

# Jacqueline's Journal

## Pakistan

OCTOBER 22-28, 2007

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### Monday, October 22, 2007

KARACHI, PAKISTAN

The suicide bomber attack on Benazir Bhutto's parade on Friday delays Acumen's CAO Ann MacDougall and my trip to Pakistan. We have to cancel a 2 day excursion to Thar that I had planned with Dr. Sono of TRDP, one of our investees, to see the progress on the drip irrigation project. Over 130 people were killed on that first day of BB's return to Pakistan and hundreds more were hurt. There were a few explosions in Karachi over the week-end but nothing in the central business district and we decided to come to Pakistan to spend time with the team and our community of partners and investees. We would not travel to rural areas and would move with caution but our team and our work are here.

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Our flight from Bombay arrives in the early afternoon on a bright, sunny day that belies the tension in Karachi. We walk out of the airport and into the light to see the familiar golden arches of the huge McDonalds directly in front of us. Slightly to the left is a giant movie screen showing old Tom and Jerry cartoons and just to its left is a huge poster welcoming Benazir Bhutto. Men dressed in white kurtas wearing skull caps are sitting lazily on the sidewalk talking to one another, women in hijab carry children on their hips and porters push carts eagerly for arriving passengers. This is Karachi - a mix of old and new, the serious and the absurd, a mess of contradictions and still I have such affection for the city. Maybe it is the generosity of the people I know. Or their soulfulness. It is



Acumen investee Saiban is building new housing and community in Lahore

certainly not the architecture, not the state of the roads nor the state of services; and it is certainly not the growing tension that resolute and resilient Karachiites confront with great aplomb and sometimes even apathy. It is not the apathy either, but it absolutely is the hope that I feel whenever I work with our team of young professionals who give so much of themselves every day to contribute - and are starting to see results.

Coffee with our Country Director, Aun Rahman, now a four year veteran at Acumen Fund after starting as a volunteer and then becoming our first fellow. Nearly six foot four and lanky with a shock of black hair, he ambles up with a huge smile and shuffles us back into the airport for coffee and a chat before another flight to Lahore. Ann and I have lived on roads and planes on this trip through India and Pakistan. Today will be no different.

The Costa Coffee shop is new, modern, clean and bright. It sits adjacent to the prayer area at the airport, just by a little white shelf where four pairs of sandals sat the entire time we sipped our drinks and talked, about two hours. I wonder who owns the sandals, though I could hardly imagine how they could have been forgotten there. Finally, our flight takes off and we arrive at the Avari hotel in Lahore around 10 pm. Ann and I are put on the "Ladies wing" complete with pink slippers and extra toiletries. I hardly notice the room, however, and found myself asleep as soon as my head hit the pillow in the pastel-shaded room.

Tuesday, October 23, 2007

LAHORE, PAKISTAN

### Kashf Focus Group

Aun, Ann and I meet Nabeel Khan, Program Coordinator of Acumen investee Kashf Foundation's Housing Improvement Loan program just outside the microfinance institution's office. Nabeel, wearing a short cotton blue sleeved shirt and grey pants, greet us with a smile and then joins us in our car. We drive for about an hour outside Lahore to a suburb named Ravi Rayon, an industrial hub where the smell of effluents catches in your throat along with the heat and dust, though today feels cooler than the days before. Kashf has a branch here on the second floor of a building located along the highway in a cluster of small shops.

Kashf is holding a focus group of their clients to see what they – and we – can learn from the existing borrowers of the housing loan product. An important experiment, the housing improvement loan (HIL) is structured on a four-year term which is of a different scale altogether than the one year terms to which the microfinance borrowers are used. Still, the loan works on the group solidarity model whereby the entire group of twenty-five women is required to guarantee the loans borrowed for housing; and since there are rarely more than a few HILs in the group, there has been some tension within the group on “guaranteeing” the loans, and overall uptake on borrowing has been slower than anticipated. On the other hand, Kashf has made more than 600 home improvement loans and the repayment rate is 100 percent. Kashf intends to continue experimenting with this product before a full scale roll-out.

Nabeel leads the focus group of eight women borrowers in a concrete room with only one window hidden by cotton

curtains. The women are wearing brightly colored shalwar kameezes – orange and green, red and flowers on black, and all covered their heads with their dupattas or long scarves. They've all been borrowers from Kashf for a number of years and have borrowed for housing only in the past twelve months. The eldest just turned sixty. Framed in a white gossamer veil, her gentle elegance is accentuated by the tinkling of glass bangles as she moved her slender hands in conversation. She used her \$1,500 loan to build an extra room and a kitchen and found the new space like “something from heaven.”

Rubina, wrapped in black flowery cotton, used the loan to contribute to construction of a new house. She tells us that she had a lot of income earners in her family and they were all contributing to the building of the house – her husband is a laborer and her son runs a local video rental. Their old house was located in a place too dangerous for the family so they moved to this area and got to work based on the Kashf loan. Thus far, they've built a single room – and even though it is very small, their family of seven feels a great sense of freedom and safety. “We can come and go without fear,”

she said. Rubina contributes by tending to the house and farm as her three sons and husband work as laborers.

This is the concept of incremental housing – very-low income people start where they can, with very small loans to build even a single room, and as earners in the household gain more income, it is all invested into building additional rooms as they can. This is one way to help people build assets according to their own abilities and timeframes. Still, I worry a bit about the longer terms for each loan and whether families will have the abilities to sustain regular repayments over a 4 year period. It is something that Kashf and we will monitor as we learn more about the possibilities and challenging of providing longer term housing finance to those living at the base of the pyramid

Manzura, 36 years old, sit sat the end of my table to my left. With more presence than the others and dressed in dark greens and browns, a dupatta covering her head, she cuts a handsome profile. Her nails are dyed with henna, and green bracelets tinkle when she moved her right wrist while a dozen maroon bangles dance on her left.



Kashf borrowers are using home improvement loans to build safety, security and an economic asset

Her black eyes are fiery, full of life, though life hadn't been easy. Manzura had her first child when she was 15 years old and that daughter now has three of her own. She also has another daughter and six sons, though two are afflicted with illness, one with heart disease and the other, polio. "I need a big family so that the healthy children can help us as the others cannot," she shrugged, answering an unspoken question.

She has been borrowing from Kashf for more than four years. Her first loan of \$115 helped her buy a calf which she raised and then exchanged for a milk cow. Another loan enabled her to buy a buffalo and the male and female produced an additional two calves, the milk from whom produces enough income to educate four of their sons (the unmarried daughter studies at a local madrasa). Unafraid of risk, unlike many of her fellow borrowers, Manzura was one of the first borrowers of the Home Improvement Loan program. She used the money to buy a shed for her livestock as a means of keeping them close at night to avoid theft and to get them through the winter without freezing. Her payments are current and she said she feels more secure even just knowing the cows are safe.

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We ask how we might improve the HIL product. "We earn money monthly but our payments are every fifteen days," she started. "I think the payments should be made monthly instead." Her cousin dressed entirely in crepe the color of fresh tangerine interrupts whenever Manzura starts speaking, this time to agree vociferously with the 15-day plan. "It is too hard to have the discipline otherwise," she adds.

As Manzura speaks, a phone rings and another woman at the table pulls a cellphone from beneath her shalwar. She has a quick, quiet conversation and came back to the business at hand. A staff member places two plates of cookies and cakes on the table and everyone waits for us to take some and refuse when I first offer to them. I am always struck by the graciousness and politeness of the very poor.

I also never failed to be moved by the sophistication of the very poor when it comes to finances and decisions about changing their lives. We didn't get the chance to talk to one woman whose sister died, leaving her with more children than she could handle

in a tiny house. She used the loan to build an extra room and to add a toilet and new sewerage, and now feels more able to cope with what life has given her, both good and bad.

**Saiban's Khuda ki Basti ("God lives here" ...)**

Not far from the Kashf branch, along the same Grand Trunk road outside Lahore, sits Khuda-ki-Basti 4, Saiban's housing development in Lahore. Khuda-ki-Basti ("God lives here") is an internationally acclaimed housing project that was developed by Tasneem Siddiqui, an ex-civil servant to find a sustainable solution to the low-income urban housing problem. The Lahore project is the latest of the KKBs. Financed and supported by Acumen, it is a variation on the original model, using a more private sector approach. Today, we decide to drive all the way to where the houses stand rather than walk through a nearby village and across the fields as the day is hot and the dust intense, so different from the first time I visited right after the monsoons when water surrounded the place. Right off the main road, about twenty rickshaws stand waiting for passengers, a taxi line for the outskirts of Lahore. Past an old brick factory and an old village and we finally stop. In the distance, we see what had once been an empty field and is now an emerging community. We drive down the access road finally, not yet paved, but still a key infrastructure development to the success of Saiban.

We are greeted by Jamshaid, the site manager who has been in charge of the project for the past two months in the absence of the Project Manager Jawad Aslam who is in New York City as an Acumen Fellow. Jamshaid welcomes us to the main office and gives us an overview of operations. It is a tribute to Jawad's leadership that Jamshaid has been so successful in moving the project forward. He brims with enthusiasm. Tall and lanky, wearing a black shirt and grey jeans, his hair neatly cut with a part down the middle, he immediately takes us through the scheme, block by block, listing accomplishments as well as challenges. "We already have started building our school and it will have the highest level quality education. There will be one mosque in the society and a large park in the center. You see where the shops are? And we will provide underground water for drinking for the whole society. But it will be clean water. It will cost us \$40,000 to set up the infrastructure but then the people will pay a small amount for association fees – 200 rupees maintenance (\$3.3) per month." Underground piping for drinking water is unheard of in most places poor people live and will send an important message of what can be included in a low-income development project.

Thus far, more than fifty houses already have been completed (two blocks) and another ten are under construction as part of the third block. Until all of the water is put in underground, people are

using hand pumps for the most part, but the water in area has been contaminated in this industrial area which is why Saiban has decided to bring clean water to the entire community through a deeper tube well. HBFC, a public housing finance provider, has made a mortgage product available to residents here --. A purchaser must make a down payment of 75,000 rupees to get a 10 to 20 year mortgage for 175,000 rupees (nearly \$3,000). Otherwise, people have the option to buy the land with some services but have the responsibility to build their own homes, provided they get approval from the technical committee of Saiban. Thus far, six people have mortgages. This is the first time in Pakistan's history that long-term mortgages are being given to this segment of the population.

Saiban is still in the early stages, attracting "early adopters" to the development while bringing services slowly and incrementally. "Basically," Jamshaid tells us, "to attract the people is not easy, especially now that we still don't have the hospital or school or many of the commercial services which are also critical

to convincing people. Once these services are established, it will be easier to convince people of how much this can improve their lives. Today we have people who will take some risk with us."

The commercial sales officer joins us. With his white beard, white skullcap and pale grey kurta, his dark brown skin and kind, black eyes create a stunning contrast. His job is to go to different areas of Lahore, especially around markets to sell the idea of the development and of mortgages to the poor. He himself asked for the position after receiving the first mortgage at Saiban. "You see," he explains, "when I lived in Lahore, I was a squatter, living on someone else's land and paying 3,500 rupees per month (\$58) for rent. Now I pay only 2,500 rupees and I am an owner. This is my house and my land." We walk with him through the development to a one room, unfinished house in the corner. His aunt sits on a cot while his wife cooks outside in the open air of the tiny courtyard. It doesn't look like much, but as he says, it is his. And that has made all the difference.

Forty-eight years old, he is unafraid to

try new things. I ask what he did when he lived in town. "I was a shopkeeper, selling sundries," he said. "Now my son runs a shop here." And there it is, one little shop where a young man is selling soaps and rice, matches and bread and other essentials. Though his customer base is only a couple hundred strong, he's the only game in town – and for the first time, I can really imagine what Tasneem Siddiqui talks about: in a year or two when three thousand people are living in this development, a micro-economy will arise enabling not just shop keepers but people providing an array of services and products to the people living here.

In the middle of the block, a perfect square of well kept grass ringed by pink flowers has emerged as the residents' own park. It had taken Jawad a long time to convince the residents to help him create the park, so out of frustration, he started doing the digging himself which shamed a few residents to pitch in and help him. Today, the park is a sign of prosperity and respect and beauty. The residents use part of their monthly fees to pay a gardener a few rupees a month to do the upkeep, but Jawad told me that they also now are often seen helping the gardener for this too is a major transformation of what people who for their entire lives have lived in slums can expect. This notion of helping people take small steps to raise their expectations for themselves and then live up to them is, perhaps, the most important part of the development process – hard to measure, to be sure, and harder to do – but it is what ultimately enables people to start changing their own lives and freeing themselves of the real shackles of poverty.

I hop around like an excited schoolgirl. Two years ago, this was just a field. I remember standing where the development would be built as we watched horse-drawn carts carrying bundles of grass across the dirt, having no idea of how much work – and time – it would take for



Saiban's commercial sales officer, and the community's first mortgage-holder



Saiban's school has one room, but is building two more to serve the children of the community

Jawad and Saiban to navigate the petty corruption and bureaucracy to register and gain title to the land. A year ago, a single demonstration house had been built. It was too expensive, the result of time delays and mistakes, but its completion sent a strong message of what was possible. Still, no one came forward to buy, as there was so little trust that the development would really happen. The shooting incident of last September showed how serious we were, and the people started to come. In April there were thirteen brave families living there, with no services and not a flourish. And now, not even six months later, there are 50 houses, around 30 occupied and there is a park with benches on the perimeter and flower pots outside house doors. And more exciting than anything else, a school stands not idly but filled with twenty youngsters, all studying English.

It is a small school, one room to start with; two more in progress. The schoolchildren's shoes are piled outside the door and they all sit on the floor with books in hand, reciting words for their three young teachers who sat smiling in front. The school was built by a woman who came

from the Khuda ki-basti settlement of Saiban in Karachi. She had done the same there and wanted to build another. As more families come, one of Pakistan's best NGOs, The Citizen's Foundation, intends to bring a larger school as well to the people living here. Now I could envision an entire community filled with homeowners who lived in a beautiful place with parks and schools and services and a secure neighborhood. And most important, the people are making it their own and the project would be able to sustain itself without anyone's charity.

There is always a moment when the theory of what it takes to bring dignity to people and the reality merge. I look around, knowing that to many people, this relatively small colony of simple brick one- or two-room houses might not look like much, but knowing the history of the people, how hard it is to make things work for the poor in a country like Pakistan and what community can do to change lives, makes my heart feel like it is about to explode. Saiban Lahore is really, finally, on its way, and I predict the next two years will see a much faster ramp up than the first years.

## Wednesday, October 24, 2007

### LAHORE, PAKISTAN

The day started with a glorious swim in the bathwater warm pool at our hotel and a quick, depressing read of Dawn, one of the country's most respected newspapers. People were destroying girls schools in the north, and women were being forced to wear burqas. A bomb blast had gone off in one of Karachi's neighborhoods and four men had been beheaded in Swat, one of the most beautiful parts of Pakistan. People are talking about the "Talibanization" of Pakistan and it is no joke. Still, I'm shocked and dismayed that there is so little public outcry. It is so much easier to destroy than to build. I thought of the slow going in building Saiban's community – how could we expedite the building of a thousand such communities to counter the forces of such deep and scarring oppression?

But in Pakistan, life continues. A good meeting with Misbah Naqvi, Acumen's business development manager in Pakistan and Aun's co-pilot and then a number of other meetings with prominent bankers and businessmen, and finally the wonderful Roshaneh Zafar who founded Kashf Foundation. She started the microfinance non-profit eleven years ago and as with Tasneem Siddiqui, people thought she was crazy. Today, Kashf has 260,000 borrowers and Roshaneh is working to build new financial institutions serving the poor. Roshaneh is another beacon of light that needs to be helped to shine as brightly as possible. Focusing on scaling her efforts – and highlighting the moral way in which she leads and lives – is also key to building confidence, solidarity and a sense of what is possible among the majority in Pakistan that must not remain silent.

As always, we visit LUMS, Pakistan's premier business school, founded by our dear friend and partner, Syed Babar

Ali. We don't talk to students this time – something I regret – but meet with the dean and The Indus Entrepreneurs who are interested in seeing how social entrepreneurship might be linked more closely to business in general.

Around 5 o'clock, we fly through the streets to make our flight to Karachi. The orange sun burns neon in the pink sky over Lahore as we shuttle through the airport, familiar with the drill: move the checked bags through security, get the bag wrapped with a tight plastic wire, check-in, get tabs for every carry-on bag, go through security again. Women to one side to be frisked behind a curtain; men, patted down in the open. A guard stamps the paper stubs attached to the bags and we sit down, waiting for the call. The tabs are checked again for the stamps and finally we get to the plane.

Thirty minutes into a quiet flight, the plane turns around. The pilot announced that we "had been instructed to fly to Faisalabad" with no further information or instruction. Faisalabad is a 30 minute flight from Lahore, about a two-hour drive, a center for textiles, in the Punjab heartland. We puzzle whether the turnaround is due to technical difficulties or the closure of Karachi airport. No one will tell us anything, not even the sweet stewardess who already has apologized profusely that the only vegetarian option was a white bread sandwich with a few strands of coleslaw smashed between the soggy slices. Of course, people start whispering in the way humans do to create stories that allow us to make sense of the nonsensical. "I hear the Karachi airport is shut down", says one. My neighbor says, "The South African cricket team is there and so they don't want anyone else coming". Later, we'd learn that the South African government actually refused to play in Karachi and so the match was held in Lahore. "Technical difficulties, that's all",

an overweight man with a thick Oxford accent, sighs knowingly.

Once we land, all passengers are instructed to bring our bags as we disembark and we trundled into the transit lounge, each of us passing again through security. The gossip continues as people mill around, calling friends, watching the televisions. Minutes later, a woman dressed in brown sitting next to a much younger woman with a baby looks up from her cellphone. It is on the news right there

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on the TV: there was a bomb scare on flight 305 and the plane was grounded. No one knows for how long we would have to wait. The airlines say nothing, but in this day of instant information, we learned of what was happening to us on the television set just above our heads.

In small groups of five or six, the guards allow us to move from the transit lounge to the departure lounge once we cleared ourselves and our bags again through security. A young Pakistani guy with a Police T-shirt and a High School Musical basketball turns to me and said, "Don't think we're used to this either just because it is Pakistan. This is the first time anything like this has ever happened to me. We don't know what to do." I tell him to follow us, not that we know what to do either.

Pakistan International Airlines treats the stranded passengers to any kind of snack food we desired. I find some Pakistani M&Ms packaged on a single strip of paper coated in plastic like those old candy buttons we used to eat as kids – the quality of chocolate wasn't great but it still gave some temporary joy as I managed to inhale

them in minutes. We find chili chips and more chocolate and stale biscuits, a veritable feast. Our team keeps our spirits high as we always do in such situations, but I feel mostly for Aun because he is missing his baby son Zaid's second birthday. Ann calls the global security guy with whom she's been conferring for days, and asks him what to do. He tells us our only choice really is to follow what others are doing.

The big room with beige leather chairs and stout, square little tables fills with smoke

through the hours as everyone waits for information. Most of the passengers are men but it seems the women tend to come only if they have children in tow. A woman in a lavender shalwar kameez snuggles her beautiful daughter who reminds me of Brooke Shields as a young girl. Two other little girls, each carrying Winnie the Pooh bears sit by their mother, each holding her head in the tired woman's lap. People wait for news and seem to take the news of the bomb threat in stride. No one yells, no one makes a scene, and I am struck just by how kind and how patient everyone was.

Thankfully, the wonderful Zaffar Khan, Chairman of Pakistan International Airlines, our airline for the evening, is an Acumen Fund Pakistan board member and mentor to our team as well as a man of great integrity and seriousness. Zaffar was the one who ordered the plane to land once they had received the threat. He told Aun that they had taken steps to ensure the right precautions had been taken. A few minutes later, a security guard approached us and hands Aun the phone. It was a PIA security officer and he insists on speaking with us.

“Where is Jacqueline?” the man asked loudly and haltingly in the way that people sometimes do when speaking a language that is not yet fully their own. I raise my hand and he came over. “Miss Jacqueline,” he shouted. “I am here to tell you that we are doing all of the security checks very seriously. And now the plane is just clean like a newborn baby so you have no worries.” I laughed and said that clean wouldn’t be the first word I’d use to describe a newborn baby but I got the metaphor and appreciated the service. We knew Zaffar would give the right direction so we all re-embark and before the plane even takes off, I am fast asleep in my seat, and still drowsy when we finally reach the Karachi Sheraton at around two o’clock in the morning.

**Thursday, October 25, 2007**

KARACHI, PAKISTAN

#### Tameer Bank

Breakfast with Nadeem Hussein, the founder of Tameer Bank and an ex-Citibanker (many of the major banks in Pakistan are now run by ex-Citi guys). He is building a commercial bank that provides microfinance to the masses as well as new financial services to both the middle class and lower classes of Pakistan. What is most exciting about his model is Nadeem’s innovative approach to leveraging capital to bring new kinds of financial instruments to an economy in real need of them. Acumen is considering ways in which we can work with Nadeem to support his plans and visions.

#### Unilever

To Aun and Misbah’s credit, our relationship with Unilever has continued to grow. We meet with the CEO of Unilever Pakistan who speaks first about the general situation of scaling Unilever’s own operations, and underscores what we continue to hear – the biggest constraint is that of talent. Unilever needs truckers, packers, all kinds of low-skilled workers, but most people who fall into this category see their main source of wealth coming from agriculture. While men are willing to work in these more formal jobs, during the harvest, they typically feel the need to return to their homes and help not just with farming but even more so, according to the CEO, to resolve inevitable disputes with other families around who owns what land and how much each deserves. The company also has a hard time finding qualified management level talent willing to live for even short stretches of time in isolated rural areas. “We hire very educated urbanites,” he says, “and they don’t work so hard for their education to live in a place where there is no social life, no services and no real connection to everything they worked for.”

Most exciting about the Unilever-Acumen relationship is the newly formed volunteer program. Through its program, six young managers are spending up to 450 hours till December after work and on Saturdays with a new Acumen investee Micro-Drip, a drip irrigation marketing company that the Thardeep Rural Development Programme (TRDP) has set up recently. The young people will work with our team as well as with the Micro Drip team and provide assistance in supply chain management, marketing and logistics. We met with four of the volunteers.

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Nasser who had worked in a pharmaceutical company before spending nearly three years with Unilever, is working on how best to deploy the drip systems in the field in the most cost-efficient way provided it works well for the farmers as well. Another young man is working on the customs process which has been a nightmare for the tiny company but is something that Unilever has over thirty years of experience doing. As I listen to the four young men, all exuding a wonderful, energetic willingness to give, I think again of the bad news coming out of Pakistan and the difference between this younger generation and an older one who seems more to have accepted the status quo. I ask the group why they wanted to do this crazy work in the desert on their week-ends.

“I want to give back to my country,” says one. “I want to learn about the place from which my parents come. OK, Thar is in the south and they are from the north, but both places are poor, not like Karachi where everyone is like me.”

Our intern from last year, Zohare Haider, is now on the MicroDrip team. He explains how hard it was to get farmers to imagine that bringing a few drops of water to the plant stems would yield greater results than flood irrigation would. But there have been a few individual success stories and those pioneer farmers now want to show other farmers and sell the drip systems to them. Step by step, these young people are convinced the farmers will learn and, as with housing, while the first hundred or so farms might be difficult, the uptake will grow exponentially once risk-averse farmers see and understand the results.

Saqib Khan, the acting COO of MicroDrip, is also at the meeting. Small framed and quiet in nature, he has a strong determination and a clear and ordered approach to the work. He recently returned to Pakistan after spending nearly a decade in Silicon Valley, much of it in technology and finance with AMD. "It was time for me to come back and do something positive for my country," he explains. "Every day I know I'm doing what I can to make a difference. And we're starting to see that we can do this. Nothing could be more exciting."

So more than ten highly skilled young Pakistanis are spending their time, some paid and some unpaid, to work with some of the poorest farmers on the planet and try to figure out what it takes to bring affordable drip irrigation to them so that they can have more control over their own lives. That's not a small thing, not just for the farmers but for the state of leadership among the next generation.

#### Dr. Sono, CEO, Thardeep Rural Development Programme

There are people like Dr. Sono, who has the quiet charisma, intelligence and lifelong dedication not only to the poor but to learning and pushing himself so that he's always being as smart as possible. I like just being around him. The last time I saw him he was dressed in jeans with a baseball cap as we moved through the heat and dust of Thar, visiting farmers and sharecroppers and government-sponsored water pumps. This time, we meet in the hotel lobby and he is wearing a button-down shirt and a tie but can't hide his warmth and openness.

I was really dismayed that I had to miss our planned two day visit together to the villages in Thar. I'd been thinking about it for months, thinking about the poverty and heat and yet beauty and generosity that I'd found there and I wanted to understand it more, wanted to understand

Dr. Sono more. Because Benazir Bhutto is from Sindh, all of the security people we asked told us that it was one important area to avoid, especially if you weren't Pakistani, and even more so if you were American.

Dr. Sono was born in Thar in 1954, a Hindu in Pakistan in the decade after Partition. I had thought the reason the Hindus stayed was because the area was so remote that Partition just passed them by really. "That's partly true," he said, "but not the whole story. Truth is always more complicated, isn't it?"

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The Hindus who lived in Thar were mostly Dalits, the lowest Hindu caste called the Untouchables, and Dr. Sono's family was among them. "I remember that I wasn't able to go to the schools with other children, wasn't allowed to drink from the same water. It was a terrible feeling for a child, one of shame and confusion as to what it all meant." For his parents, like many others from the community, staying in Pakistan was a better risk than going to India. "In India, they knew they would be going back to being the most excluded and denigrated," Sono said, "but Pakistan is a Muslim country and there is no caste system in Islam. They were poor here and they would be a minority, but they wouldn't be Untouchables." And so they stayed.

Dr. Sono's mother insisted he go to school, despite the changes that were slow. She understood, he told me, that education was the only thing that could free the mind and provide opportunity. And so even if he still

felt excluded and looked down upon, it was his only hope for freedom. And freedom was everything. The break between Pakistan and Bangladesh in 1971 brought more opportunity and change to the area, a greater sense of democracy. And that's when he remembers things really starting to change.

"It is because of my own background that I'm devoting my life to helping others succeed in Thar," Dr. Sono says with a shy smile. "Now my children have no idea of that terrible heritage that was supposed to be mine, but my brave mother and father

rejected; and so while I still sometimes feel its weight, my children feel only lightness and possibility. All children should feel that." I tell him how this is at the heart of our work too and he says yes, that's why he wants to work together for who you work with means everything. "I don't want to be a donor chicken," he says, "hopping around for the donors to do what they want when so often they don't even understand what it is we are doing, what the real issues are for they are not just outside, you know, but they are in people's hearts. I want to work with partners who are with us for the long-term, who will weather ups and downs and who want to learn together, who don't judge but try to make things better."

He goes onto say that Acumen has influenced TRDP and I tell him I think he's influenced us even more. On his part, he says he now looks at everything in terms of the framework of access like Acumen does. "I look at the farmers laying down the pipes and see only men and yet so often

it is the women who farm while them go off to do seasonal work. And so I now start to wonder why couldn't the women lay down the pipes and earn income from that? It is only because no one has ever seen a woman do it. But they are so capable of doing it and people will only see them do it when they start doing it. That," he continued, "is how you build confidence. It takes a focus on more democratic government, and the building of assets and education – and it takes being able to dream that things can change."

Some of the Muslim villages aren't developing as quickly as the Hindu villages. Sono thinks it is because the Hindus came from the lowest caste and saw the oppressive conditions under which they lived not as unduly harsh but instead as a chance for change and redemption and upward mobility. How you see the world is how you live in it.

He pauses and then adds, "You know, the Dalits also had a lot of good skills from the only tasks we could do throughout the generations. In India the dalits were the cobblers and artisans and masons and mechanics. My father was a cobbler but he hated it. People hate doing things when they have no choice in the matter. Now, these same people can do the same jobs but out of a sense of choice and opportunity. That has made all the difference."

The drip irrigation demonstration started off slowly – another lost year, part of what we must absolutely build into our metrics for nearly every new social initiative for the poor takes a year at least and more typically, two or three, just to get started, just to prove to the people that there is a chance of success and that they won't get hurt in the process. Although a number of drip systems failed during the demonstration, Sono's team learned that they have to do much more oversight – on a daily basis, that farmer selection is key for in some cases, the government arbitrarily shuts off water taps and then turns them on – without a regular source of some water supply, drip won't work. And finally, the team is getting better a quick trouble shooting and turnaround on solutions. He knows he has a small window to prove the efficacy of drip irrigation to the farmers of Thar. And he knows what a difference to their lives it can make.

One of the farmers, Mitha Khan, experimented with the drip. A cotton farmer with a few acres of land and very little production, tried drip on one acre and the more traditional flood irrigation on another. The land on which he used drip produced a yield nearly twice as great as the land being flooded. It was enough to convince him to sign up to manage a cluster area and market the Micro Drip system to farmers in the area; and already, he has sold systems for more than 40 acres. And there is no better person to sell than a farmer who has taken the risk himself and seen positive results.

In closing, I ask Dr. Sono what he wanted from the relationship with Acumen. He says he wants to benefit from our knowledge. We've been working with IDE-India and know what works and what doesn't. How do we effectively transfer what we learn in other countries to him in Thar? He wants to feel part of a global community and see how we can help one another more effectively within our ecosystem. And he most clearly seeks a long-term relationship. "Change takes time," he said, "and partners who are willing to stay the course together." Amen.

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**Nearly every new social initiative for the poor takes a year at least, and more typically two or three, just to get started, just to prove to the people that there is a chance of success and that they won't get hurt in the process.**

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There is a fourth area where Acumen needs to strengthen its capabilities. Pakistan has announced a massive program to subsidize irrigation systems for farmers. The hitch is that the hundreds of millions of dollars will go to farmers with farms of more than 50 acres. The question for Thardeep and for Acumen is how to influence policymakers to insist on creating a program that reaches poor farmers as well as wealthy ones – and there are far more farmers living below than are living above the poverty line. Coming forth as an alliance of Thardeep, IDE, Acumen and Unilever could be a powerful – and unique collaboration and voice for change.

**Saturday, October 27, 2007**

**KARACHI, PAKISTAN**

I haven't written as much on a nightly basis on this trip, in part because we were moving so much, in part because the nights were so late and then there were emails and other work to do. This trip has been less about visiting the field which is what gives me so much energy and understanding, but instead, spending time with our team and our partners, the entrepreneurs with whom we work and the larger community that is Acumen Fund. And in these ways, this is perhaps the most important – and productive – trip I've ever taken to Pakistan. It is also a trip where I have begun to deepen my understanding of some of the complex strains challenging the future of this country as well as reinforcing my belief that we have to redouble our efforts to create and execute on a vision that others can join.

The Acumen Fund Pakistan board met – Syed Babar Ali, Zaffar Khan, our accountants and team sat together and reviewed accounts and pledged that future meetings would include a presentation by the team on progress and challenges on different Acumen investments. Zubyr Soomro, Citigroup Country Manager hosted a lunch with the CEOs of different multinationals and we heard tales of talent needs and the frustration that foreigners have slowed in coming to see and therefore know the work and the real issues needed for progress. He also invited us to his lovely home for a dinner welcoming the new head of Citibank's consumer bank. There we met bankers, artists and philanthropists who all discussed politics and the resilience of Karachiites which is both a strength and a weakness. Shaukat Tarin, an ex-Citibanker who built and then recently sold another bank, joined as an Acumen Fund partner at the \$100,000 level; and Ali Siddiqui, one of our founding partners in Pakistan, committed \$1 million as our first Pakistani Leadership Circle Partner, paving the way for a much more powerful foothold. Like so many others, he said we have to succeed in Pakistan and he wanted to help us do it. "Acumen is a light in a time of too much negativity", he said. Muneer Kamal, of KASB Bank pledged \$50k and spoke to us about democracy and change and wondered how it was that such a brilliant group of young people would dedicate their lives to Acumen when so many of their peers thought only of themselves. "What is the magic potion?" he teased, and then added, "No really, I want to know."

I spoke at the 21st Century Business and Economics Club and received not one but two awards for Acumen's work and for Excellence in doing it. A crowd of more than 400 people showed up to a tent next to the Pearl Continental Hotel to hear about our work which was amazing in and of itself. Ann and I both sat on the dais with ten other people, including the Deputy Consulate at the American Embassy, and the warmth with which we were received was overwhelming. Dozens of people and organizations offered free services and support when the talk was over.

Acumen itself had a dinner – about the only night we actually ate Pakistani food! – at the Sind Club, an old colonial club with marble tiled floors and dark polished wood framing cathedral ceilings. It was for our community only and again, the feeling was one of great hope and commitment. My only regret was that we didn't have everyone go around the room and share what was on their mind for Pakistan, for Acumen, for themselves. This is part of our culture, part of who we are, and it is so important to reaffirm that culture and spirit of community wherever we are in the world. One young man who works in private equity told me he wants to quit his job and work for Acumen for free. His wife stepped in and said, "Not just yet, dear. We have three toddlers, so you have to make

a bit more before you go off and leave your career." I'm betting he starts volunteering at the very least before the year is over.

And Nadeem Hussein also had an elegant, late night dinner (like Spaniards, Pakistanis love to dine at 10 or 11 or even midnight, whether on a week-end or week night), a five course extravaganza in his home filled with art and other treasures that captivated me so much that I showed my New York colors and asked for a tour which he graciously gave. We laughed when the Pakistanis took advantage of the rude New Yorker in the house and joined with pleasure but no guilt for asking. I sat next to an ex-colonel in the army who wants to see how far microfinance can go in doing something positive for the country.

### Sunday, October 28, 2007

#### KARACHI PAKISTAN TO DUBAI, UAE

And so I leave Pakistan feeling more deeply connected to it and also feeling a greater sense of ownership, one that allows me to feel more strongly my concerns as well as my hopes. The concerns are great. Violence is on the rise and there is great truth in the "Talibanization" of parts of Pakistan. When I hear Karachiites talk about their resilience, I feel a mix of emotions. What is happening in Pakistan is so complex – not just the result of an increasing economic divide nor of a clash of religions. It is a story that is a swirl of some feudal elites and rich industrialists with a vested interest in keeping the masses uneducated and working for paltry wages. Individuals are generous and charity can provide a salve but actually serve to help perpetuate a broken system that ultimately breaks the human spirit and strips both poor and rich of their dignity. A member of our community told Ann that the educated elites focus mostly on getting their children into good schools in the U.S. rather than spend time fixing the problems of the poor.

Indeed, I'm confounded by who gets hurt most by whom -- it is not just a dynamic of rich and poor. The Taliban want to destroy the infidels, but they wage the bulk of their war on the good and obedient Muslims who live among them. The real tragedy is to the poor who are hit on all sides, women who may be stoned to death for being raped, or who may be executed for walking down a street unescorted.

Pakistan is the story as well of the United States and the war on Terror, of the US Government's pushing for an alliance between Benazir Bhutto and General Musharraf, two arch rivals representing very different parts of Pakistan. It is a story of Afghanistan and a war backed by Russia on one side and the US

on the other, resulting in Kalashnikovs and Uzis sitting in households across the country. Pakistan is a story of great wealth and extreme poverty sitting side by side, of secularism and fundamentalism, of cosmopolitan elites and tribal warlords.

Where this all goes is uncertain, but in the midst of the chaos and fear are lights that cannot be ignored but need to be cultivated and nourished. The press is open, vibrant, messy and free. I loved reading the morning newspapers and reading of the leaders being taken to task. The stand the lawyers took in the streets wearing neckties and button downs was a powerful symbol of what people can do. The large majority of Pakistanis, both rich and poor, are upwardly mobile and fearing of fundamentalism. And there is a large and growing diaspora community that could exert great influence and bring significant skills and resolve to Pakistan.

But the majority cannot remain silent. Aun's elegant mother, Nargis, always wise and beautiful and one of my highlights whenever I visit the country, said that the only way to stop the beheadings and increasing Talibanization is for the religious establishment not only in Pakistan but in Saudi Arabia and Egypt as well to issue a fatwa condemning the beheadings and destroying of monuments and schools as un-Islamic. It is time for people to take a stand and not just Pakistanis. But it should start with Pakistanis. It is one reason why I am so focused on raising money from Pakistanis for the work in Pakistan – we need stories for the world of successes supported by locals, for international aid itself is a broken system.

The brightest light of all, however, was in the Acumen community, in the promise of the next generation and, especially, the promise of the Acumen Fund team. On Saturday, we had an all day retreat

to discuss the Acumen philosophy, review why we do what we do and get to know one another better. Listening to my young colleagues was humbling and inspiring. I have known our country director, Aun, for more than four years now. After the University of Chicago, he worked at a big consulting firm in Boston for a number of years, honing his finance and operational skills. He came to New York and volunteered for nine months, just wanting to learn about what we do, to discover whether his dream of using venture capital approaches to effect change in Pakistan might work. Instead of going to business school, he decided after his time with us to get experience in a real NGO and became our first Fellow, albeit as a guinea pig who had to teach us how to do it! And for the next year, he worked in the slums of Karachi and in Saiban under the great Tasneem Siddiqui's tutelage, learning in a way like no other what it means to be poor and how we have to think differently and more creatively about bringing housing to those populations. Now, he serves as our Country Director, assuming full responsibility for building a Pakistani organization run and managed

by Pakistanis to serve and contribute to their country while belonging to a global community and a global vision. "I don't work anymore," he told me, "Acumen and the work we do is my life. I want to show the world how much can be done through the power of the human spirit and, through the models that we create, "show the world a different path, a different approach."

Misbah joined Acumen after ten years of working at Citibank. She too, couldn't stand by and not do anything for her country and she has the skills to do it. "What I love," she said, "is seeing our impact in the field and then helping very influential people understand it. Everyone knows things have to change, and if more people of influence could feel more connected to the poor in this country, we'd have a chance."

Shuaib Siddiqui, a Pakistani-American, recently moved to Karachi after working on Wall Street and then for a hedge fund in Chicago. "I don't want to be a limousine liberal," he said, and went onto tell us about his father's family, how many of his cousins still live in the lower income



The Acumen Fund team in Pakistan

areas of Karachi without access to quality education or or basic amenities such as clean water. "I could have been them instead of who I am with all of the opportunities that I have. And I'm not interested in charity but in creating a way so that they can have access, so that they can have some chance to become something greater and to dream something bigger." He plans to stay for two or three years in Karachi giving his skills to Acumen and to the work of building enterprises for the poor. "Elites too often blame the poor for their plight," he said, "but there is such wealth and intelligence among them. If anything, it is their sophistication that has taught me the most and we have to start with honoring that."

Sophia Ahmad, a chartered accountant, worked for ten years in the private sector among some of top audit firms in Pakistan and the UK, and then became interested in education for the poor and found us. Her cousins, too, are a mix of wealthy and poor which means that some have choices and some live stuck in poverty and all that means. She spoke about Nargaparkar where MicroDrip works with some of the world's poorest farmers. "There is no water there and the village is so poor that it cannot absorb the shocks of drought and so everyone has to pack up when the dry season comes and leave. Inevitably, someone loses their cow during the migration and often that is almost all they have. If we could find them a way to sustain themselves – not through charity but through access and opportunity, they could stay and preserve and then grow their wealth. It isn't rocket science."

And Yusra Gilani, a legal consultant who starts with Acumen Fund on Monday, spoke eloquently of Islam. "In our religion, we are obligated to give of ourselves. We should be focused on our own immortality and not just on getting more than everyone else here on earth. This should be more at the center of our culture and the way we lead by example."

How many other young people in Pakistan want to use their skills and learn from the moral and visionary leadership of people like Roshaneh Zafar, Tasneem Siddiqui and Dr. Sono? We need to reach out, to find them, link them, inspire them to become part of something bigger than themselves, not just in Pakistan but around the world. I am continually struck by how much is possible and at the same time by how much people focus instead only on the despair such that they limit themselves and stultify their own actions and possibilities. I have never felt a greater sense of urgency to help build a stronger, more robust organization in Pakistan that can shed light on human possibility and solutions that bring the poor into greater opportunities for themselves and their families.

It starts with building business models but once we have them, it requires linking with those in power to scale them across the country and then shine them as examples for other places in the world as well. Kashf needs more capital to grow the bank and experiment with housing. Saiban needs greater access to cheap land and to a sub-registry system so that they are not beholden to corrupt, petty bureaucrats who slow the wheels of change. Dr. Sono and MicroDrip need the national subsidy for irrigation extended beyond the wealthy to include poor farmers across the country. We are finding the way but need public will and support to get to scale. In some cases, we will fail. But just talking about whether we will fail or succeed will get us nowhere. And in the bigger picture, in that of changing the way the poor are viewed and bringing a new way of effecting development that starts with the poor themselves and focuses on their access and freedom, we have no choice but to succeed. And we will.

Jacqueline Novogratz