

# Pakistan Journal

April 8-14, 2006



April 8, 2006  
Hyderabad-Bombay-Karachi

Waiting in the Bombay airport. My flight to Karachi is late. I'm sitting outside security thinking and writing when suddenly, a Bohri woman walks over and sits herself right down besides me, a part of her big thigh almost on top of mine she is so close. The Bohris are an entrepreneurial group within the Muslim community. They do a lot of business in Pakistan and India, as well as in East Africa. The women wear large capes with veils covering their hair, reminding me of Catholic nuns, though their colors tend to be pastels or bright designs, often with lace around the edges. Their skirts are gathered, full and the older women often wear black shoes as well – identifying them for me even more with the nuns I knew as a young girl.

I turn to look at the woman, wondering why in God's name she is sitting so close to me when the airport is practically empty. All around me are seats just waiting to be filled. She wears wire-rimmed glasses that cover twinkling eyes the color of honey, and she is toothless, absolutely toothless. She smiles broadly with not a trace of self-consciousness and asks me my name. I tell her; and she introduces herself too, though I can't really make out what she says.

"Tell me," she says. "What do you do?" Who are you, where do you come from, what do you do, where are you going? The perennial questions of travelers. I look at her and decide to answer. There is something so open in her face. I tell her about Acumen Fund, tell her we build companies that deliver health, water and housing for the poor. She smiles another toothless grin.

"And are you married? Do you have children?" These questions are familiar, too, though they are much harder to answer. I so often feel I'm letting women down when I tell them the truth, even though it is a result of choices I have made. I'm living the life I wanted, but it must seem so sad to people here, I think, to people in most places really. And when a toothless woman in a veil and black shoes asks me, I'm sure I'm going to disappoint. A slight tremor of shame runs through me.

"No, I say, "Never married. No children."

"Ah," she claps her hands together and smiles even more broadly now. "Me too," I never married. But you know, I could see that you are very happy when you were sitting there all alone but not lonely. I could see you were the happiest people because they are the ones who serve the world."

To be honest, I'm not feeling my happiest. I am wanting to be in a nice room somewhere sipping tea and not in the Bombay airport outside security. I have spent too much time in airports and this is not one of my favorites.

I look at her and quietly say thank you.

"And I am so happy too, though I never married. You know there are so many paths in a life, so many of them. But the best are the ones where you are living the truth and searching for good and giving to others. Maybe that is what you are finding."

Now I am the one who wants to crawl into her lap. "Thank you," I say, and I ask her about her life. She is the eldest of four daughters (I'm the eldest too, I tell her – of seven children. She nods as if she'd already known that). She continues: she worked in the textile industry all her life, earned her own income, lived for a time in New York and obviously just loved life, teeth or no teeth. Her hand is placed gently on mine, and I feel very safe just listening to her stories.

The call for our flight comes. We get in line, me behind her. In India and Pakistan, women go through a separate security line, and they are all frisked by women, generally very quickly and usually with a smile. I'm

usually carrying a camera or a bag which I don't bother to put down and the security guards don't seem to mind. My new friend walks up to the security woman and lifts her arms to the skies, ready and open to be patted down in full sight. Her cape lifts to reveal a green and white gingham shirt – like the uniform of the blue bakery I started in Kigali many years ago – tucked into a big green and white skirt gathered at the waist that hit the tops of clunky black lace-up shoes. Now she really reminds me of a nun and I find myself grinning a silly, Cheshire cat kind of smile. It feels like an angel has come to me and, ok, so she isn't what I'd pictured as my guardian angel, this toothless Bohri woman in a white and green cape fringed with lace and laughter, but she is an angel nonetheless.

I've never arrived in Karachi in the afternoon before and the airport feels so different, easier, obviously brighter than at night. Aun, our Pakistan Country Manager, waits outside, and so do the security person and driver, sent by our partner Siraj, who are so familiar to me now. I am always grateful for the kindness and hospitality I receive from Acumen Fund partners and friends in Pakistan. It makes all the difference. A good debrief, then tea with Aun's parents, then a long and wonderful dinner with Musharaf Hai, CEO of Unilever Pakistan. Each time I meet with her, I am reminded of how remarkable she is, this powerhouse of a woman, laughing at life and pushing the envelope as far as she can to create a strong company with an open culture and active participation in her country and the world. We stay out too late again. Maybe it is time to give up the whole idea of sleep.

April 9, 2006  
Lower Sindh, Pakistan

Early morning and I'm waiting for Aun to pick me up for the five or six hour trip to Mithi, the largest town in the district of Thar, in the middle of the Sindh desert. A man as tall as Aun with jet-black hair approaches me. He's wearing Army green pants, a khaki shirt and dark sunglasses and, not surprisingly, introduces himself as Captain Sajid, who is coming as our guide and protector. Aun arrives, and we meet two additional people who are joining us. In total, we're an entourage of six, thanks to Acumen Fund partner Ali Siddiqui, who is providing security and transport for this trip. The issue with traveling by road to the Thar district, located in the southeast of Pakistan near the border with India, is not terrorism but banditry. This is the poorest district in Pakistan and the most arid as well, and the road is reputed to be a bit like the wild, wild West.

Just outside Karachi, the land opens up and we go from crowded streets to vast tracts of land with plastic bags clinging to weeds. This is the product of land speculators holding the earth until the city extends to meet it. Whether urban or rural, how land is owned, managed and registered in Pakistan is one of the country's most serious and controversial issues.

Extreme heat and cold make poverty feel all the crueler. Today the sun is glaring at us, testing the mettle of everyone walking down the streets: the women in dazzling colors, carrying two pots of water piled one on top of the other on their heads; the men sitting on broken down donkeys; the farmers whipping bullocks from atop their huge carts; the truck drivers hauling huge loads of corn or concrete to different parts of the country; and, paradoxically, two high-tech cyclists whizzing along the makeshift highway as if they were training on Italian mountain roads. What next, I wonder, smiling, and find myself staring at a burned-out train, one rusted car after another sitting in its grave of a forgotten set of tracks. Just in front of it, a tractor is digging lines to lay fiber optic cable. Pakistan.

There is no green today, not yet anyway. The sky is white and a haze softens the edges of everything we see, though it makes everything look like it is melting slightly as well. The single road serves as the main highway through what is often called the Dust Belt, running from Karachi along Pakistan's belly parallel to the sea, all the way to India. It is narrow with no shoulders and is easily mistaken as a one-way country road, but every now and then a car or truck or convoy of vehicles comes barreling at us. I think people in South Asia, especially in its cities, must learn to drive by sheer instinct rather than skill. Or maybe their bodies have just learned to recognize in an instant the thousands of patterns they must experience every time they are behind the wheel.

Out of nowhere in this parched pocket of the earth, we see signs for a major water park, complete with slides and multiple pools. I understand from Aun and Captain Sajid that it is a popular attraction for the elites in Karachi who have children.

After a couple hours of driving, we stop in the town of Thatta for a cup of tea in the area's best coffee house. The first thing I notice is that the walls are painted sea green. Second, I realize we've walked into a sea of staring men and a swarm of buzzing flies, neither of which makes me particularly comfortable. Captain Sajid must feel it too, for he leads us up a set of stairs to a balcony where we can watch the world go by as we drink a cup of tea – really a cup of hot condensed milk with a teabag waved through it a few times. Still, I appreciate the stop. I enjoy hot tea on hot days.

Soon after Thatta, our highway turns into a dirt road riddled with rocks, though this lasts for only about forty-five minutes, after which the world moves from dusty brown to greens and yellows, a sign that we're closer to the Indus River – or so I'm told. Apparently, dams in the north have caused dramatic harm to waterways, turning some landlocked towns into islands and other historically fertile areas into parched patches of earth.

The road continues through the district of Badin, one of the more fertile areas of the region. We're just south of Mirpur Khas, the district where Acumen Fund partner and TED curator Chris Anderson's father was an eye doctor in the 1960s. I wonder aloud if Dr. Anderson would think this part of the world had changed or whether things still look the same out here. Aun responds that things can't look much different from the way they did in the 16th century, forget the 1960s. I can't help but agree with him and laugh.

What is different now, however, is the pace of change today. Those electrical lines streaming down the single road are being replaced practically overnight by fiber optics. We've seen satellite dishes on top of mud houses with thatched roofs. After centuries of stasis, this region may see vast, tectonic shifts within a few years. What does such change mean in the short term about how a community sees who it is and who it is meant to be? It becomes easier to understand the tension in the world between those striving for a more global, integrated economy and those pulling back into conservative ideology, clinging to what is known, fearing what is unknown or, maybe worse, perceiving these shifts as a threat to values held closely and for a long, long time.

What does such rapid change mean for us and our work? For Acumen Fund and our community, it means greater urgency around providing a bridge to people who have been excluded so that they can see themselves in the available opportunities of a global economy. We have to make such opportunities accessible in ways that allow them to make their own decisions and not simply impose our values, our thoughts and our systems. There is no other way. Hardcore skills are critical to building viable businesses and systems, but moral imagination is what will create real change among people who have for too long been invisible.



The area is electrified with poles standing alongside the road, but we go for miles without seeing a single house or village. Everywhere around us are fields of yellow sunflowers leaning toward the sun. I want to know who owns all of this land, all of these fields. And how big is the sunflower industry? How prevalent is sunflower oil in the Pakistani diet? We need to understand markets better, and here is an opportunity to work with a business school like LUMS to help us do this.

Back on a smooth road – actually this is the first smooth road we've experienced. Two men walk through the fields with enormous bales of hay on their heads. Women walking in the distance are just matchsticks of color, shimmering in a dusty haze. Everything feels like it exists in a different dimension.

The terrain changes again, dropping back to brown and scrub. A group of twenty scrawny camels stands lazily along the roadside, watching the cars go by. Every few miles there is a brick-making kiln, notorious for being owned by feudals and "employing" people living on the land, often as indentured servants. Although Pakistan has attempted land reform, significant chunks of land in these rural areas are still held by a small number of large feudal families, giving little hope to the poor who have no access to the resources of land or capital. It is not difficult to see how Marxist ideology can take hold – as it is doing in the Red Corridor of India and Nepal, and in different countries throughout Latin America where land is also concentrated among a very few families.

We continue to drive. Across the dusty fields to the right, I see a solitary shepherd far away, herding twenty buffalo or more. Way into the distance on the left, another shepherd walks alongside a huge herd of goats.

We reach the guesthouse – a small structure with an open courtyard and rooms with two beds each on one side of the building. In the back, behind pale yellow columns, is a large table and chairs where everyone eats. The rooms have overhead fans to keep us cool – it is *hot* outside – and my room has a small bathroom attached as well. I like my room. It has two simple beds with foam pads covered by sheets and blankets folded on the bottom for the cold night (which is hard to imagine in the middle of the day). The doors and window shutters are painted the same pale yellow as the outdoor columns – as are the beams on the bright white ceiling. I like the simplicity and the lightness of it all. And I'm grateful not to be sharing the common bathroom on the other side of the courtyard.

We eat a lunch of rice, spicy lentils, curried goat, curd and chapattis. The air is so hot and the buzzing of flies so loud that none of us has a big appetite. Still, there is generosity in the abundance of food offered. Even more appreciated are the thirty minutes or so we each have for quiet time in our rooms before heading out again. The day has been a long one, and we know we're just getting started.

About a two-minute drive from the town's guesthouse, the head office of the Thardeep Rural Development Programme (TRDP) is a small cluster of five buildings in the middle of the area. TRDP's Executive Director, Dr. Sono Khangharani, introduces us to seven of his colleagues who are working though we're here on a Sunday afternoon. The conference room is cooled by an air conditioner, and we sit around a simple table. The men are engineers, doctors and the finance manager. All but one wear a moustache (Dr. Sono has a salt and pepper moustache to match a neat beard and thick hair. He wears glasses and has a great, open smile that makes us feel welcome as soon as we meet). All but Dr. Sono wear traditional kurtas – the long, loose white blouses that both men and women wear over baggy pants – probably the most comfortable clothing for this heat and dust.



I ask Dr. Sono to start by giving us some context for the region, given its remoteness and unique position as the one area with a near parity between Muslims and Hindus. Thar was a predominantly Hindu area before 1948, but mostly because it was such a remote region that most people didn't even know about partition – especially lower-caste people. Today, Hindus represent about 40% of the population of the Thar district. Since then, the two religions have continued to live together without any conflict whatsoever. "We are desert people," Dr. Sono tells us. "We are peace-loving people. But this isn't your typical desert. It is vegetative so people aren't fighting as much for scarce resources. The other difference is that people are not nomadic, though they will migrate according to seasons. People have lived in the same villages for centuries."

Dr. Sono's own village has existed for four centuries. We had hoped to visit his home but my being here has raised questions. In fact, the government authorities make a decision preventing us from going into the restricted areas, especially those that are near the Indian border. One of these areas is precisely where TRDP intends to pilot a drip irrigation effort, but we will find other ways to understand the work.

TRDP works across Thar District, an area of 2,500 villages with a population of 1.2 million. Water is the major problem of the area. Even when it is available, 57% of the water is brackish. Almost all the water comes from deep-dug wells, and the area receives an average of 200-250 mm of rain per year, 93% of which comes in short bursts during the June through September monsoon season. However, rainfall varies year to year, and the area typically suffers drought seven of every ten years. Dr. Sono goes on to tell us that beyond the water problems, people also have to contend with a lack of jobs, regular fires, a large number of snakes and therefore, snakebites, severe health problems and migration. Finally, every so often, maybe once a decade, the area is hit with floods during the monsoon season. We're here during the dry season. It feels hot and dusty with swarms of flies around today (it is between 105-110 degrees), but next month promises a heat level closer to 120 degrees during the day, though the nights are cool.

Thar has always had a history of water scarcity. Prior to partition, water was managed by the communities with no government intervention at all. From the 1950s to the 1970s, most of the water was managed on a community basis, based on a clan or caste system. Typically, communities would register with the government once they paid for digging the wells, labor costs and other equipment. Soon after the 70s, development aid came in to “help,” with a proliferation of grants and the rise of the well-fed bureaucrat. By the late 1980s and 1990s, NGOs finally started to talk to communities about how to create sustainable systems for change. Work by Save the Children evolved into a local NGO, which became the Thardeep Rural Development Programme. From the late 90s, TRDP realized it needed to reorganize and refocus, reducing its own dependence on grants and moving toward a more targeted, business-oriented approach to change. And so here we are. Except that much of the world continues to think that top-down money moving through government remains the answer. We have to work with groups like this to show how community systems really can be created, sustained and grown by designing systems that work with the community’s identity, needs and desires and that will remain viable into the long term.

TRDP’s strategy is just this. The organization starts by talking to communities, working with them to assess their own needs, providing a great deal of technical assistance and measuring what works and what doesn’t. In nearly every household in the area, drinking water is the overwhelming priority. TRDP has been working to provide rainwater harvesting and deep ground wells (with support in large part from UNICEF). Typically, TRDP is given equipment from donors and then turns around and lends to local households so that they can purchase what is needed. About 15,000 households have borrowed to purchase water equipment over the past decade, and 95% have repaid. This covers about 65% of the needs of more than 1,000 villages – or 25,000 households in total (some communities have borrowed to dig deep wells so coverage is higher). The most successful interventions have been the rainwater harvesting and deep hand pumps, 90% of which are still working.

Price is a major design factor, of course. TRDP has designed its own products after realizing that the donor-driven ones were too expensive (the price of a rainwater harvesting unit is now about 2,000 rupees or \$33 versus \$125 – and households typically borrow and repay for this). The locally designed hand pumps are priced at 25,000 rupees, or about \$400. The pumps will cover a well serving five to ten households, and donors cover 70% of costs. Communities typically pay cash for the 8,500 rupee contribution they are charged.

I ask Dr. Sono what will happen if the donors decide to stop paying the 70% subsidy. He worries about this as well. It is one reason that he is moving TRDP more and more toward sustainable activities so as not to be dependent on donors.

Dr. Sono believes that the efforts of the organization have not only enabled communities to avoid starvation in many cases, but have helped to create community assets. By starting with what the communities need, TRDP has been able to branch off into kitchen gardening, fuel conservation schemes and microfinance programs. Though a few small studies have been made, Dr. Sono admits that there have been no real evaluations to bring metrics to the table. He hopes to do more work on this to know what is actually working and what is not.

For the next three years, Dr. Sono is hoping to transition from selling the highly subsidized water implements to more of an integrated water management system in order to build something that can both scale and not be dependent on grants. He hopes to cover at least 2,000 villages (50,000 or so farmers). At the center of this plan is bringing IDE India’s drip irrigation and sprinkler systems (one of Acumen Fund’s investees) to the farmers, as well as a focus on windmills for water pumping and very small dams for better water management. To do this, he is creating a company that will focus only on these products, training and building a real customer base among the local farmers.

I ask why the organization is taking this approach. It is time, he says, to move to the next level. TRDP has a big business in carpets, having liberated more than 1,600 families from bonded labor. They did this by providing credit of up to \$900 to get a family out of indentured servitude, which has lasted in some instances for more than twenty years (in many cases, less than \$500 is enough for a family to gain its freedom). Now, he’s working with the families to link them with the export bureau, and has signed agreements with eleven companies to sell rugs and provide much greater revenue streams to the families. The big learning was that it isn’t enough just to buy people’s freedom. We are only free if we believe we are free. People living in indentured servitude for generations have many more prisons holding them captive than the landlord or

contractor. Neither they nor their children have been educated, and they often have no other outlets for their products. TRDP now helps move the workers straight to a cooperative, where they can sell their goods at higher prices and be part of a more supportive community. TRDP puts 72% of all interest collected from their loans into an education fund for their children – in no way does the organization want to be seen as profiting from the hard work and earned income of people whose loans purchased their freedom from bonded labor but not freedom from poverty.

TRDP also has a shop called Sand Dunes in the ForumMall in Karachi. The shop is now at break-even, as is the carpet business. To start these businesses, TRDP used about 3 million rupees (around \$50,000) from its own reserves. Currently, the carpets bring in total revenues of about \$35,000 monthly, from which the organization takes \$3,000 to \$4,000 to cover its costs, and the families earn about \$50 each (or 3,000 rupees, versus the 1,500 rupees they earned previously). He hopes to see these numbers increase, and has a great commitment to move fully into a business mindset to help raise these communities to an entirely new level.

Where is assistance needed? In learning to market drip irrigation to farmers and in improving their marketing externally as well (often, the same families will engage in both farming and textile production). The group will continue to organize farmers in cooperatives, provide training and look at measuring income more closely. Finally, TRDP has set as a priority a focus on helping farmers improve their productivity, given the direct link to income (currently, most poor farmers depend on purchasing their food because their own production is so low).

As Dr. Sono speaks, my thoughts around being more proactive about researching markets for the poor are further corroborated. In the early years of doing this work, he says, everyone thought Thar operated as a barter economy with very little cash. Research of late is lifting the reality that most families have different sources of income, including agriculture, weaving, casual labor and pottery. Borrowing and lending have been part of the culture for centuries, and currently micro-lending is one of the greatest sources of income for the poor. Indeed, this market is enormous, and people are repaying. We need to understand it better.

Microfinance organizations currently cover about 3% of the rural population in Sindh province. Clearly, there is great room for growth. In all of Sindh, there are 19 different programs, but most have not scaled. TRDP is not only scaling, but Dr. Sono is willing to talk about lessons learned. The organization started lending in 1989 without collateral and learned that this wouldn't work (no one repaid). It then tried giving goats with the idea that women would give the babies of the goats to other women (too many goats died and this never scaled) and lending to individuals without savings (again, no incentives to repay).

Today, everything TRDP does is focused on sustainability and growth. The organization insists on savings, uses group approaches and follows up with great discipline. In the past nine years, TRDP has made more than 80,000 loans amounting to \$15 million to more than 4,000 community organizations. The program charges 20% for loans on a declining basis and structures the loans according to the cash flow needs of the business. It currently has 45,000 borrowers with an outstanding loan balance of more than \$5 million. The recovery rate is 90.5%. The program is self-sustaining.

Constraints still exist. Dr. Sono still struggles in trying to convince government agencies and others that the poor will repay and that they even have real savings – and can mobilize more if assisted. This, he says, is at the crux of the program. And it gives him even more focus on running this as a business. Whether loans are repaid can typically be traced to whether people use the funds for consumption versus productive activities or whether they have borrowed in proxy for others who never intended to repay. Finally, he points to the difficulties associated with getting loans to women, given that they have 13% literacy rates and often will not come forward for loans or business opportunities.

His needs? Strengthening his staff training, building a credit line to enhance his ability to lend, and designing a full-cost recovery system for lending (this requires research to understand the market more fully). Given a \$5 million portfolio with a 90% recovery rate, I calculate that a \$1.5-2 million credit line would make sense (using the quality of the portfolio against borrowing). Interestingly, Dr. Sono tells me he would look for a \$1.7 million line of credit.

Since September, TRDP has been extending health insurance policies as a third-party provider for major insurance companies at a cost of 228 rupees (less than \$4) per person per year, of which TRDP keeps 17 rupees. To date, TRDP has sold 29,000 policies, all to individuals. Covered are major disease treatments like

malaria, typhoid, TB, some surgeries, emergency transport, and some pharmaceuticals – with a cap of 25,000 rupees (~\$400) per person. India is extending similar programs, all betting on covering people at tremendous scale and assuming that costs will ultimately be covered by premiums. This entire health insurance industry – new to both India and Pakistan – is a giant experiment, one that will demand tremendous innovation and one that we will watch closely.

We pile into a van along with Dr. Sono, the seven TRDP team members, the bodyguards and Captain Sajid. The drive to the organization's demonstration site is a short one. Twenty acres of land are neatly organized into plots demonstrating the efficacy of different water conservation products. Of greatest interest to us are the IDE India products, given our support for bringing Amitabha's products to Pakistan in one of the first joint efforts to promote the incomes and livelihoods of farmers across the two countries. Dr. Sono, in fact, does find the IDE India products superior because of the color (black), which reduces fungal growth, the light weight combined with sturdiness, and the overall ease of placing the drip irrigation systems.

It strikes me that when I've visited IDE India's demonstration sites outside Delhi, there is always at least some rain and some green in the vicinity, so the true impact of the drip systems is not always apparent. Looking at the TRDP plots reminds me of the first time I stood in Jordan and looked across the sea to Israel, my eyes shifting from total desert to green, fertile fields. The contrast was painful. Today, looking at cracked dry land starting to fill with neat rows of onions and tomatoes and even lemon trees brings a deep sense of hope, of renewal. This is birth, this is life, and both Aun and I are startled by the power of our own emotions in seeing the barren earth produce new life. I can rattle off statistics and have seen the IDE India drip systems in fields farmed by poor farmers in India. Maybe today feels different because the potential of this product – and recognition that the farmers can afford it – is so powerfully and undeniably apparent. All day long we have looked through our windows at deep poverty, extreme poverty as Jeff Sachs would call it. And here, the land is parched, cracked, exhausted. But throughout these plots, plants are growing and thriving from droplets of water placed strategically near the plant stalks.



Dr. Sono's team is imaginative and, like Amitabha, customer-focused. They are experimenting with IDE India's simple family nutrition kit – a bag of water suspended a meter off the ground and attached to simple tubes from which even smaller micro-tubes extend to water household plants like tomatoes and okra. They are also showing farmers how to bury clay pots near small trees like lemon and castor, or by patches of grass for cattle to eat. The small investment of keeping the single pots filled with water can result in significant financial returns from the single plant, provided it is the right plant. At the high end are large rainwater harvesting systems for farmers and communities as well as sprinkler systems and deep ground wells. The spectrum of affordable goods begins to address the different needs and capabilities of farmers in a way that bodes well for real and scalable success.

Dr. Sono wants to build a for-profit company that licenses IDE India's technologies and others, as well as builds its own, and markets and distributes them across Pakistan. They have the entire Rural Development Programme network that covers two million people, and have access to other distribution systems as well. We are considering investing equity. However, both parties agree that in the spirit of quick prototyping, it is important that we work together on something smaller first – to gain trust, learn how the other works, learn more about the market altogether.

One thing is clear, however. Dr. Sono is an entrepreneur with a hard head and a compassionate heart. He also has a real understanding of the community – for it is *his* community and he obviously cares deeply about it and is here to stay. He's paid a big personal price to do this work – his wife and family are in Hyderabad while he works here seven days a week. I'm happy to know him and am looking forward to learning more tomorrow and, hopefully, to working with him over time.

After dinner we drive up to the dunes above Mithi. Behind us the world is dark, a black velvet curtain covering the night desert. In front of us, thousands of lights like tiny stars sparkle from the houses in this rural city. It is bigger than I'd realized – about 40,000 people strong. Behind the lights, nothing again, just desert. We look for snakes – some of the Russell's Vipers that bite 5,000 people a year and used to kill hundreds if not thousands; nearly everyone in TRDP has lost someone to a snake bite, but the organization is now the main supplier of the antidote, so deaths have fallen to almost none. We don't find any, so we drive home and say good night.

April 10, 2006

Mithi and surrounding areas, Thar, Pakistan

Monday morning in Mithi (the word means sweet in Punjabi). I get up at 6:00 and take a quick shower, conscious of every drop I use, even though the water is brackish groundwater.

"Water is life", an old Kenyan friend used to say to me as we'd walk through the slums of Nairobi where people stole water or paid ridiculous prices for it. I've never understood it more than I do now.

The air is still this morning; the only noise is the chirping of birds. Outside our guesthouse, cows and donkeys amble down the dirt road. To the right, a woman with a shawl draped over her head prepares breakfast. Two boys walk slowly down the street, arm in arm. There are a few schools here, all government-run, all deplorable, according to Dr. Sono. I think of those boys – what are they learning today?

Our next-door neighbor sells wood. Trees are scarce in this area, and people must walk for hours to get what they needed for cooking fuel. Big trucks now go out to get the wood supplies from the forests near Hyderabad – about a four-hour drive from here. They sell wholesale to local entrepreneurs who then sell the wood from their homes. Apparently, no one touches the piles of wood although it would be so easy to take a few pieces and continue walking. Dr. Sono tells me there is almost no crime among the locals here, though he admits that the roads can be scary places for outsiders.

It takes us an hour or so to reach the first farm. We pass through several villages and move into more open desert, passing camels and tribal women carrying clay pots or large faggots of firewood on their heads. The fields are so dry that whatever grass there is crunches beneath your feet. This is still a potential market for drip irrigation, for there are several water sources – three or four wells and a rainwater harvesting unit, which is empty at the moment. We meet a man with a leathery face and the sad, tired look of most farmers. He is a sharecropper, working on a larger farmer's land and earning one-third of what he produces. He also has a few acres of his own but cannot afford the water needed to make it grow anything. TRDP is hoping that the

larger farmer will buy the drip and the sharecropper can buy a smaller-scale version to begin improving his own crops.

The second farm is in much better shape. It is owned by several landlords, all of them brothers, who have 25 acres of land between them. A number of sharecropper families work different pieces of the land. We visit one that farms about an acre of vegetables and fruit – okra, tomatoes, onions, watermelon. The family is a tribal one. The sharecropper's wife wears bright colors with white glass bangles covering most of her arm. She has a beaded necklace and beautiful silver earrings matching the style of her nose piercing. A bindi is tattooed on the bridge of her nose, and her smile is bright and completely unaffected. No one in our group speaks her language entirely so we never understand the answers she gives to my questions. She points to the sky a lot and we don't know if she is talking about God or the sky or the rains or maybe all of it together.

The landlords together have invested about \$1,200 for a deep well and would likely be the first ones to purchase



drip irrigation. We estimate that the landlord of the six-acre plot earns about \$650, less what is paid to the sharecropper, which in most cases is one-third to one-half of the produce. The sharecropper is a subsistence farmer, consuming most of his allotment of what he produces on the land. With smallholder landlords, we're looking at an income stream of between \$1 and \$2 a day; starting with them as the consumers of drip should enable sharecroppers to gain experience and recognize the major increases to productivity while the landlords bear the financial risk. In the cases where sharecroppers have some access to their own land, drip would be sold on credit.

I see a beautiful Hindu temple in a small village in the desert, located next door to a local Muslim mosque. Since we have to pass it to get back to town, I ask if we can stop to visit the village. After an active discussion, our hosts decide that it might not be safe given that we don't know whether there are very religious people who might get angry. They promise to take us to a village where they know the people better.

The walled village is located on a hillside. The men with me are not allowed to enter because women are there; however, I can go with the children and one man from the village. The village comprises a single family of fifty people. We enter through a gate and the women, dressed in brilliant colors, move quickly to the shadows until I have been there a few minutes. They approach slowly, tentatively and extend their hands, with warm, open smiles. The combination of shyness and welcoming generosity is seductive and humbling.

The main building holds two double beds and the pots, pans and dishes for cooking. The walls are adobe; the ceiling, tin painted white with green beams. Large clay pots stand outside the building in the village courtyard. Down the hill a little is another building, filled primarily with chairs for sitting and attending guests. Next door is a round hut with a thatched roof. This is the bedroom – there are a half dozen beds, each placed next to a small, square window. Birds fly around and the air is cool and fresh. The family members are proud to show off their village and ask Aun and Captain Sajid if we might stay for tea as they want to thank us for visiting them on such a hot day. We politely decline, although I could stay all day, just sitting in this other world where people endure heat, lack of water and deep poverty with such grace.

We talk to Dr. Sono about what we've seen. We weren't able to see the farmers targeted by TRDP – these areas have some freshwater source and more smallholder farmers. TRDP discourages the deep tube wells, not just because they are so expensive but because they exploit water sources. How to conserve and how to capture rainwater, though challenging, must be where the community starts. What excites Dr. Sono is that now there are affordable technologies available.

TRDP is piloting the drip products on twenty acres with ten farmers, all of whom own their land. They will be laying the systems in early June, using cash crops like cotton and chili. The farmers will be trained at the demonstration sites and Dr. Sono's extension workers will go to India to learn more from IDE India about usage, marketing and distribution strategies. We still have to work out licensing strategies. From Acumen Fund's perspective, what we learn here will influence how we think about a larger-scale strategy.

What becomes clearer and clearer is the usefulness of drip irrigation, the appropriate cost point for poor farmers and the desire for this product in many places in the world. We have to approach this with urgency, for there are few more important issues than water conservation. It is a question of food security, of income levels, which means of health and overall quality of life. Dr. Sono and TRDP have been working on community and water issues for the past seven years and will serve as a reliable, focused, honest partner, working in one of the toughest areas on earth, both economically and environmentally. What we learn here will have tremendous ramifications for how we operate elsewhere.

Lunch at the guesthouse. We're served a completely vegetarian meal now that the workers have learned I don't eat meat. I'm embarrassed that they've changed the whole menu but the group won't hear otherwise. The lunch of chapatti, curried lentils and a vegetable I've never seen before is delicious. We're promised a "desert meal" in the evening. For dessert, we dip chapatti into wild honey produced by the cook in the guesthouse from a beehive out back. I feel different now, with an expanded heart from being near people who have nothing in the world – that sharecropper's wife we met in the desert literally owns a house made of twigs and thatch, a few plastic cups and two or three aluminum plates. She also owns a few things of beauty – glass bangles that encircle her strong arms, silver earrings for herself and her daughters, a single dress and shawl, which is gloriously colored though ripped on the bottom. And still she spoke to me with boldness and dignity, with laughter in her eyes despite the conditions of her life. She grabbed my arm for

emphasis as I grabbed hers, and although we shared no words, we spoke a great deal in terms of human connection. I will never have her grace, but I pray I will learn to hold some of her inside me, some of the spirit of Thar – this hardscrabble place of poor but proud and generous people.

We talk about traditions in Thar. One of the most famous myths here is about a poor peasant woman named Marvi. Many centuries ago, the king asked for her hand in marriage. She responded that she could not leave the people she loved. She couldn't marry him because she was born into a poor farming family and chose to stay with her community. Marvi is revered in Thar now as a symbol of patriotism, strength and local pride – so much so that her name is passed on to many of the daughters in this district. I imagine she is also revered for standing up to power, but no one talks about this. I remind myself to raise it, for I continue to be flummoxed that the poor seem so willing to accept their lot, at least for now.

After lunch we move to visit the carpet weaving outlet, a crafts outlet, TRDP's training center and its management offices. The scope of what this organization does is wide, and the creativity inspiring. After the last monsoon that devastated many households, TRDP designed a \$250 home consisting of two small hut-like buildings with thatched roofs like those we've seen in the villages, a kitchen and a latrine. The quality is solid, the materials are local and the cost is right. This is a group that understands who the poor are and responds appropriately. Dr. Sono is focused on moving from this understanding to creating a sustainable business for the poor that operates on a significant scale.

After the visits, we sit with all the managers of TRDP for a brainstorming session. Each team discusses who they are and what their organization does. Our two organizations are aligned in terms of philosophy and approach – both of us believe in starting with understanding people as individuals with preferences, desires, ability to pay. Both organizations believe that even the best programs will not scale if they aren't sustainable – and government and big donors cannot be counted on for long-term support, so other factors need to be considered when planning strategy. Both organizations also believe in the power of poor people to find resources for what they prioritize and, ultimately, to make their own decisions and solve their own problems. What is needed are not handouts but opportunities.

We run through the numbers of our respective organizations and begin to block out what it would take to build business plans around the most promising endeavors. As for Acumen Fund, we promise to follow up, to support finding ways of transferring appropriate technology, and to work together on something so as to build a relationship and trust.

The day continues. We visit one of the women's groups supported by TRDP's microenterprise lending programs. About twenty women, including a few mothers and daughters, are waiting for us in a small room, sitting on mats, wearing brightly colored dresses with gossamer veils. Most of them wear the veils lightly framing their tanned faces or around their shoulders. One or two cover their heads entirely, most likely because Aun and Capt. Sajid are with us.

The women smile brightly when I start speaking. I've done this so many times before and feel slightly awkward now, knowing this is not the way to insinuate ourselves into the community, not really anyhow. How would I feel if I were asked regularly to come together with my friends to answer questions from a stranger who might or might not come with money to lend to me? It is an efficient way for groups like TRDP to show donors their work and to give them some glimpse of understanding, but the only way we will learn is to spend time here. At first, I'm a bit routine in my questions, asking how they use their small loans (sewing, cows, goats), whether they know they are really earning any more now than they did before (yes, because now they see savings grow), what they want to do with their income (help their daughters get jobs like teaching).

I start pushing in other directions. "What about other professions like medicine?" I ask the women. "Our children can't get jobs doing anything. We have children who have trained to be paramedics and there are no jobs for them. At least there is a need for teachers."

"What if they could get jobs in a place outside Mithi, a good job but one that would take them from here?" I ask. The women don't fully understand my question but they answer with passionate unity, "We would never leave this place. This is our land, this is our country, and it is home to us."

"How many of you own the land where you live?" I ask.

No one raises a hand. I turn to the translator who shakes his head. The women remind me of the story of Marvi, clinging to this dry patch of land where they have lived together for centuries. I think of the people in the Bombay slums who refuse to leave, even for better housing. Home is powerful especially in communities where one's only asset is one another. Those of us with everything else lose a little of our hearts with our self-sufficiency and ability to live across the world, to be home everywhere and nowhere.

"If you could ask President Musharaf for something to help Thar," I ask, "what would it be?" "Jobs," they answer. "We want jobs for ourselves and our children so that we can live with self-respect."

One woman shouts "Water." I ask them how they get their water. Those in town get piped water and pay \$5 a month for it – \$3 for sweet water that comes once every ten days for two hours (they can usually get about 500 liters from the tap) and \$2 for brackish water that flows freely. For women earning \$2 a day, this is nearly 10 percent of their income. They pay the Thar Municipal Authority for this. There is no expectation that water should be free, but they want more of the clean water.

I could stay all day now but I'm given the sign that we have to leave. To be fair, I ask them if they have any questions for us. "You are our guests," a woman in blue answers. "We can't ask things of you because we are taking care of you in our homes." With that, an older woman comes to me and lays her hands on my head, an affectionate blessing. More women do the same, and as we say goodbye, a number of other women do the same. Others give gentle hugs and everyone has open, true smiles that humble me.

I think about a quote I saw on Dr. Sono's wall:

The real debate on globalisation is, ultimately, not about the efficiency of markets nor about the importance of modern technology. The debate is about severe asymmetries of power." The unrestrained and arrogant exercise of this power by a handful of rich developed countries is what an increasing number of people the world over are vehemently opposed to.

Once more we pile into the truck. This time we take off into the dunes, driving at 40 miles an hour through the sand, around trees and children and small houses, camels and goats. Our driver is in heaven. We wonder whether we will get to heaven sooner than we'd hoped – the more trees, the harder he presses the pedal and now we are flying, skiing down the dunes, reminding me of my cousin Jeffrey flying through the trees on the Aspen Mountains. Approximately 15 kilometers away, we reach a desert community of about 250 families that have worked with TRDP to install a tube well connected to a desalination plant that operates by reverse osmosis to rid the water of salt and brackishness. The micro-plant is run with a diesel engine so the chugging is loud, but at least in this evening hour, the water is being fully used. Forty or fifty people with an equal number of camels are gathered around, allowing camels to drink from a long trough and women to fill up traditional water pots to bring home. The scene is extraordinary, atop a sand dune in the setting sun, this coming together of people and animals for clean water.

The community paid 20% of the capital costs for the plant – or about \$7,000 (each family had to pay an initial fee of \$26). A man was hired to oversee the plant and to charge and collect monthly fees from each family to cover operational costs. The reverse osmosis plant has been operating for only a month, so the jury is still out as to whether this might be a model for change. The community used to have to send men on camels into Mithi, 15 kilometers away, which would take half a day – the opportunity costs are much higher than what they pay now. We will come back in six months or so to see what is happening then, whether the engine still works and the people are still paying, whether this could be an example for community water in areas that have no recourse but tube wells. We are interested to see whether this could be another model if done with the right community organizations.



Finally, a late dinner at the guesthouse. The cook has prepared a meal made entirely with fruits of the desert – wild mushrooms, roasted and salted watermelon seeds, fried castor oil shoots, curried lentils, some kind of spicy pods, millet, rice, chapatti and mutton. The mushrooms taste of earth and are spiced with cinnamon and cardamom; the lentils, a hot curry. I still don't know exactly what the pods were and could skip the millet, but the meal is one of the most intense I've ever had. The conversation wanders from community organizing to politics to globalization and international relations. We have another early start in the morning so we say good night by 10:30. I can't sleep at first, can't stop thinking about the grace and humility of the people I met today, our responsibility to them and to ourselves, how much there is to learn.

April 11, 2006  
Karachi, Pakistan

Up at 5:00 for an early departure as the sun rises in the desert. The drive back to Karachi is uneventful. Aun and I focus for nearly the entire five hours on lessons, strategies, next steps. By the time we arrive in Karachi, we feel the day has been justified and then laugh that it is just beginning again.

### Saiban

We're sitting on the outskirts of Karachi, 40 kilometers from the city center, in the headquarters of Khuda-ki-Basti (KKB), the affordable housing development scheme built by Saiban under the leadership of Tasneem Siddiqui – who, over the past four years, has become someone I deeply admire. He started working with slum dwellers beginning in 1969 – “the period of my research” – in Dhaka, Bangladesh. His motto hangs on the wall behind the big table for meetings:

Go to the people, live with them,  
Love them, learn from them  
Work with them, with what they have  
Build on what they know,  
And in the end  
When the work is done  
The task accomplished  
The people will rejoice:  
“We have done it ourselves”

Tasneem takes Sarita and Eric (Acumen's Director of Fundraising and Communications and Business Technology Manager, respectively), who have joined us from India, around the settlement, and Aun and I go with Khuda-ki-Basti's project manager and Saiban's de facto COO, Akhtar Ali Khan. He joined Tasneem in 1986 when the work was being prototyped in Hyderabad. Since 1999, when Khuda-ki-Basti was started outside Karachi, Akhtar has lived in the community here. He is an extraordinary man, symbolic of the people who work with visionaries like Tasneem to make huge dreams come to life and too often don't get enough external credit. People like Akhtar feel the power of what they do inside themselves, but there is great room to acknowledge and learn more about the #2 position in social enterprises that can only scale with a diversity of skills that usually cannot be provided by a single person. Since 1999, Akhtar has overseen the sale and development of 2,800 plots for families of typically six or more people – a total of nearly 20,000 people: 20,000 lives changed and systems built to impact even more.

Built on reclaimed desert land outside of Karachi, Khuda-ki-Basti (KKB) is a thriving community for people who lived as squatters in slum settlements. I visited KKB a couple years ago, and the difference even now is startling. There is now electricity, and Saiban is working on laying pipes for lines that are expected to deliver water in the next six months or so. Schools and clinics are in operation, and children are playing on every street. Shops are open for business, and we pass both churches and mosques.

We visit one of the earliest pioneers, a woman named Fehmida, who came with her second husband (her first one was killed in an accident) and eight children (four from the first marriage and four from the second) when KKB was just beginning, when there were no services at all – no water, electricity, schools, but also no

shops or services so the residents would have to walk for hours to buy milk and eggs, get gas for cooking or make a telephone call. Life wasn't easy but she still felt it was better than what she had and would be a lot better for her children.

Today, her children are growing and her life is completely transformed, in spite of the fact that her second husband has fallen mentally ill so she is the main provider and caretaker of her brood. She lives in a two-story house now, though the first floor remains unfinished. On the second floor, there are three rooms, all of which serve both as bedrooms as well as living space; a bathroom; and a place for cooking. Her children work and help out to cover her expenses but all of them are now saving as well. She loves the change in life since coming to KKB six years ago.

We sit in the main room of the house. She offers Cokes, tea and an unidentifiable white creamy dish that is no longer hot. We try to decline politely but I'm not sure we are ever successful – I don't know if you can be. There is a bed in the corner, two sewing machines, two chairs, a small refrigerator and a television. A parrot sits atop the door, squawking and showing off its bright green feathers. The room is painted white with a band of sky blue from the floor to about waist-height. Fehmida sits on a straw mat, her gray hair hennaed red and covered by a light white shawl with delicate black polka dots.



By the time we are midway through our conversation some of her children have gathered around. I ask the elder one – she is 15 – if she goes to school. “Yes,” she says, “but I am behind, especially in maths.” The mother explains that there were no schools for her until three years ago, and she needed her older children to work. I turn to ask the smaller girl, who is nine, about school and her face lights up. “I love school,” she says. “I want to be a doctor, a surgeon really. I want to take bullets out of people’s stomachs.” It is because of Saiban’s arrival with safe, affordable housing, owned by people who actually live in the community, that other services have been created and offered. The difference to people’s lives of having safe homes, education, healthcare and community around them almost cannot be measured – but we have to try so we will measure what we can.

Fehmida has paid off 38,000 rupees (about \$635) of the 47,000 rupees that the plot cost. Once it is fully paid, she will consider borrowing so that she can complete the first floor of the house and make it livable for herself and her eight children. She is a woman with a mission, one who can make things happen if given the chance.

Around the corner from Fehmida, we meet a Christian man named Edwin Money, who lives nearby with his wife and children. He also has been in KKB for at least five years and tells a similar story to Fehmida. He talks to us not only about loving the fresh air and calm of the place but also about how he feels welcome here as a Christian. Indeed, ten percent of families – or 250 of them – living here are Christian. There has never been violence, and there are a number of churches for the community, something very unusual.

We continue until we meet Kishore Kumar, a Hindu tradesman who initially sold gas cylinders to the community when they didn't have a gas connection. He moved to KKB about four years ago and switched his business to other items once gas supply was brought in. He is also a teacher at a nearby government school. Today he earns about \$300 per month, which is well within what exists of a middle class in Pakistan. It is thrilling to talk to him and see a man whose life has changed dramatically and who continues to give back to the community. I notice the one lane without garbage on the ground in Khuda-ki-Basti is the lane outside the school and in front of Kishore's kiosk. When I ask if he knows who sweeps and cleans the lane, he says he takes it on himself for this is his home and he works at that school.

Simple acts of generosity and beauty.

In less than six years, Saiban has built a safe community, a platform on which others can deliver services. Over the past five years, private service providers and well-reputed NGOs like The Citizens Foundation have built essential social services for the residents. There are now eleven primary schools, a technical college and three secondary schools, an in-patient facility and multiple health clinics. A third of the community works in the area, and a number now bring their services here. We meet the milkman who used to drive into the area and now lives there, and others who recognize real market opportunities.

Our next challenge with Saiban is to expand into Lahore with a fully private-sector model. Small steps.

On our way home in the lower-income areas, traffic slows to a chaotic sludge. Suddenly to my left we see what looks like a dog or a small package fall off a motorcycle holding too many young children with no helmets. I turn and see a tiny child lying still on the tarmac like a lost little turtle. The vulnerability and imminent death of the child was overwhelming. I grabbed Aun and shrieked though we were unable to do anything but hold our breath. Someone from the side of the road ran to the child and somehow, miraculously, the cars behind all swerved to leave the child intact and unharmed save what she suffered from falling off the moving bike. Even now, I cannot get the image of the baby out of my mind.

April 12, 2006  
Karachi, Pakistan

Last night while we were driving back from Khuda-ki-Basti, someone or some group bombed a moderate Sunni procession honoring the birthday of Mohammed. Fifty-seven people were killed and hundreds injured in the bloodiest and most violent episode in recent times. People took to the streets out of rage toward the police and government for not providing proper security, overturning cars and rioting through the night. It all happened fifteen minutes from where we are staying.

There are many who believe that an extremist Sunni sect wanted to kill the imams of the more moderate groups. Moderates are always the most dangerous people to extremists and usually the first victims of their hatred. At least until now, no one knows who was really responsible for the tragedy.

Today, you can feel the heaviness in the city, empty of its usual hustle and bustle. All the shops are closed, as are the petrol stations. People fear retaliation and want to honor the dead. Strikes against the government have been announced and are supposed to start today and last through Friday. The shops have been ordered closed until then as well.

I don't know how to describe the feelings – sad certainly, angry, not a sense of despair but a hush inside like a warning. A part of me is listening to whispers in the streets of Karachi that echo the murmurs in streets across the world. I have often wondered why the poor in Karachi and Lahore, Hyderabad and Islamabad were not more vocal, organized or aggressive in demonstrating their anger. What worries me is the sense that the poor have been silencing themselves like the poor often do. It is so easy for politicians to tap into that anger, to manipulate it into a collective and destructive force.

Adnan Asdar, The Citizen's Foundation

We meet the wonderful Adnan for breakfast, catching up and seeing what we can do together. Last time I saw him he was surrounded by young men, all dressed in jeans and sweatshirts with Afghan hats and living in an earthquake-damaged house while they built temporary homes for earthquake victims. He was filled with energy and resolve and we knew that he would do what he set out to do – first, provide temporary houses and then build permanent ones for 5,000 families. At that point, the cost for the permanent homes was \$5,000, and we talked about the difficulty of scaling such a model.

Since December, Adnan has completed the first phase and is now working on the second. In the past months, he and his guys have built new prototypes to offer three models of homes, ranging from \$2,700 for the more affordable ones to \$7,000 for the top-of-the-line ones. They also have created a debit card system, not only to ensure that people get the right models and materials but also so that they can track who is doing what and when, so that they can complete the tasks with the greatest efficiency and effectiveness. Adnan insists that people pay for a portion of everything they do. I have no doubt that he will not only teach the world

how best to build appropriate earthquake-proof, affordable houses for mountain areas, but will also create systems that foster and spin off sustainable entrepreneurial opportunities.

Acumen Fund will commit to helping Adnan make this happen. We agree that we'll help find someone to work closely with him and then take over operations under his mentorship in a few months. We will work on the business models, operationalizing systems and helping to spin off the ancillary enterprises. Ideally, we will use a market-based approach to operationalize Adnan's template for the long term. And Adnan agrees to stay close to us and our work. He is the kind of leader who will bring the change we need to see, and we must know him, support him in what ways we can and work with him.

We also talk about the terrible events of the night before. Of course, he drove immediately to the scene when he heard the news. We talked about the public noting there were no ambulances, no support. Indeed, the rage of people who started rioting came from anger that response from the police and the government was too little, too late.

We spend the rest of the day in meetings with Unilever, which is going to second a manager to us to help support the work on drip irrigation, and with potential new team members for Acumen Fund. We meet as a team as well to prepare for our launch of Acumen Pakistan in the evening.

We're not certain at first that the planned launch event will take place, given that the city has effectively shut down for reasons of security and for mourning. Our wonderful partner, Ali Siddiqui, assures us that people have come from all over, including Lahore, Dubai and even Jordan. He has rented the grand Mohatta Palace, former residence of Pakistan's founder Mohammed Ali Jinnah and his sister and now an art museum. Some people may not come, mostly for security reasons, but his own staff spends the day calling people and about 150 people say they will make it.

The extraordinary night belies the sadness of the day. The air is perfect, a soft wind moving gently through a dark sky illuminated by a brilliant full moon that seems to smile over the magnificent sandstone castle. Just in front, Ali has set up a giant gossamer tent, reminding me of the Arabian Nights, and the Acumen Fund team is awed and humbled that there ever could be such a beautiful event for us as this. Standing in front of the moonlit castle, I speak about Acumen Fund and our plans for Pakistan, which are not remotely possible unless Pakistanis are part of everything we do, unless Pakistanis help lead the way to change. We are all in this together, and we have a lot to do. Looking into the crowd of young entrepreneurs, it is clear that hope lies in this group of educated men and women who bring diverse ideas and experiences and a desire to see their country achieve its potential.

There is a warm feeling of belonging and being home in Karachi, too. Adnan comes. So does Tasneem and, of course, Ali's parents, who are lovely and tell wonderful stories after everyone has left. Friends from National Bank of Pakistan, the House Building Finance Corporation, the Poverty Alleviation Fund are there too. Friends who cannot make it send regrets, and we meet new people who want to be involved. Having worked here for four years now, we really do feel part of the community, and we're just getting started. I say we see ourselves here not for five or ten years, but that we are here to stay and to become more and more a part of what is good about Pakistan.

April 13, 2006  
Lahore, Pakistan



Early morning after a nearly sleepless night. It is my last day in Pakistan, and my body knows it might have a chance at sleep soon. The whole team is tired in our bones, but no one complains; indeed, we just laugh as we stand in the lobby of our Karachi hotel waiting to drive together to one more airport. Sarita and I read the news on the flight – there still is no conclusive report on the bombing. It might have been an extremist

sect, but now we're told it could be any one of a number of groups intent on creating more instability in Pakistan. Regardless, there is still real fear of retaliation. The shops will be closed for two more days in Karachi, and most people will just stay inside.

Lahore, understandably, feels much lighter than Karachi. It also is much cooler and truly beautiful – one of the prettiest cities on earth, with its Moghul architecture mixed with the colonial mansions and schools from the British rule. As I look at the exquisite architecture, I also can't help but think about how many peoples have invaded this part of the world, and wonder what that means as well for identity. Who are the enemies today, both external and internal? In many ways, every Pakistani, rich or poor, carries the threat and the hope to this country's future. Stretch the thinking further and we all do, we all carry it. But a large part of the responsibility lies with governance here, how it is structured, which institutions are allowed to flourish and how, and whether the people feel any voice, any say in their own futures. Acumen Fund's work can influence this by demonstrating what it will take to bring solutions to poverty to scale, but Pakistan will need the imagination and the *will* to make it happen. For me, the hope lies in this next generation, many of whom we are lucky to know – and to work with – through Acumen Fund.

### Kashf Foundation

Kashf means miracle in Urdu. For many women, it certainly feels that way. Kashf is one of Pakistan's top microfinance organizations, and, increasingly, one of the world's most effective models. Too many microfinance organizations never scale – they get stuck at around 10,000 people served. We started working with Kashf in 2002, when it served 17,000 individuals, most earning less than \$2 a day. Our loan enabled the organization to add six branches serving a total of 12,000 additional clients. Today, Kashf serves 75,000 individuals, touching 400,000 family members. The dynamic founder, Roshaneh Zafar, intends to grow to 500,000 clients in the next few years. We believe in her vision and the organization's capabilities. We meet to discuss where Kashf has been and also how we might work together on scaling, including capital markets strategies as well as bringing on additional financial product lines.



After meeting Roshaneh, we drive to the Walton branch office with Kashf's wonderful CEO, Sadaffe Abid. The branch has 96 active centers that reach out to local women and has four loan officers although it is experimenting with adding a fifth officer to raise the number of clients served in the branch from 2,400 to 3,000. It is located in a small alley in Lahore, a fairly nondescript set of rooms with concrete tile floors and white walls. A list of "do's and don'ts" are on one wall and a list of targets and achievements on another. The do's include honesty, transparency and forthrightness in all of your transactions. In the don'ts, the branch managers and staff are taught not to have personal relations with the clients but to maintain professional relationships. We discuss core values too: customer care, fairness, integrity (and keeping your promises), teamwork, and the

commitment to quality and excellence. Kashf is dedicated to problem-solving and to being a learning organization. Finally, Kashf has a zero tolerance policy toward delinquencies. Everyone on the team is obviously proud not only of the values but also of the belief that these values are so widely shared.

The branch manager is a dynamic woman with long black hair, dressed in a magenta salwar kameez. She has worked with Kashf for seven years. She came from a village near Lahore, started as a loan officer and was promoted after two years to branch manager. Kashf had been afraid to hire men as loan officers, thinking that the women clients wouldn't want to deal with them out of fear or mistrust. The branch manager said that initially her parents allowed her to join Kashf only because the organization was all-women. Now Kashf hires men as well, but sees the commitment in its people as able to overcome gender issues. Women loan

officers are actually feeling more, not less comfortable talking directly to people, including foreigners, and this may have something to do with their working with men as well. To do this right, the organization's culture is professional, disciplined and numbers-oriented.

Still, the work is hard. It can take a year for Kashf just to get its feet wet when moving into a new area or village. For the poor, borrowing is a particularly risky proposition – and so any organization needs to take time to build trust and help people understand the risks they are taking. Some communities initially fear that Kashf will kidnap their daughters. Communities also don't repay at first – testing Kashf's seriousness – whether it is more a charity or a bank. We ask Sadaffe how Kashf handles this. "We tell them that we'll just wait for the repayment. Sometimes we just sit with them, even up until 10 or 11 o'clock at night, and finally, always, they end up finding the money. And then they know."

Regarding Islamic lending practices, Kashf structures repayments with fees and interest imputed into the bi-weekly payments. They tell the women that there is no interest but a service cost added to every loan. Over time in every village, women come to understand, and to accept, the 20% "service charge" as it is so much lower than what the local moneylenders would charge. How we navigate the intricacies of life – it is always a dance, but an important one.

This work inevitably is about changing behavior and long-entrenched patterns. It is about coming into communities, often as outsiders, and asking people to take risks when the upside is not always immediately apparent. Offering a 20% loan as opposed to a 300% one or selling a \$15 drip irrigation system that can quadruple income levels sounds like a no-brainer, but it is everything but that. It means asking people to change what they know, to go out on a limb. Suffering comes from what we lose, and the prospect of loss is especially frightening when you have everything to lose. From our perspective, we have to get better at understanding the arc of building businesses for the poor – how long and how expensive the R&D and prototyping stages are, what the typical marketing costs are and what we've learned about what it takes to get people to be first movers.

### Saiban Lahore

Jawad Aslam, Saiban's new project manager for its Lahore project, meets us at our hotel to talk about the work he's doing, to discuss Acumen Fund's partnership and to take us on a site visit to the area where the organization is finally building a settlement, after a two-year search to find affordable land. Mostly, Jawad is there to tell us about how much has had to go wrong before things could start to go right. It has been a long five months for him in Lahore, and he wants to be sure that we understand the stumbling blocks to making something significant and sustainable happen for poor people. We smile, knowing there is always a "lost year" – or two or three or five lost years – before real change can begin to root itself in poor communities. It is only at that time that any real level of take-off can be expected.

I remind Jawad of Acumen Fund's own history with Saiban. We started working with Tasneem Siddiqui and supporting his incremental approach to housing for poor squatters living in Karachi in 2002. Nearly two years ago, we increased our support so that Tasneem could experiment with a wholly private approach to developing land and housing for the poor. It had been too many years of trying to secure government-granted land, so, we thought, why not experiment with the model to see what is possible on a purely private basis? The road to this point has been long and hard, we assure Jawad, but we're on our way and, like him, can see tremendous progress. So we encourage him to speak candidly, for nothing will surprise us.

Jawad has been working with Saiban in Lahore since January, after arriving here from Baltimore last September. He is an example of the kind of talent and commitment we are seeing in the world. Born to Pakistani parents, Jawad was raised in Baltimore, where he studied and earned an MBA. He and his Pakistani-American wife decided to come to Pakistan to find something more meaningful where they could make a concrete contribution. He earns very little money but tells me he knows he has an incredible opportunity though the work is hard and the personal costs are high. If he pulls this off – and I believe he will with the support of Tasneem and Aun and others – he will have done something of major significance in Pakistan that can serve as a model for the world. It is a big deal. I believe that young people like Jawad and Aun and Ali Siddiqui are the future of Pakistan and have it in them to make serious and lasting changes.

In Saiban I, Tasneem negotiated for government land that he could sell at a very low price to the clients. Saiban II is an experiment, initially funded largely through a loan from Acumen Fund, to extend the model through private mechanisms. Saiban has purchased enough land to sell to a community of 450 families, including parks and commercial centers and the provision of services. Finding ways to purchase the private land proved to be more of a challenge than we had originally anticipated, but Jawad has made great progress in the last few months, working with a town planner to complete the scheme's layout and finalizing designs for the homes. He has started the process of marketing to low-income families to get them to book plots. Given the high costs of private land, the houses and land together will cost about \$5,000 (versus \$2,000 - \$3,000 outside Karachi) – but the houses will still be affordable over the long term. Saiban will try to get a bank to provide 20-year mortgages to buyers at affordable rates. When we met with the Kashf borrowers today, they told us that the cheapest houses available cost nearly \$8,000, which they still would buy if they had access to financing. We've calculated that people making 5,000 -10,000 rupees monthly can afford the \$5,000 houses – they are already renting homes for 3,000 - 4,000 rupees and get no services. The payments to Saiban will be lower than this and result in home ownership, something all too rare in Pakistan.

Jawad's main problem has been in getting the land actually registered. In Pakistan, legal land purchases must be approved by a local registrar, who reports to union council leaders. The registrars are notoriously bureaucratic and corrupt, and because of the footprint of the land, it is our luck with Saiban II to have two registrars with which to contend. I love how Jawad describes our registrar friends, whom I want to meet just to try to understand better who they are, what ultimately motivates them and how we might have some chance of getting them involved in doing good things around extending land to the poor.

The registrars are men in their thirties (not the old bearded men I'd imagined), both physically impaired – one is missing an arm, the other a thumb and maybe a finger – and both are all skin and bones. Both are also bureaucratic, mean and corrupt, slowing down the process of registration at every turn. They sit on the floors of tiny offices behind small wooden desks, drawing land measurements on large square pieces of white cloth. It is all from another time, including the corruption that continues to be accepted today. The registrars are paid about \$500 a month through their government jobs, but it is widely known that most earn ten times that amount in bribes. They are the key bottleneck in an already dirty business.

Saiban does not pay bribes; therefore, things proceed at a snail's pace. In fact, two more documents are needed for final registration despite the fact that everything is in order, the land has been sold, and planning and construction has begun. The registrars do all sorts of things to retard the process – their favorite reason for canceling meeting after meeting is "rain." For months, they went on strike when their union council leader was put in jail for fraud. The power of little men ...

Until Pakistan decides to break this system of cronyism and corruption, we will not solve housing for the poor in any scalable way. So why does Saiban continue to do this? Why do we push so hard and deliberately? I see no other way than to demonstrate what it takes to make housing work for the poor. This one program will bring housing to nearly 2,500 individuals who will have the chance to build assets and better lives. Once we get to 10,000 houses built over time, we'll have more than a track record, we'll have a blueprint that cannot be ignored. It is therefore critical to record every cost incurred – what we invest and what we have to spend just to get around the public sector in order to help provide a public good. I ask Jawad to make sure he records every meeting canceled, every hour spent waiting to get the land registered, every time he is pushed for more "fees." Economist Hernando de Soto has written about the cost of bureaucracy and its impact in preventing people from title and, therefore, any real asset accumulation. Here is a chance to move theory into action, to build on Tasneem Siddiqui's 30-year track record and to demonstrate the metrics of effective housing development. We need to think about how better to help Jawad in this piece of the work.

We drive through the crowded part of Lahore, accompanied by horse-drawn cars and donkeys, three-wheelers, vans and trucks, men carrying baskets on their backs and pedaling bicycles with huge boxes attached to the seats. The traffic moves faster than a crawl but not much faster than the horses trotting. The buildings are run down and tired, and the road is hazy from the diesel fumes. Veiled women dart their eyes from the back of a three-wheeler – there are three of them looking this way and that. We pass the Lahore Fort on our left and the breathtaking Badshahi Mosque – the Emperor's Mosque, built in the 1600s and one of the most magnificent buildings on earth – on our right. Just outside the commercial area, a new circular highway is under construction. Although the ponies and donkeys still pull their carts, the cars can finally start

moving. We cross the Ravi River, which looks more like a dry riverbed with a few shallow ponds in it due, apparently, to India's diverting the water through its system of dams (water and politics, another topic...). Once across the river, we pay a toll to leave Lahore and enter Shahdara, a city that is now an extension of Lahore, and continue on the way to the housing site.

The land opens up as we leave the city behind. Jawad estimates that Saiban will complete its first model home in the next few weeks. They will continue marketing to squatters, a number of whom have already approached Jawad and said they were prepared to make significant down payments to secure their plots. People's questions revolve around whether schools and amenities will be available, and whether there will be reliable transportation to the city. This should not be as hard a sell as Saiban I was in its early days, because clients here will have access to most services when they move in. Saiban I residents waited four years for electricity and are still waiting for piped water.

We approach the Saiban land after turning off the main road onto one made of dirt. Just near the settlement is a brick factory, though Jawad complains of the quality so its products will not be used. All around us are fields of wheat, some of it harvested into neat bales. Farmers walk with their buffalo and sheep. A few old men ride by on bicycles but there is little other noise. It is nearly sunset – the magic hour. The world is beautiful.

We reach Saiban's land and stop the car, waiting for the dust to settle. This is not the moon-like landscape of Khuda-ki-Basti in Karachi. The land is flat, rimmed with a line of trees in the distance and wheat fields everywhere you look. It has a quiet beauty to it. I could see urban squatters feeling like they've moved to the country where the air is sweet and the streets safe.

"Build it and they will come." Once people see this place, they will come to buy. Once the model house is completed, Jawad will bring buses of people out to see the land. If the women of Kashf are any indication, this settlement will move much more quickly than Khuda-ki-Basti. This place not only is easier but will appeal to a slightly wealthier group, though still those earning less than \$150 a month, most of whom are already paying \$50 a month in rent anyway – the approximate amount they'll pay here to own.

We stay at the site for about forty-five minutes, looking at the land, imagining the 450 houses, the streets, the small parks and commercial shops that will emerge, especially after having seen Saiban's work in Karachi. I think of Kishore, the Hindu merchant and schoolteacher there who also owns the local kiosk and has more than doubled his income. I wonder how many Kishores will move here and change their lives and give better futures to their families. In Kishore's case, the difference was extraordinary – he now earns almost \$300 a month, putting him well into the middle class. He's a model citizen, cleaning the streets and knowing everyone in the neighborhood. Who will come and live in this new suburb? What services will they bring? What life will they add to the community and what will they gain? Knowing you are safe in your home, that your children are breathing clean air and are not in physical danger, that you have access to affordable services – simple, basic services like water and electricity and education – this is all so fundamental to life. Though housing will never scale like our other areas will, the multiplier effect on individuals and a community can be massive.

We have not measured the multiplier effect of developing safe communities, but we need to find a way to do this. The layering of schools and clinics, catalyzing jobs and new professions, educating children and creating a sense of security and better health – all of this significantly impacts productivity and is part of the social returns to investing in secure housing for people living as squatters. It took Tasneem Siddiqui 30 years to understand how to market to the poor, bring affordable housing in ways that met their needs, offer services and create safe communities. We need to build on this knowledge, move it out into the world, and scale Saiban's efforts in this less direct but potentially more powerful way.



April 14, 2006  
Karachi-Dubai-NYC

Flying back to NYC. It has been a good trip, a productive trip. My head is still swirling with everything I've seen and heard, and I know it will continue for days until the dust settles. Dust. There was a lot of dust on this trip, but no fairy dust, no easy solutions. There never are, not when changing behavior. In almost every investment, we have to consider a lost year or lost couple of years before enough trust is built with the communities, prototypes are tried and modified, acceptance begins to happen. That may just be part of the deal and something we have to integrate into our metrics as well as our expectations. Five years into our own trajectory, we now have real relationships in the countries where we work and that, too, is making all the difference.

Two weeks, one in India and another in Pakistan. We identified partners to finalize and fund our NBFC in India; moved forward on exploring a potential line of credit for one of our investments; strengthened our understanding of six others; and considered a number of pipeline deals. We interviewed our South Asian candidates for the Fellowship program, met our new country team members and made an offer for a new position in Pakistan. We launched our Pakistan office at an event for 150 people and have a great deal of follow-up to do on this evening alone. We strengthened ties with partners and investees and among our own team as well. And in the midst of this, we reminded ourselves that we just turned five on April 1. On Monday, our management team meets to start thinking about the next five years. These past two weeks have raised questions, opportunities and challenges that will be important in our discussions.

As always, I learned more than I could have imagined before leaving JFK two weeks ago. There is no work like this on earth for it sits at the heart of the human experience, the human journey to create the world we can dare to imagine together. It requires discipline and focus, financial and operational skills as well as an openness to different ways of talking, of expressing, of dreaming and of managing. It is a constant dance between brain and heart that only works when the two are bound by the commitment of the soul. I've never felt as concerned for the world as I did in the past two weeks, feeling a pit in my stomach as the widening gap between rich and poor feels even more tangible, more fragile. And yet, I come home more optimistic than ever that there is a growing group of some of the most talented individuals on the planet willing to commit to being part of a different way of looking at how we can best solve tough problems.

My brother Mike says this is political work, and he's right. It is not ideological work, not based in left or right thinking. But it is work that forces clear observation of the challenges that get in the way of every human being's right to be the best they can be, to have the freedom to make their own choices, their own decisions. It is work that calls for change and refuses to accept the status quo. It is work that demands real relationships, and real relationships are never easy. I feel like my thinking has gotten at once murkier and clearer, probably a sign that we're pushing through to another level of understanding. With each new step, I'm grateful and hopeful that our team and our partners and board members and investees and friends will together show the world that we can build it in a better way, brick by brick.

Jacqueline Novogratz