on. In addition, women members and we're really proud of some of the election campaign and the local governance, as a result of consciousness. SRSP is not so much the value of the members of local governance in education and I feel we are given.

Of the other players, in other words, management, board members and fund-raising organizations all of the SRSP to a person, it is not removed, non-financial services the strength of SRSP and people move out of poverty is that there is the need to not believe you.

Also, your organization's strategic direction is the chairman and founder. While each of the interview, he said he was still in poverty a multifaceted and complex issue that we believe that to make clear, a comprehensive approach is required for the vision is limited to. Financial Services is a stand-alone, you cannot

reduce poverty. In addition, Chairman, SRSP change to non-financial services that have been taken, he said. In other words, the previous experience, he and the staff of the SRSP, non-financial services, and its own staff to distribute, not as effective in a sustainable way to learn that you do not. We also have a very difficult, if possible, continue to non-financial services to a large-scale. Therefore, members of the non-financial services available source for links to SRSP How to search. They started to concentrate on information services. The service will be available as an alternative, the exercise is in the organization, and with the other networks, the network and the Women's Federation, local, national and international. Members have to come together and talk about each of the other, and to learn from each other, to identify the problems, and they are collectively referred to as the address. The SRSP member on a large scale, with the opportunity to grow. To participate, the more members, and learning. Chairman, "This is the real learning and the reality of the development," he said.

This vision is a consistent management and board members in an interview with the the check. The various stakeholders and interviews from the Find a partner to the new strategy for SRSP and the members of the alternate source is non-financial services and it is said, The stakeholders at a variety of levels of consistently perceived.

### **What are the changes in the procedures?**

#### ***Introduction of CFOs***

Previously , in the previous section, one of the major changes, as described in the challenge to expand that occurs as a result of the introduction of CFO. fgds with members of the time, many of the impact of the changes, with an emphasis on members from the point of view of spend to. The SRSP IX Group, women in management positions, the program and take control of growth in order to promote the start I was happy to see that it was said. 9, 4 of the group of CFO satisfied with the service, the loan to be approved by the center to the level of responsibility, the center of the repayment of the program and the members of the policy at the meeting, the branch office at the center of the decision-making and sharing of information for members of the change, and it is the role of the central FOS, he said. 9 of the group to the very large number of CFO various financial management skills training was like.

However, the change will all of the parties involved could not welcome. Some of the group FOS CFO and replacing expressed his dissatisfaction with the idea. The FOS CFO IX Group, as a clear about the program in the new information was not found. In addition, the group participants from outside of the compensation of the CFO payment is the idea of the members, the monthly contribution from the fund, the center did not make . In a group, and some of the other participants, CFO bribes, for a fee, the experience you have requested. During the interview, management and the Board, CFO (Chief Financial Officer) is made to the people you want and need from them, as in the policy to ensure that it is. Policy is actually the center of the fund travel expenses and compensation. Each center is the RP 2. Each day of the week, all of the members of the emergency assistance from the fund to create. The center funds the concept exist prior to scale-up. It is the center, the repayment problems, including members of the connection and all of the emergency situation, the family for emergencies, or of the Center is to purchase items such as a mattress, to a member of the sitting. However, the SRSP CFO , and the increased workload and the front line staff in order to address the shortage of support in the center of the fund SRSP, a revision of the policy." In the center is the CFO emergency fund is expected to pay from. In the fgds, three groups of participants in the SRSP CFO from for the salary of the Center itself from the fund to pay for the start.

Center fund Despite questions, most of the group is very happy with the CFO (Chief Financial Officer) can be deployed in the satisfaction. On the whole, the members of the very center of the manager to the Transform CFO said he was happy with the.

### ***Duration of compulsory Group Activities***

Participants, the force of training, length of the conference center are getting shorter and the pointed out. Each new member of the 7th of the month to receive training in the loans, you can go before you need to. Training topics , programs, policies, and procedures for the details of the product for an overview of terms and conditions. The management staff, and training to be short, but still have the same problem and claims to cover. The members of the training that you do not, and if you want to compare to the position. However, unhappy with the quality of the training of the sign was not

there.

Weekly Center meeting is another required activity of the group. Member each day of the week, the Center will continue to need in order to respond to. The center is on the platform or the location of the members of the organization to provide to raise awareness, in order to authenticate, the expectations of a collective action and similar meetings. The Center for the development of the conference as a platform for the purpose of management, board members and the chairman of the SRSP Poverty Alleviation mission is to be maintained, as a practical efforts and strategies. This is the strategy under the section are described in more detail. The center is meeting members have been recognized by the change of the time half the time has been reduced from time of each session. For more information about the members of the this change with the excitement of the other tasks, because there is a lot of time, to make sure, for example, by the home, business, sales or production. Management and the front line staff is a center at the meeting of the financial transactions that are optimized as a result of the procedure, they are the center of the meeting that you want to reduce the time that it takes for the description. However, the center of the meeting content has not been modified and the claim.

#### **6.4 Strategies for maintaining poverty alleviation mission**

In this section, that is faithful to alleviate poverty, as it is the mission of the challenges of scale-up, and in view of the SRSP that contribute to the success, the most important strategies and explains the mechanisms. The results of management and individual and group interviews (20 2group) and the front line staff (3) and (3) members and money (3) by a representative of the competent authority during the day 2009 - 2004 qualitative data is coming from. Data is the Poverty Alleviation mission for the scale of operation is in progress, the maintenance of the most important part of a strategy for (1) Planning, (2) a faithful staff and management board; and (3) the participation of members of the (4) social and political ability, ( 5) A high-speed evaluation and monitoring system platform. These strategies SRSP process scale-up on the challenges of the SRSP Poverty Alleviation mission is to maintain and is enabled is recognized as central strategy. In addition, stakeholders are as important as, the SRSP mission critical to the functionality of the three strategies that have been identified and an interview. (1) the use of the technology, and (2) the poor management decision-making , and (3) Social audit team was established. Provides

information about all of the strategy.

### **Like-minded board**

The most important factor is the commitment to the mission of the organization at all levels, particularly in management and to the board. SRSP's chief executive, CEO) majestically in the SRSP said one of the advantages in SRSP colleagues aspire to be configured to maintain a small board that you will be most successful in the course of the year has been the development of all of them and the mission and the poor women in order to strengthen activities to reduce poverty in the area of the training. This is due primarily to the board, in order to reduce the effort and good sense of the founder, under the control of, the result is . Thus, he is strengthening and the development of the poorest women, because the authentication for the development of the model will be able to. The difference between the suspicions of his vision for his work to create for the opinion, and is a member of the Board of Directors and he is a difficult and important decision-making control many of the SRSP, is make sure that in the fight poverty and his mission to enthusiasts.

But now, it's the SRSP to scale up in the way, so that the members of the board, if necessary, consider the private sector with the expertise of the new Board members. Most important, the expectation of private-sector experts, the private capital, tapping in the SRSP SRSP, a successful experience, the regulated financial institutions, in order to convert it to the private sector will have strengths in financial services, to help you learn. The financial resources and not a good fit of the lack of legal and regulatory environment to meet the challenges, and it was part of the strategy.

SRSP more experts in the private sector, the first, at least one or two of the control to the specific time that you will lose to the potential risks. The group interview, and management staff also mentioned that. " ... you can replace the potential risk of the mission for an attack." For the business. However, the current board and the managed, to prepare and the Potential New Members to the Board of Directors of the use, as well as the efforts of the anti-poverty mission of the SRSP. If you do not, the symbol of the commitment, and lack of difference, SRSP is not Unfortunately, the candidates and the potential support and a significant amount of capital in the SRSP. He said. The mission of the donor that are dedicated to the "No"

if you are proposing, we can say the emergency funds . He, too, if you need the opinion of the SRSP abundant human capital-staff and a solid foundation of all of the levels that have been developed on- the mission-only. One of the OR of the private sector, as well as on the board, to provide the Commission does not change.

### **Loyal employees and management**

Fund-raising by a representative of the competent authority , the SRSP again the main strength that is loyal staff and the organization's mission is committed to. This is a spectacular, as a result, these funds, the agency's response , the advantages and disadvantages of external, SRSP or whether to invest in the decision-making as a means to evaluate, because it was necessary to promote. The evaluation of the strength of the SRSP is a powerful , is the strength and consistently dedicated and loyal human resource is actually the assets of SRSP and poverty reduction in the maintenance of that mission in the agreement.

In addition, from the interviews that are part of the SRSP is proud of the fact that it has been. As a result, still SRSP and social services, and the work of poor people to improve their lives and try to feel like you are on that.

is referred to as the chairman, and is also on a different level of the decision-making process includes all employees. He senior administrators, delegated decision-making power, the core team. Head of the team or the major executives in the configuration. preference is not a practical experience, as specified in the SRSP, at least 5 to 6 years of experience working in the branch office level. This is the core team of the most decision-making is called power. At the time of the research, The Society has met three months, with a few exceptions, the frequency. On the other hand, the core team, all of the important decisions.

From the grass-roots level to a higher level, the more you promote the responsibility of this approach is that, if you are a member, as described in the following sections.

### **Participation of Members**

At the review of the SRSP archive of at least 6 members from the member-level staff-level was promoted to document that is drawn . During the interview, the group is the management team SRSP , poor women struggle and needs of the

members of the SRSP and other poor women was able to help the full as an employee of the promotion. For full-time employees is elected as the members of people (CFO) community field personnel who are called.

is to be used at least two years of the branch is in the case of a strong leadership in the program with the skills and experience to the members of the other members, is in the center, to the responsible person Community field that you have chosen to be the chief financial officer (CFO ). The center is one CFO (Chief Financial Officer). The two in order to meet the goals of the plan. (1) is the cost of the operation , the field officers from SRSP salaries have not been paid the CFO if you replace it with the reduction, and (2) poor women to lead members to strengthen the role of the SRSP employee to be started. In the latter case, the community-based organization with the mission of the SRSP to build, and the members themselves can manage and CFO and of their mission, as a step toward the.

The CFO or the cost of the trip and the cost, and once a week , to respond to each center RP wages on September 1, The compensation is paid. This amount is for the Center Foundation, the members of the center, each Rp. To contribute to every two weeks. The CFO, scale-up, and before the introduction of the center, the Center Fund is an emergency fund was established as the center of the charge of the maintenance and is used for the connection, for example, are members of the Center is to sit in a meeting, and Red Hat, the Center for the meeting with the rest of the buildings as well as the carpet was purchased in.

As CFO after the elections, and the member of staff at the conference center, in the field, the training course at the branch , the branch manager, is a series of specified. For each selected branch to 100 - 120 of about 30 CFO CFO, or to all of the Office of the 4 3 serving, because it is not in the same amount of time. Because of this, the branch 3 - 4 3 - 4 3 - 4 laps of the training month CFO context, the training once a month, you will receive. Sample training agenda, complete the following steps. CFO CFO promise of the concept of the song, the role and responsibility of the Center fund, using the criteria and the way financial services, the product of the questions and answers are included. In addition, members of the development to clarify issues, women's issues, infrastructure, and other issues facing the members and all the members because of the need for joint action to address the issue of CFO (Chief

Financial Officer) of the major role to talk about the time schedule.

In the previous release, (FOS field conference room of the Board of the transaction, the process to play a central role in order to use. In each center, once per week. Now, the roles and responsibilities of CFO Fos most. The CFO (Chief Financial Officer) to complete the implementation of the conference, it is the responsibility of all of the record of the transaction and registration, and monitoring the loan, the member, if there is a problem with the new information, in the branch office, during the training, the company provides the head of the social problems of the village, if you are facing the notification and to recruit new members. In addition, CFO (Chief Financial Officer) of collective action as a member of freedom to help, there is a problem with your home, or as a Member, Information and advice, and the company, and the importance of education, education and awareness of medical problems, such as access to medical care, pensions, and information, such as the adaptation of the program to help their children, and, in the Person of failure or public bus .

The SRSP this strategy during the scale-up process in the face of the challenges that the address that allows you to maintain mission. Member of the Board of Directors of the individual in the context of an interview with the CFO women as members, the promotion of a good strategy, as it was.

"They are members of the community, because they were in the money stolen as soon as, you might want to run. SRSP is a village in search of the money back and you can get. In general, the people of the village is embezzling money it is highly likely that people in the city, and more reliable than professional" and in particular.

In addition, the guide and the branch is identified as a member of the community ( CL) to the Reader in order to be selected. Year 2008 and 2009, according to a report, and as President of the branch, select the Add to accept responsibility in their respective fields, and 22 was the leader of the community. Leadership Training branch running in various aspects of the SRSP is given to Community College. The CLS, is responsible for the branch and the monitor to on the day of the day-to-day work, at regular intervals, with a member in the region to

facilitate the development and implementation of the address.

These women leaders travel extensively, and therefore for their transportation and cost of service during the period of compensation. However, they paid the Total field personnel than the average salaries for much less, and therefore of the SRSP limited financial resources to respond to the challenges of a more effective strategy is considered. The field representative US average salary of \$100 per month - 150 100 - 150 100 - 150 hours of research, but the community (transportation costs, without the need of the person the Salary field transportation is not included and costs and potential) of the leader of the compensation US per Month \$30 - 50 30 - 50 30 - 50 was about. This compensation calculation is significantly specific community leaders this month's work is how much depends on the number of days. point is, the local community as a leader in the employment of women and the poor SRSP and strengthen the capacity of cost savings and employment opportunities that you are a member.

The SRSP at the end of the long-standing members who were selected from more than one woman, or one or two of the staff who are in the plan. Currently, women and on the board in order to provide for the employee. on the board, but there can be a better representation of the different stakeholders, especially for those of the lower level of these voices, I heard that the warranty.

### **Keeping the platform for the Development - institutional structure**

At the meeting, the SRSP members at various levels of periodic easily. Center meeting once a week, with at least 20 members of the Center has been held once a month, with the leader of the branch 10 - 15 Center Leader, Federation of SRSP once a year for all head Center and each year the staff to participate in meetings.

Chairman, and the management team, these will usually in the meeting , platforms and services to the delivery of financial services, in addition to the discussion to identify the living standard improvements, members of a variety of problems related to the collective action, and has played an important role, allowing you to maintain. The core management team, as far as possible the development aspects of the regular members of the organization of the conference in this model as long as you keep it at the level of that is that it would.

### **Member responsive assessment and monitoring system**

The zoom in/out during the processing of the SRSP use the feedback from the members of the current products, services, policies, and procedures to the satisfaction level of the change and to get recommendations for improvements, and the efforts being made to get it to start. These efforts are evaluating and monitoring system of the client system. Specific objectives (1) to create and receive feedback, the trusted doctor's client assessment and monitoring system to the chief, the member's needs and (2) The SRSP-Strategic large volume and the institutional sustainability, without drifting away from poverty to achieve deregulation as mission to contribute to the implementation of the response to reflect. The system is shown in the following illustration.

The SRSP data series feedback members get from the scale-up process in the 2004 recommendations to improve the review and complete. The chairman of the board members and executives of the scale of the SRSP efforts to process to lead the mission Drift to make sure, that you have to be.

### **Other Strategies**

In addition to the above strategies, SRSP respondents other measures of scale-up to address the challenges that you face that it has begun to have pointed out. First, the order is an increased workload and the amount of time a little bit in order to provide services that all the SRSP branch with the computer field representative, instead of manually record the transaction in the equipment. The Internet is a branch head office, branch office data transmission in real time that can be connected through. This is the time, to improve the quality of the data. Improved technology, and as a result of critical staff time saved and quality of the data in the field and in monitoring of the work is the improved .

Second, the chairman of the SRSP quality degradation, we began to realize that the decision to slow down quickly. The SRSP." new office space is being part of the slowdown is the capacity and forced the management to scale-up to a close. Scale-up process is slowed down from the top management, the strategy of the SRSP quality growth and maintenance of the pace to catch is enabled.

Third, the SRSP to another unit , the implementation and the monitoring of

financial development activities. They are the "Social audit team and is called. The team of poverty, social and political reasons, and in order to maintain non-financial activities that are involved in the SRSP experienced employees. This is related to the development and poverty reduction activities are mission, in order to achieve this, in financial services to confirm that you want to add that if necessary, the ongoing provisioning, to that of the task.

## CHAPTER 7

### CONCLUSIONS

#### 7.1 Summary of Findings

This is the microfinance organizations to scale-up the process of the impact of the Poverty Alleviation mission in empirical research. The multi-dimensional framework of scale in the process of poverty up mission to investigate the Impact of Deregulation in the use. The expansion of the following range of one of the four areas is assumed, that is, activities, strategy and organizational Sustainability and Poverty Alleviation mission of the domain and the influence of the depth of its outreach, outreach, outreach and quality of the range. The Outreach Measures the depth of the MFI, rather than to provide services to the client for the move, but the range of outreach activities, products and services of the type is a compromise the quality of service and satisfaction of the members to determine whether there is any outreach measures the quality measures.

(MIS) is a management information system that is obtained from quantitative data of the SRSP, 419 an interview with the former members of the current structured. Qualitative Data (obtained from interviews with individuals and groups that the results of the analysis, the main in order to explain the description.

The quantitative and qualitative data results in significant SRSP, coverage 2007-2009 between the extended it. Three of the selected branch, Nowshera, Peshawar and Charsadda greatly expanded. The increase was observed in the area of (2007- 2009 316% of the increased number of members ( 2007 - 2009, 364 percent of the savings account and loan portfolio value (2007 - 2009, 360%). Other Indicators of SRSP to one of the expansion rate, as well as smaller number of officers such as a field in the year (127%) 2007 / 2008 in the same period a year earlier. However, the growth rate will be slower than the number of members (10 percent), and 2008 - 2009 period. This Fos increasing work load for each member, and the service is to provide to the decrease in available time LED is lit. The FOS member services on the quality of the member's satisfaction, is a little different (80%), and it is the reason for the decline.

The scale-up is in a different domain is provided by microfinance

organizations, financial and non-financial services. The results in the number of financial products and services 2007 - 2009, 50 percent of the growth. However, the financial services alone, area, the measurement of the change in the fight against poverty and the task is incomplete. As a result, non-financial services in the areas of process, in order to understand scale and qualitative data have been used. Is the data is substantially SRSP financial and non-financial activities a variety of zoom in and out. To achieve economies of scale for an innovative service for the needs of the members are added to the to attract more members. Of all the people concerned level, members, staff, management, board, finance, all IT SRSP, non-financial services is, therefore, important to the opinion. The poor economic and political reasons, the SRSP to address the strategy for the other changes, can be summarized as follows.

Strategy to scale the SRSP Qualitative Data microfinance and poverty alleviation through the mission to impact on the enhancement of the development. This strategy are included, increase the scope of the activity, the Organization, Japan for Sustainability Japan Sustainability for other actors to mobilize funds from. One of the main strategies, in terms of the SRSP Networking has been enlarged. For a particular measure values are included. The other NGO NGO Network of how microfinance, training and microfinance services for creating the importance and nature of the government and the private sector to reduce poverty in partnership with established as a contribution.

The analysis of the quantitative data is indicated in the SRSP expansion in 50% of the operational and financial independence. And, it is important to emphasize that it is the 50% growth is required, it is interpreted that the operational and financial independence is not indicator directly, rather than taking measures for comparison with another scale and the number of members of the 50 percent growth, the organizational sustainability is high, more than the weight of another domain, as is considered a significant scale-up. There is between the branch office and there is a significant difference. Qualitative data analysis of the organizational structure, zoom in/out, infrastructure, and technology.

Some of the challenges that are identified, the SRSP process scale-up facing, legal and regulatory environment does not suit the insufficient financial resources, human resources and increased costs, lack of is included. Examples of undesirable legal and regulatory environment for SRSP lenders, interest rate. Each year,

the interest rates to maintain food self-sufficiency is the ability of the SRSP, the Bad , the service in the service. The study of the effect of the interest rate cap, to reduce operational costs, such as the pressure has been reported in the continuation of the same quality can be significant. This field personnel, in order to reduce the number of the service load LED, it reduces the level of satisfaction of the members of the service to reduce the time available.

Interestingly, the portfolio has the quality, because there is no description of the challenges. For a description of the other challenges (MIS) incompetent management and information system, flood, or other natural disasters.

The analysis of the data, a quantitative and qualitative SRSP, significantly, poverty reduction is not drifting from mission-outreach number, quality and scope, as measured by said. Results are also SRSP financial and non-financial services, the proposal to reduce the number of the SRSP B instead of products and services of the new choices to the needs of the members, introduced them to the poverty in that support and that you are not guessing.

Some of the indicators in the outreach by the depth of the poor is a small change to the members from the shift. However, this very low gear, not necessarily the poorer members indicates that there is no does not.

Outreach Quality is the most affected area is identified as. In particular, personnel in the Field Of Load almost doubled during the period of investigation in the Field Representative to nearly double scaling before work to an individual member (47 minutes per-member of scale-up , and every 21 minutes for members to scale-up). Also, changes to the program have a negative impact on the SRSP overall quality of the service, a small measure to cut down Field Representative will provide the quality of service that is to the satisfaction of the member, and the member to the satisfaction level of the impact it did not seem to have. However, the majority of the members of the field personnel were satisfied with the performance, in particular , personal care , counseling, and a neutral position and additional information. (less than half of the total group) is a member of the group is a smaller percentage of FOs members of personnel and less attention to frequently transfer to change is desirable, it is not. Most of the members of the original, and are happy with

the day's program said. One of the participants is to be processed to the end of the condition, the scaling and pointed out that the. They are at their membership is the key to their own business, is a problem in the external environment has ended.

The SRSP strategy planning, such as the human capital and loyal staff and management, and the members of the participation of the related controls. The SRSP this is the crux of the strategy for a general purpose shared human resources development and build them with care. To scale, so the Interest Rate cap was limited. If you are in the Services view, SRSP operational costs are low interest rates at the bottom to adjust the cutting resistance. In a wide range of services to increase more than the front-line employees and a significant increase in is required. The organization's mission, the commitment of the qualifications of the staff to find another challenge. This mission-driven staff and a higher compensation package, the development of the organization is the first step in the necessary skills that are required for the fixed. All of these factors increase the cost of operations to lead. without drifting, to address these challenges, SRSP member (CFO) community field representative of the leadership to be to develop the skills of the Fos responsibility to take part of. The management and the board are two benefits of this strategy is to get the expected: The number of institutions, and CFO , Member of the commission is paid for low-cost, the benefits of the members of the CFO (Chief Financial Officer) to the benefit of the Opportunity community control program to initiate the transition to.

In addition, the program design and space for members of the organization and to the network , and the joint action can be provided to the group that you want to based on weekly meetings designed to secure. The design of the SRSP an important part of the methodology. Finally, for SRSP loans granted to members of the members, to meet the requirements of the products and services, to attract more members to assist in the feedback system has recognized the need.

All of the interviews, and aid agencies of the SRSP Poverty Alleviation mission that we confidently. The SRSP NGO as an external certified public accountants also after the scale-up to see as poverty.

Financing institutions, according to the strength of the SRSP committed and loyal staff, as NGO developed a reputation in the financial community, poor regions

in between the name recognition, loans, portfolio quality and is a powerful infrastructure of the repayment of a good record.

## **7.2 Considerations in interpreting the results**

### **Time Effect**

Due to the limitations of limited resources, the impact of mission-drift on an annual basis for the scale of the POST are measured in stages. Back up the data and Pre - The expansion from the records were retrieved. However, it is also a different layer, it is marked in the course of this year. For example, the scale-up in the first phase does not occur, it was a time of a pickup in the pace and the flat, or slow down. In other word, drift, in the occurrence of this year, the momentum and dynamism. As a result, more of the time of the year, every 6 months, and again in a short period of design is a significant range of momentum to measure is useful when you want to research.

### **Measures of Mission drift**

The literature review, poverty and accurately measure the point to a single indicator. In this way, poverty levels, in order to measure the current research, the indicator will give inaccurate results. For example, housing Index, the poverty level of the receiving member to measure as the primary indicator. The SRSP is extended, the new branch will be opened in the city, the FOS in the urban areas, in general, than in the rural areas used in this study, the measures of high quality accommodation. Basically, the housing index is a relative poverty is not a measure of absolute poverty.

Location of the study of poverty as one of the indicators used. In general, the number of poor people in rural areas than in urban areas. However, the definition of the urban and the rural areas are not always clear. The SRSP is part of the new branch office of urban and semi-urban areas, the density is located in the larger market. However, not only in these branches of the nearby village and the city's residents, however, is in place in the city to provide services for the people. The data is usually in the branch with the location of the member's home, instead of showing the location of the members of the microfinance organizations in the employee is recorded. Therefore, in the analysis of the data BIS result may be incorrect.

### **Generalizability**

Note: interpretation of the results of this study and the application you need to be aware. In particular, the survey is one of the program has been conducted on the , the , the , the results are generalizable. The conclusion of the investigation are limited to study, if valid. Special care is , the inference rules for presentation of findings in the survey and speculation as the independent. The stringent reliability and validity the following to ensure that during a data collection strategy, described in Chapter 3.

### **7.3 Issues for future study**

This survey is the mission scope and nature of the impact of several important factors , drift suggests that additional research is needed. First of all, scale-up actively in this process from the start to place that is passed to the How much time can occur for more information about the types of drift, which is an important element. This is the mission of the certificate is to scale up to a drift in the early stages is not significant. Therefore, after the expansion process (at least five (5) YEARS) time is long enough that the start of future research to be very useful. Second, in the course of this year , the rapid pace of time drift occurs in the flat or you can slow down. It is important, therefore, that the mission of the measurement range and the dynamics of the future and more than a year of research at the interval, repeated measurements of drift and the design to the instance for a period of 6 months. Third, the scale-up is usually a clear start date in the event is not, is not a process. Therefore, the starting point for the scale-up process to establish the various stakeholders and by analysis of archive documents and discussions can be determined.

Mission drift in the scaling of the most important decisions that one of the key factors of the scale-up is busy. The scale-up model, many franchise model, replication, self-help groups, spin-offs, among others, is a merger. It is a useful mission drift and to scale up, the corresponding model and the correlation between the survey to.

The mission of the Organization structure is kept during the scale-up? In order to answer this question, the role of the features of MFI multiple MFIs comparison studies of model of scale-up, it is recommended that you want to. That was discussed in Chapter 3, in order to expand the various strategies of the model and the distinction between each of the strategic groups can have different costs and benefits, strengths

and weaknesses, the question," said Colin Edwards and Hulme (1993), the impact of NGO because there are.

Finally, two of the important area of drift, that is, costs are the outreach potential effects have been identified. MFIs to the client, and the increased cost to a different area. The customer is the cost of the various charges form or of higher interest rates could increase to pass as there could be. In addition, all of the stack holder , whether MFIS the program to the client of the nature and extent of the effect changes in the individual's home, business and society in which it is important to measure whether it is recommended that you use. microfinance is primarily to contribute to poverty reduction. The reason for this is that you want to expand, and the MFIS to reduce poverty. Whether microfinance organizations does not reduce the depth of its outreach mission , that is, at least five of the dimensions of their poverty should be committed to the assessment of the scope, quality, cost, and impact the framework for outreach. In this study, the MFI is the customer to provide a better service to navigate to and whether they are measured by the depth of outreach, the number and type of service and product that is measured in a range of outreach activities has been changed and outreach, compromise on the quality of service quality and satisfaction of the members with the information whether the measure. out of reach of the members of MFIs cost cost and/or client. The impact of the outreach, out of poverty, to allow you to your life and business impact of the nature and scope of the change. Together with the dimensions of the Outreach and poverty reduction at the compliance with the mission of the framework to measure as proposed.

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