



**SDPI**  
Sustainable Development Policy Institute

# Research & News Bulletin

Vol. 18, No. 1, January — March 2011

## Programme Implementation of on-going IMF Stand-by Arrangement: An Overview of Mid-term Progress

Syed Nazre Hyder  
hyder@sdpi.org

### Contextual Background

The objective of the review is to investigate briefly the performance in the implementation of the structural benchmarks targets and performance criteria, as specified in the conditionalities attached with the on-going IMF Stand-by Arrangement (SBA) for Pakistan.

Although there was some improvement in macro-economic indicators in 2003-2004, however, this improvement could not prove to be sustainable. Due to various strategic policy failures and governance issues, the country not only faced social challenges but also macro-economic imbalances during the second half of 2007. The interim government had tried to keep the things under cover but soon after the democratically elected alliance, the government of PPP-PML(N), ANP, JUI and MQM was sworn in, the then finance minister revealed serious macro-economic imbalances, particularly a sharp decline in foreign currency reserves of the country, which was close to default in its commitment of external payments.

The sharply declining economic trends in the wake of global financial crisis (failure of Friends of Pakistan (FoP) and other friendly countries) became the compelling reason for the government to approach the International Monetary Fund for financial assistance on an emergency basis. The IMF entertained the request of the government and approved financial assistance under its Stand-By Arrangement (SBA) as 23 months' programme worth SDRs (i.e. Special Drawing Rights) 5.17 billion (500 per cent of quota) which was augmented later on to SDRs 7.236 billion (700 per cent of quota) to manage the on-going serious financial problems in the country.

The stated objective of the programme was to

restore economic stability through tightening of fiscal and monetary policies, strengthening foreign currency reserves, and protecting the poor to preserve social stability and comprehensive tax reforms to raise budgetary resources to achieve the sustained growth (IMF 2008). In order to ensure success of the programme, the IMF and government in consultation with each other designed a structural reforms package attached to the SBA in the form of structural performance criteria and benchmark conditionalities. The objective was to improve the health of the economy along with developing the capacity of the economy for repayment of loan to commence in the near future, without burdening the economy beyond an unbearable level.

The key elements of these comprised seeking reduction in the fiscal deficit to a desired level, tightening of monetary policy, amendment in the banking legislation to enhance the effectiveness of the State Bank of Pakistan's enforcement powers in the area of banking supervision, to harmonize the General Sales Tax (i.e. VAT) and income tax regimes. Moreover, the conditionalities also provided for achieving SBP Net Foreign Assets (NFA) monthly targets, finalization and implementation of electricity tariff adjustments in consultation with the World Bank and Asian Development Bank with view to eliminating completely the tariff subsidies, removal of inter-corporal debt in energy sector and implementation of an action plan to strengthen the social safety net for the marginalized group of population [IMF, *ibid*].

### Trends of Achievements in Structural Benchmarks Targets and Performance Criteria — An Overview

The initial response to the programme had been generally positive as the policy implementation

# CONTENTS

Programme Implementation of ongoing IMF Stand-By Arrangement: An Overview of Mid-term Progress 1

A Reality Check on Fiscal Reform 4

Devolving the Ministry of Environment without Proper Homework would Create Vacuum 5

REDD Readiness in Pakistan 6

Local Resource Mobilisation: A Panacea for CBOs in District Chakwal 8

Sustainable Livelihood Restoration Project Launched for the Flood Affected Communities 10

Gender Sensitive Policies in the Changing Political Landscape 11

Climate Change Adaptation: EECS Project Launched 12

## In Retrospect

Seminars at SDPI 14

SDPI Centre for Capacity Building 19

The purpose of the *SDPI Research & News Bulletin* is to communicate to the development community, private sector, government agencies and concerned citizens, SDPI's research and other activities in the area of sustainable development. It also provides information on major national and international events and issues relating to the environment and development.

The *SDPI Research & News Bulletin* is published quarterly by the Sustainable Development Policy Institute.

P.O Box 2342: 38, Main Embassy Road  
G-6/3, Islamabad, Pakistan

Tel: +(92-51) 2278134  
Fax: +(92-51) 2278135

<http://www.sdpi.org>

Editor: Uzma T. Haroon

Formatted by: Nasir Khan

through end April 2009 (period of first IMF quarterly review) had been good and programme remained on track. The fiscal deficit target appeared challenging but was achieved. Despite pressure owing to downward tax revenue collection, the government was successful in maintaining a tight fiscal policy regime through a combination of non-tax revenue generation and control on expenditure. Moreover, the exchange rate by and large had remained stable through capitalization by SBP to mitigate the pressure on rupee. It enabled the SBP to buy foreign exchange on a net basis, which strengthened the gross reserves narrowing the external current account deficit. Although, inflation during the period had fallen and current account deficit narrowed but the level of economic activity slowed down (IMF 2009). As regards the overall achievement of the program, it was observed that all quantitative performance criteria had been met but structural reforms had been slower than envisaged.

During the period covered by the second review (April-July 2009), the analysis revealed that the ceiling targets for net foreign assets of SBP, its net domestic assets and the government borrowings from the banks had been successfully observed. The SBP adopted greater exchange rate flexibility during the period, which resulted in an increase of gross official reserves from \$ 3.5 billion at end-October 2008 to \$ 9.1 billion by end-June 2009. Growth has been anaemic reflected in economic slow down. Inflation continued to decline during the period but core inflation remained high and persistent. However, despite a decline in exports, a significant decrease in imports along with higher volume of overseas workers remittances, reimbursement under coalition support programme and releases of loan instalments, the external current account position improved substantially. But in case of fiscal deficit, it was noted that it exceeded by a large margin (0.9 per

cent of GDP) from the agreed quantitative performance ceiling. Moreover, the elimination of electricity tariff differential subsidies, originally scheduled for end June 2009, could not be achieved (IMF 2009b).

During the third quarterly review, it was observed that despite measures taken to strengthen budget management, the fiscal deficit ceiling on the overall budget for end-September was again missed and this time by about 0.3 per cent of GDP due to some compelling circumstances. However, all structural benchmarks meant for the period were met, albeit most of them with delays. In order to sustain the feeble economic recovery, the discount rate was revised downwards from 14 per cent to 13 per cent in August and 12.5 per cent in November 2009. The government thus implemented the most critical structural reforms, although with some significant lags such as in tax administration and designing of VAT law (IMF 2010) It may be observed that as a whole, though the programme implementation had been uneven, some politically difficult reforms were observed to have moved forward despite facing some constraints.

The analysis of the developments, which took place in the subsequent quarter, revealed that the programme implementation during the period under review had been mixed with delays in achieving some structural benchmarks and the accumulation of quasi-fiscal liabilities. On the other hand the period witnessed some improvement in the level of economic activity but still the growth rate had only been 4.1 per cent. The inflation rose higher than expected due to large food and energy price increases. The SBP's international reserves were found stable since October 2009. The current account deficit came down during the period, which was mainly on account of import contraction (due to lower commodity prices and drop in the demand of other imports) and stronger inflow of work-

ers' remittances. Moreover, it was observed that the economic slowdown and the erosion of purchasing power caused by inflation had resulted in increased poverty. Due to some administrative capacity constraints the rollout for the BISP was found taking longer time, which certainly aggravated the problems of vulnerable groups. However, it was observed that SBP's NFA and domestic assets were met with wide margins but the ceilings on the overall budget deficit (excluding grants) and net government borrowing from the SBP were missed which exceeded by 0.2 per cent of GDP while the budget deficit target exceeded by 0.7 per cent of GDP (IMF 2010b)

Assessing the overall performance under SBA, it may be concluded that the government failed on many accounts in the implementation of some very significant structural benchmark conditionalities planned to be achieved by end June 2010. Resultantly, the Fund withheld the fifth review and stopped the release of the fifth tranche, amounting to \$ 1.3 billion. Under the original programme, a complete disbursement of the whole amount of loan was to be completed before the end of the year 2010. There was a continuous breach of fiscal deficit limits, postponement of the implementation of Value Added Tax (VAT) regime from 1 July 2010 to 1 October 2010 and now seemed to be for indefinite period, non-finalization of amendment in the legislative framework for the financial sector, energy sector reforms etc. This factor became an irritant source to the IMF and consequently, the fifth review scheduled for June 2010 was postponed first for August, then for September 2010 and later on for an indefinite period due to failure of the government to meet the key conditionalities as stated above about which the IMF seemed to be very serious for their implementation.

Keeping in view the significance of the continuation of the programme, the government approached the IMF with the request for its nine-month extension. In response to that, the IMF approved a nine-month extension "on a lapse-of-time basis" (IMF 2010c) The objective was to give time to the authorities to complete the reform agenda built in the conditionalities attached to the programme.

The dialogues with the government have been initiated in early March on the programme's fifth review. A request has been, therefore, made for waiver of these performance criteria. From the above analysis, it appeared that although there were delays in implementation of structural agenda, some politically difficult reforms have been moved forward.

### SBA and its Implications for the Incidence of Public Debt

As regards the debt position, the data available indicates that the country was again found slipping into quagmire of heavy debt. It may be observed that the total debt (in domestic currency) amounted to



Rs. 4310 billion (56.5 per cent of GDP) at the end of financial year 2005/06, which rose to Rs. 4750 billion (54.8 per cent of GDP) as by end June 2007 to Rs. 5980 billion (58.4 percent of GDP) by the close of financial year 2007-08. The same rising trend was found also in the coming years as its amount further rose to Rs. 7277 billion (57.1 per cent of GDP) at by June 2009 to Rs. 8160 billion (55.6 per

cent of GDP) by end June 2010 (Finance Division 2009-10) and to Rs. 9470 billion (55.3 percent of GDP) by the end of December 2010, according to the information released by State Bank of Pakistan.

The foreign currency debt rose from \$ 37.229 billion in 2005/06 to \$ 40.322 billion by the end of financial year 2006-07, while it went up to \$ 46.161 billion on June 2008 and to \$ 52.333 billion as at end of financial year 2008-09 and \$ 55.901 billion at the close of financial year 2009/10. The latest figure about the external debt is available for the end December 2010, which is \$ 58.393 billion [State Bank of Pakistan, 2011]. According to the data released by the State Bank of Pakistan, a huge amount was paid to retire the foreign debt as the country paid an amount of \$ 2.517 billion on foreign debt servicing in second quarter of the current financial year as compared to \$1.7 billion during the first quarter, showing an increase of 48 per cent in such a short period of time. As regards the principal amount paid against the total amount of foreign debt, according

**Continued on page 13**

## A Reality Check on Fiscal Reform

Shaheen Rafi Khan  
shaheen@sdpi.org

The IMF is sharpening its knives to inflict yet another dose of fiscal pain. The warning, orchestrated through the country's top bankers and economists, is to shrink the deficit or face economic meltdown. The government will unload a salvo of new taxes, job cuts and subsidy rollbacks. However, things are changing. The distaste for IMF nostrums, formerly the remit of a few left-leaning liberals, is taking more tangible shape. Politics and poverty have come together in a coalition unwilling to dance to the IMF tune. Across Greece, Ireland, Pakistan, people have taken to the streets to protest government-imposed austerity. Clearly, in future, such changes will need to be negotiated rather than enforced.

No one disputes the need to balance the budget. Economists have presented the spectre of deficit financing crossing one trillion rupees, and repeatedly invoke the low (10 per cent) tax-to-GDP ratio. However, having set the bar high, the fiscal remedies fall considerably short. They look fine on an economic barometer but produce temperature spikes when seen through the prism of politics, governance and equity. Such considerations impose a reality check on fiscal reform. For each of the proposed measures one can attempt, what is referred to in the jargon, as a multi-criteria assessment.

Let's start with the RGST, the value-added version of the sales tax on goods and services. The official version is that the tax rate will be brought down to 15 per cent and applied across the board, rationalising rather than incrementing taxes. It is nothing short of a tax increase, which, inevitably, will be passed on to the public, fuelling inflation already at intolerably high levels.

Second, the government intends to replace zero-rated exemptions for critical export items with tax rebates. This too does not wash with businessmen because the government's credibility is at low ebb and they see the rebates trickling in slowly at best. For them it is bad economics to have funds

locked up when they could be invested.

Third, Pakistan's tax system has been traditionally regressive. This means it hurts the poor more than it does the rich. If a WTO-inspired initiative can succeed in reducing tariffs -- another form of indirect taxation -- why hike up its local version condemning the system to stasis. Clearly, on all three counts the RGST does not measure up: politically, it is a non-starter; it is likely to hike up prices; and the manner of its implementation is opaque. More critically, it does not address the generic imbalance in the tax structure.

Policy makers are less circumspect about the inflationary consequences of fuel and utility price hikes. However, in the same breath, they distinguish between core and transient inflation. What they mean is that they can jack up these prices at will because real or 'core' inflation is only fuelled by monetary expansion. However, the jury is out that tight money policies have done little to offset the 'transient' effects of fuel and utility price rises. Try as it might, the government cannot wish away street protests. It may resort to subterfuge, as evident in the recent two-step on fuel

prices -- incidentally a favourite IMF ploy, but its wriggle room for such manoeuvres is shrinking.

Direct taxes on agriculture, corporate incomes and residential and commercial property are beginning to look like an increasingly attractive source on tap. Their combined revenue potential is huge: they are a sustainable source of revenue -- unlike the one-off flood tax; their inflationary impact is minimal and-- their inclusion makes the tax structure look respectable. Similarly, steeply graduated taxes on utilities and imports of luxury vehicles can yield rich dividends.

But then comes the rub. Our current crop of politicians cowers before the clergy but will fight like Spartans to protect their economic turf. Instead, the

**The government will unload a salvo of new taxes, job cuts and subsidy rollbacks. However, things are changing. The distaste for IMF nostrums, formerly the remit of a few left-leaning liberals, is taking more tangible shape.**

*Continued on page 13*

## Devolving the Ministry of Environment without Proper Homework would Create Vacuum

Shakeel Ahmad Ramay  
shakeel@sdpi.org

Climate change has introduced the theory of more coordinated and centralised development of policies using bottom up approach along with a decentralized system to implement useful interventions. It has compelled people to think innovatively and wisely in order to avoid or minimise the impacts. Options available to combat the growing threat of climate change are mixed both at the strategic and implementation levels. Strategies are developed on the basis of empirical evidence and information from the grassroots level. On the other hand, guidance from the central policy serves as the basis for implementation. Best international practices and innovative ways to combat the challenges are some of the guiding concepts that can play a crucial role. It requires a well-structured institutional framework, which can help to achieve the goal of avoiding or minimising the impacts of climate change. Being a developing country, Pakistan lacks a well-defined institutional framework to develop and implement the right and desired policies. There is a clear disintegration among different tiers of institutions that has deteriorated the situation in Pakistan.

Moreover, there is a dearth of inclusive policies and plans. Most of the ministries are ignorant of climate change and their role to cope with the challenge of climate change. For example, the Ministry of Industry is more focused on industrial development with the least focus on environment and climate change. The Ministry of Commerce is more concerned about trade development. The Ministry of Environment is the only ministry, working on issues related to environment and climate change, however, with no link to other ministries. The Ministry of Environment was supposed to play the role of a facilitator among all ministries and stakeholders but has failed to do so. On top of that, the Government has decided to devolve the Ministry of Environment on the recommendations of 18<sup>th</sup> Amendment.

While the world is calling for more integrated and inclusive actions, Pakistan is moving towards the opposite direction. Devolving the Ministry of Environment will further complicate the situation. There would be no national institute looking after environment and climate change. There will be more disintegration among policies. Every province will develop its own policy without keeping in mind national level requirements. Moreover, commerce and industry will be business of the Federal Government whereas environment that of the provin-

cial governments. While the Federal Government will have an edge in pursuing the objectives of commerce and industry, the provincial governments will be at the receiving end.

The Sustainable Development Policy Institute has worked on institutional framework for sustainable development and climate change policy and conducted a detailed study. The study on institutional framework for climate change thoroughly analysed the institutional framework relating to environment and suggested a new framework for coping climate change. The study suggested that Pakistan should establish a strong national institute housed in the Federal Environment Ministry under the chairmanship of the Prime Minister. There should be a national climate change cell<sup>1</sup> supported by units of mitigation, adaptation, technology, finance and international negotiations. Expert and skilled staff from their relevant fields should strengthen these units and bureaucrats should not occupy units. The already existing unit on Clean Development Mechanisms needs to be further strengthened.

The study also came out with the idea of National Climate Change Trust Fund at the Federal level. Fund should be composed of representatives from relevant ministries, e.g. environment, commerce, industry, etc., and private stakeholders, e.g. NGOs, chambers, etc. The national climate change cell's units should support the fund. For better implementation of policies, plans and programmes, there should also be provincial climate change cells in line with national climate change cell. The study came out with the proposal that there should be a federal ministry to take care all the activities.

Devolution of the Federal ministry will bring a number of challenges. There are a number questions that need to be answered before devolving the Ministry. One needs to understand who will be responsible for the follow matters:

- State of environment report
- National environment laws and legislation for environment
- National dispute settlement on environment and climate change issues

---

1. Ramay, S. A., Khan, F. I., Munawar, S. and Carter, D. (forthcoming working paper), "Institutional Arrangements for Climate Change in Pakistan", Sustainable Development Policy Institute, Islamabad.

**Continued on page 7**

## REDD Readiness in Pakistan

Kanwar Muhammad Javed Iqbal  
kanwar@sdpi.org

The Sustainable Development Policy Institute (SDPI), as an organising partner of Office of Inspector General Forests (OIGF), Ministry of Environment (MoE), in collaboration with its partners, ISESCO, Bio-resource Research Center, Pakistan (BRC), WWF Pakistan, Sustainable Development Foundation (SDF), UNIDO-CDM Islamabad, Tourism Promotion Services (TPS) Limited, Terra Global Capital (TGC), USA, Arid Agriculture University, Rawalpindi, and Sustainable Land Management Project (SLMP) successfully delivered a six-day national technical training workshop on "Forest Carbon Stock Assessment for REDD in Pakistan", from 13 to 18 February 2011 (Serena Hotel, Islamabad), as part of fulfilling Pakistan's commitments under the Cancun Agreements for Reducing Emissions from Deforestation and Forest Degradation (REDD+).

This training workshop was specially designed to bring the state of the art of forest carbon assessment technology, forest inventorying, to the local forestry practitioners who are responsible for implementing the REDD projects in Pakistan. It has equipped the participants with the basic requirements for REDD readiness phase in Pakistan by developing indigenous technical capacities with a foreign expert and local resource persons.

REDD mechanism is designed as a mitigation response to climate change. This means that Pakistan, a low forest cover developing country but looks after its forests, is storing carbon and this can earn revenue for the country. The carbon market determines the price of the carbon. The current price of one tonne of carbon (CER certified emission reduction) is between 13 and 14 US dollars. On an average, four billion tonnes of carbon is traded globally.

This training workshop was also unique as the REDD Alumni Chapter of REDD Fellows has also been opened which will be part of SDPI's Pakistan Carbon Initiative (PCI). An 11 members' Steering Committee of REDD Fellows Network with a President and General Secretary and few advisory members from select institutions has also been formed for the year 2011.

Commitments, statements and MoUs from SDPI, Serena Hotels and Terra Global Capital, USA, for the purchase of carbon credits from first REDD forestry projects, followed the training. The following follow-up actions have been prepared as an additional outcome

of the training workshop.

### Recommended Follow-up Actions

The following follow-up actions / measures are being recommended as an outcome of various sessions, experts' / trainers' advices and literature review. These measures are necessary to address and meet the requirements of REDD Readiness Phase in Pakistan.

1. There is an urgent need for the nominations of Provincial Focal Points for REDD+ in all provinces (including AJK and GB) of Pakistan.

2. There is an urgent need to take initiatives by relevant authorities for introducing relevant legislative measures (amendments) in all forest related laws in Pakistan to accept forest carbon as commodity.

3. Partial Scoping Exercise for REDD+ has been completed as part of this training during the session of Project Design Exercise. Potential project sites were identified for the launch of REDD Pilot / Demonstration Projects at different levels. These potential project sites must be prioritised and stakeholders relevant to each must be identified and integrated into the development of pilot REDD projects. There is an immediate need of trainings, development of projects and stakeholder consultation in these areas. Potential pilot sites include:

- a. Punjab: Guzara Forest Division
- b. Khyber Pakhtunkhawa: Hazara Forest Circle including Siran and Kaghan valleys and Galliat
- c. Sindh: Mangroves, irrigated and riverine forests
- d. AJK: Scrub and Chir Forests
- e. Gilgit Baltistan: Darel Tangir and Chilas
- f. Balochistan: Juniper Forests

4. There is an urgent need of completion of Scoping Exercise for REDD Readiness in Pakistan. There will be a positive sign for Pakistan in global community if it is completed by May 2011. The scoping exercise will determine the existing expertise and experience within Pakistan that can be leveraged to develop project and national-level REDD activities, and identify the gaps in capacity that will need to be addressed. For this, it will be necessary to identify all institutions within Pakistan that will be relevant to REDD, and to understand how these institutions will interact and engage in a project and national-level REDD activities.

5. In parallel with the implementation of pilot REDD projects, a national REDD programme must be de-

signed and implemented for Pakistan. This is critically important to allow Pakistan to access the emerging compliance REDD markets internationally. The institutions that will be involved in the development of the national REDD programme for Pakistan, and the necessary technical support for carbon accounting and MRV, must be identified.

6. The management of Serena Hotels is interested to move towards carbon neutrality for which they made an announcement for the same in the Closing Ceremony. There is a requirement of follow-up on the offer of Serena Hotels for the purchase of Forest Carbon Offsets for which SDPI needs to work out to bridge the gaps.

7. There is a need to identify funding sources and to allocate handsome funds accordingly for above activities to make REDD+ a reality in Pakistan. Funds must be identified for the assessment of Pakistan's REDD readiness, capacity building at national and provincial level, identification and implementation of pilot REDD

projects, the design of a national-level REDD programme in Pakistan, and all technical support and assistance necessary to accomplish these goals.

8. There should be a series of trainings at the district and provincial level by the trained participants of this training who have been equipped with ample knowledge and adequate skills to act as local trainers.

9. The establishment of Pakistan Carbon Initiative (PCI) by SDPI with its systematic International Carbon Network (ICN) of strategic partners, experts and all other stakeholders. Government, NGOs, and private sector stakeholders should all be integral members of the PCI, SDPI.

10. The conservation of mangrove ecosystems in Pakistan has been challenging and there is potential for bringing carbon finance to tackle mangrove conservation issues. Terra Global Capital (TGC), USA, is presently exploring potential mangrove based carbon projects worldwide and can be instrumental in realising such a project in Pakistan.

### *Continued from page 5*

#### **Devolving the Ministry of Environment without Proper Homework would Create Vacuum**

- Global environment agenda on sustainable development
- Participation in the conference of parties
- National campaigns
- Drinking water and sanitation policies
- Participation in regional environment and climate change meetings
- Trans-boundary, environment, etc.
- Environment Fiscal Reform
- Focal Point for UNFCCC
- DNA for CDM
- Focal Point for Adaptation Fund
- Focal point for Green Fund
- Correspondence with the UNCSD
- Implementation of Agenda 21
- Focal organisation for the United Nations Environment Programme (UNEP)
- Focal organisation for the South Asia Co-operative Environment Programme (SACEP)
- Focal organisation for the International Centre for Integrated Mountain Development (ICIMOD)
- Focal organisation for United Nations Conference on Environment and Development (UNCED)
- Focal organisation for the Commission on Sustainable Development (CSD)

- Focal organisation for the Global Environment Facility (GEF)
- Focal organisation for the Economic and Social Council for Asia and Pacific (ESCAP)
- Focal organisation for the South Asian Association for Regional Co-operation (SAARC) on matters pertaining to the environment
- If the international agreements will be part of the federal legislative list, how will the Federal Government take up issue of the provinces?
- Crossboundary issues in provinces: if Sindh invests in coal, how will the other provinces react to greenhouse gases (GHG)?

If the Government is still committed and determined to devolve the Ministry of Environment, then it will have to devise a clear-cut policy outline on the matters mentioned above. In the absence of a well-planned framework, situation will become very much aggravated and Pakistan will never be able to cope with the challenge of climate change. Suffering of people will increase manifold due to loss of property, infrastructure and livelihood options.

The study concluded that Pakistan should look into a more comprehensive plan and ways to combat challenge through an integrated effort rather than disintegration. There is a need to strengthen the Federal Ministry of Environment for policy and planning. At the same time, Pakistan should strengthen the provincial ministries, and district, tehsil and local departments of environment for better and target-oriented implementation.

## Local Resource Mobilisation: A Panacea for CBOs in District Chakwal

Gulbaz Ali Khan  
gulbaz@sdpi.org

The grass root development in the country may be attributed to the community led organisations transforming the lives of poor at the local level. The culture of the community-based organisations has nourished in the era of micro finance based community development. The era begins with the success stories at different regions in the country. The replication of model of micro finance in many parts has equivocally contributed towards their development and growth of community based organisations. Social mobilisation has become one of the main components, which helps to mobilise the community members towards local development. Once the community is developed as community organisation, the financing of the community starts either for their individual well-being or community development. This practice comes with the spoon-feeding of the community through different community led programmes by the national and international development agencies. On the one hand, it has groomed them into mature and conscious community; and on other hand, it has developed the culture of dependence on the continuous funding from the donors. Although, it has built the culture of individual and communal savings, it is not yet bringing any sustainability at the community level.

Community development in Pakistan has led to community organisations dependent on foreign funding. This mushroom growth has accelerated in the last many years due to the donors' focus on such practices. These community organisations also die with the programme or project completion in the specific areas and leave no signs of organisational sustainability for long-term benefits to the individuals and community at large. This situation leaves with uncertain situation for those organisations that want to survive and serve their communities. Plan Pakistan and Sustainable Development Policy Institute (SDPI) decided to conduct a comprehensive study on exploring potential of domestic resources, which may be tapped by these CBOs in the Chakwal dis-

trict. This study provides baseline information on the available resources and guidance for future strategizing the priority areas. The study is based on the qualitative tools including stakeholders' workshop, key informant interviews and collection of case study.

District Chakwal is a potential place for fund-raising for the development programmes as it is rich in terms of resources. Although its economic base is agriculture, existence of business and especially corporate sector opens doors for resource mobilisation. The study highlights the potential sources including corporate sector, business community, mining industry, trusts, foundations, individual philanthropists, *pirs* (religious saints) and local government. All these sources have diverse potential, which may be realised by the CBOs by adopting ap-

propriate communication and advocacy strategies and creating networks and building alliances with these sources.

Corporate sector is bound by the international and national obligation through CSR and it is aspirant to become socially responsible<sup>1</sup>. CSR encompasses welfare of the organisation's employees, local community and society at large. In Chakwal, corporate sector is spread over a few groups having its presence in national and international business arena. Within the corporate sector, cement is dominant with the presence of business tycoons of the country. It was learnt that cement industry of the district is nearly 18 per cent of the total country industry. Its huge size indicates towards huge profit making would result in increased spending on welfare of the local community. Current players in the corporate sector are cognizant of the fact that local community must be focused and certain types of activities are taken by management of these cement in-

**The replication of model of micro finance in many parts has equivocally contributed towards their development and growth of community based organisations.**

1. Afsar, S., 2009. Lack of Corporate Social Responsibility In Pakistan? Retrieved from <http://www.pakpositive.com/pakistanibloggers/lack-of-corporate-social-responsibility-in-pakistan-t731.html>



dustries. Corporate sector is involved in helping local residents in availability and accessibility of basic facilities. It clearly ramifies the intentions of the corporate sector, which needs to be sensitised by the communities for tapping resources.

Business community in the district is heavily concentrated in cottage and small-scale industries. The range of the small scale varies from hatcheries to marble factories and, furniture units to *khussa* (hand stitched leather shoes) making. Unfortunately, Chakwal is not the hub of the trade except the city where wholesale dealers and retail shopkeepers do exist<sup>2</sup>. However, it is important to mention that CNG sector has flourished in the district. One of the success stories of the traditional trade is “Pehlwan Rehwari” that is transported to other parts of the country. Business community is also involved in the social development of the district with limited resources. CBO can join hands with the business community networks such as CNG Association for building long term relationship for better communication and awareness and resultantly, fund raising.

Trusts and foundations represent group philanthropist having the same mission as individual philanthropists. In Chakwal, trust and foundations are playing their role in providing social services to the local people. The funding sources of the trust and foundations mainly comprise of the Zakat, Sadqa and donations from individuals. Most significant impacts are left by the reverence of the *pirs* in the district representing greater religious diversity and tolerance. These *pirs* are also one of the sources of funding for the local trust and foundations. Potential exists in the shape of groups and individual philanthropists, which may be tapped by the CBOs.

Mining industry is one of the key potential sources in the district<sup>3</sup>. The SDPI team had a detailed interview with the Mine Workers Federation. After analysing the facts given by the respondents, it may be summarized that most of the owners are influential and politically connected with the leading parties in the country and have very limited pres-

ence in the district, especially in Chao Saidan Shah. The profit margin of the mining industry is very high, but the welfare and social spending is very limited. Research suggests that there exists limited potential for resource mobilisation for the CBOs at this point of time. However, the overall strategy may include mining industry, which may be tapped after sensitisation of the owners and involvement of government.

Local government is always aspirant to connect with the local communities and Chakwal government response is very encouraging in this regard. EDO (Community Development) himself was present in the consultative meeting and briefed the participants about the development projects in the districts. Local government is committed to involving local communities through CBOs in the development process. Last year, more than Rs. 100 million was allocated for different projects for CBOs on a sharing basis. However, the situation is fragile in the province due to decentralization powers of Local Government System to the provinces under the 18th amendment. Recently, the provincial government has rejected the federal model of local government

and is in the process of developing its own local government system in Punjab.

**The research highlights the potential sources for the domestic resource mobilisation in the district Chakwal . All the researched resources have ample potential to be reached out for the fund raising efforts.**

**Recommendations**

*Financial Resources:* The research highlights the potential sources for the domestic resource mobilisation in the Chakwal district. All the researched re-

sources have ample potential to be reached out for the fund raising efforts. There is a need to draft an action plan with proper timelines and measurable outcomes. Entering into dialogue with top ranked business companies, corporations, trusts, foundations, government and *pirs* may be included in the action plan. The Plan Pakistan Partners should also come up with best practices and good proposals, which may be presented to the interested domestic donors for consideration. Action plan may also include a series of events like conferences and workshops as well as dissemination strategy for literature on “child centred development” in the district.

*Capitalizing on Non-Financial Resources:* Volunteerism is one of the major non-financial sources, which may be utilized for tapping financial resources in the district. People who have the right skills and

2. Plan Pakistan. 2009, Institutional Support Strategy for Institutions Working on Livelihood Development in District Chakwal, Islamabad, Pakistan.  
3. Punjab Mineral Development Corporation, Government of Punjab.

spare time for organisations may be contacted for their short timed services. Finance student may serve the organisation as “Finance Advisor/Manager” on a volunteer basis. Similarly, lawyers, auditors, salesman, public relations officers, media people, and many other professionals can provide advice and guidance to the organisations, if they are motivated to work with your organisation. Plan Pakistan partners may start “Volunteer Campaign” in the district with the objective to take as many as volunteers to help them throughout the yearly cycle<sup>4</sup>. It will help CBOs to accumulate appropriate human resources for the resource mobilization campaign.

*Networking and Collaboration:* Networking is a key to success, which requires immediate attention of all the stakeholders. There is a need to a develop network of Community Based Organisations (CBOs) in the district which would ensure participation of the all the national and local level organisations<sup>5</sup>. It would also serve as a platform for raising collective voices and sharing knowledge. In order to build on the proposed network, a detailed research has to be drafted for mapping of CBOs and NGOs and capacity building assessment exercise. Capacity building assessment in the areas of financial management, internal controls, regulatory compliance, administration and human resource management, and technical capacity will become the part of the overall assessment process. This assessment and diagnostic exercise will highlight the future needs of the CBOs in multiple dimensions ranging from managerial to financial skills. It will help the CBOs themselves and Plan Pakistan to focus on these areas for future local level interventions in the district.

*Lobbying and Advocacy:* It was also stressed

---

4. Stakeholders Workshop

5. Stakeholders Workshop

---

during meetings, collecting case studies and consultative workshop that advocacy campaign must be started in the district to create pressure group to influence key policy makers at the local and provincial level. In a consultative meeting with Plan partners, it was suggested that a dedicated advocacy campaign be developed for reaching and influencing the policy makers. SDPI will provide technical support to the interested organisations in developing the advocacy campaign and will train the staff with financial help from Plan Pakistan. CBOs may take lead on the environmental damages caused by the cement industry in the district and start advocating for better environment and social lives for the residents and linking it with their own agendas.

*Information Exchange:* The efficiency of information exchange is vital to the effectiveness of the CBOs programme in the district. CBOs generate a lot of information through their experience which can be shared with other organisations in the district. Available information should be utilized efficiently and disseminated in such a way that it enhances the coordination among the organisations with better knowledge base and influences in the district<sup>6</sup>. The proposed network must adopt communication strategy to train organisations to store, use, and disseminate information among the members. During the visits and discussion session with different stakeholders, it was highlighted that dissemination of the research findings must be done on an immediate basis to create awareness among the stakeholders and for sharing the knowledge base. It will also build knowledge base of the stakeholders in the existing resources in the district, which may be tapped by the community organisations by adopting different

---

6. SDPI's forthcoming paper “Institutional Arrangements for Climate Change in Pakistan”

---

## Sustainable Livelihood Restoration Project Launched for the Flood Affected Communities

Some 20 widows received one goat and one sheep each for restoration of their sustainable livelihood in the remote villages of Khamoon Samejo and Abdullah Jat of Taluka Jati, Thatta district. The cattle distribution was done by Badin Development and Research Organization (BDRO), in collaboration with Policy and Planning Division, Hamsalim, Korea; and, the Sustainable Development Policy Institute (SDPI). The objectives of this joint BDRO-Hanslim-SDPI collaborative project are to empower flood victims, largely women and girls, to realise their economic and social rights by providing them goats and sheep; and, also assist them to reintegrate into society. This is expected to also raise community awareness and address issues of resettlement of flood victims through participatory approach. All cattle were vaccinated prior to their handing over to the female owners.

*Report by Dr. Mahmood. A. Khwaja  
Khwaja@sdpi.org*

## Gender Sensitive Policies in the Changing Political Landscape

Mome Saleem  
mome@sdpi.org

Women in Pakistan and other third world countries are the water bearer and food securer of the household. While executing daily household chores, women are faced with multiple threats and burdens. The growing environmental degradation, changing climate and reduced energy resources have posed increased challenges of health and further exploitation of women in the remote and rural areas. In certain areas, the only source/reserves for water and firewood are surface water and jungles. Hence women are compelled to travel long distances from their homes in search for wood and water. While carrying out their daily chores, in quite a few remote areas, cases have been reported where women have become victims of rape. Most women stay silent about the harassment they face during the collection of necessities for their household as they lack confidence in law and fear further exploitation at the hands of the custodians of law.

Health of an individual is closely connected with the intake value of nutrition and output of energy. As per the third indicator of food security, quality of water affects the absorption of food. Most of the women in rural areas of Pakistan are malnourished. Much of it is the result of the grievances at the domestic level and poor quality of water. Firstly, the status of women in the household is considered very low. Hence traditionally in most of the rural areas, women eat after male members and children in the family. In doing so it is likely for women to sacrifice the nutritious part of the meal as they have to eat the leftover. Secondly, surface water used for drinking purposes is unsafe and is mostly biologically contaminated. Women along with their family are forced to use turbid and microbial contaminated water adversely affecting the absorption of food. Consequentially the health of the family suffers to a great extent whereby children especially suffer from water borne diseases like diarrhoea, dysentery, cholera, etc. According to the Pakistan Council of Research and Water Resources

(PCRWR), 40 per cent of all reported illnesses are water-related and that diarrhoea is the cause of deaths of some 200,000 children in Pakistan every year, i.e. 600 a day. Poor quality drinking water affects the health of mainly the rural and urban poor.

Inadequate intake of calories by women, long walks to fetch firewood and water and poor water quality adversely affects their health. Moreover, burning of wood for cooking purposes is another dilemma that further exacerbates the health of the women. Women are in close contact with the resultant smoke of biomass fuel and are susceptible to develop health ailments such as cancer and lung related diseases.

Gender is a crosscutting theme under the circumstances. Hence, in the prevalence of such a state of affairs, absence of women specific policies

**Fundamental debate of what will work in terms of action plan has been worked out by the pilot projects undertaken by the NGOs/CBOs. Government should own the successful initiatives for specific problems and replicate the same at the national level for greater benefit of the masses.**

in almost all development plans is an impediment towards women and development. Even in the policies where pledges have been made to counter the women related issues, there is absence of implementation and action plan for materialising them. NGOs/CBOs have been successful in bridging the gaps but unfortunately given the resource

constraints, the pilot projects lack sustainability and execution stays limited to specific areas. Fundamental debate of what will work in terms of action plan has been worked out by the pilot projects undertaken by the NGOs/CBOs. Government should own the successful initiatives for specific problems and replicate the same at the national level for greater benefit of the masses.

One such programme to improve the alarming and appalling situation of water borne diseases has been carried out in Faisalabad at the UC level since 2002. A low cost water (\$1 per annum per person) treatment technology namely Solar Water Disinfection (SODIS) has resulted in decreased diarrhoea incidence in the area as per Basic Health Unit data in 2007. Water is filled in the food grade (PET) plastic bottles and is exposed to sun for six hours. As a

result the e-coli in the water is deactivated making the water safe and healthy for use. The project was implemented through public and private partnership between the Lady Health Workers (LHWs) and a local NGO. LHWs helped in raising awareness about the need to treat water through a field kit experiment that showed visible results of contamination of community tap water being used by the dwellers of the UC. Water was retested after the use of SODIS and it showed improvement in the water quality. Apart from its usefulness, other reasons for adoption of the technology were low cost, and less energy and time consumption in the preparation of the treatment as opposed to boiling which involves more energy (cost) and effort.

Decision-making at the national level has persistently ignored gender perspective of the problem in the process. Exclusion of women specific issues from decision-making has led to their marginalized status in the community/society hence leading to deprivation in access to basic services including health, food, safe water, etc. It caused serious health hazards and higher rate of mortality among women. While making the National Drinking Water

Policy 2009, women were not taken as serious stakeholders at all levels of consultations. Recently, the government has initiated the process of developing action plan for implementation of national drinking water policy at the provincial levels by implementing the 18<sup>th</sup> and 19<sup>th</sup> amendments.

The changing political landscape due to the 18<sup>th</sup> amendment is an opportunity to include and revise the plan of action for the National Drinking Water Policy 2009 along with other policies at the provincial level. At this point, right initiatives by the government can ensure the participation of women in the process. Provincial governments can ensure involvement of women in consultation process for development of action plan at the tehsil, district and provincial levels. Tehsil and district level consultations will be a step in the right direction to include women in the process. NGOs/CBOs with experience in relevant field at the tehsil and district level should be encouraged to bring women's perspective. Civil society organisations and media should also be involved in creating awareness and encouraging women representation in the consultation process.

---

## Climate Change Adaptation: EECS Project Launched

Climate change is a global phenomenon and a challenging reality that is likely to impact almost every sector of Pakistan's economy. Today it stands not only as a major environmental issue but also as a multi-dimensional developmental issue. In view of these concerns, an inception workshop was held for the launching of collaborative project, "Climate Change Adaptation: Introducing and Promoting Energy Efficient Cooking Stoves (EECS) in Flood and Terrorism Affected Remote Underdeveloped Rural Areas of Pakistan", at the Sustainable Development Policy Institute.

Sahara Welfare Foundation, Malakand, would carry out the project activities towards climate change adaptation in collaboration with UNEP National Committee for the Republic of Korea and Sustainable Development Policy Institute, Islamabad. The meeting was attended by Mr. Bakht Muhammad, Chairman, Sahara Welfare Foundation and his staff; Dr. Abid Qaiyum Suleri, Executive Director, SDPI; Mr. Mumtaz Khan, Chief Scientific Officer (retd.), Pakistan Council for Scientific and Industrial Resources; Ms Anusha Sherazi and Dr. Mahmood A. Khwaja from SDPI.

During his opening remarks, Dr. Abid Qaiyum Suleri, Executive Director, SDPI, emphasized the need for technology transfer, which is an effective measure for climate change adaptation. The EECS technology has already been successfully introduced and promoted in

Nepal and Bangladesh. Dr. Khwaja, EECS Project In-charge, gave an account of project objectives and activities which include awareness-raising and training for making EECS with metal and with clay using metallic moulds. Ms Anusha Sherazi, Project Associate for EECS project, further highlighted that the importance of EECS and said that cooking for most of the households in rural areas of Pakistan is basically fuelled by burning wood. Open fireplaces are most common traditional technology used by majority of the rural people in Pakistan. One of the problems of cooking over an open fireplace is the increased health problems caused by the smoke, particularly lung and eye ailments, and also birth defects. Replacing the traditional three-stone fireplace with an energy efficient firewood/cooking stove with chimney for venting the smoke out of the house can significantly contribute to the improvement of family's health, fuel cost and reduction in green house gases emission.

Time frame and plan of project activities was finalized after a thorough discussion among the participants of the meeting. Awareness-raising workshops at Batkhela and Dargai of Malakand district have been scheduled in the second week of April to be followed by training workshops in the project area.

*Report by Dr. Mahmood A. Khwaja  
Khwaja@sdpi.org*

*Continued from page 3*

### **Programme Implementation of on-going IMF Stand-by Arrangement: An Overview of Mid-term Progress**

to SBP, it stood at \$ 2.21 billion during the October-December as against \$ 1.46 billion in the first quarter of the financial year 2010-11. Meanwhile, the interest that was paid against the total external debt rose to \$ 306 million in the second quarter of the financial year 2010-11 while it was an amount of \$ 236 million during the previous quarter.

It is a matter of great concern that the total foreign debt and liabilities of the country have increased manifold during the period under review. Resultantly, Pakistan is the only country in South Asia to be classified as the highly indebted country. Indeed the financial assistance provided by IMF under SBA has solved the immediate problem of correcting the extremely adverse balance of payment position of the country along with some initial positive impacts on the economy but escalating public debt does not bode well for macro economic growth

in the medium and long runs.

### **References:**

- Finance Division, *Economic Survey*, 2009-10  
 IMF 2008. Request for Stand-By Arrangement-Staff Report; Staff Supplement; Press Release on Executive Board Discussion, IMF Country Report No. 08/364  
 IMF 2009. Pakistan-2009 Article IV Consultation and First Review Staff Report, IMF Country Report No. 09/123  
 IMF 2009b. Pakistan-Second Review and Request for the Augmentation of Access under the Stand-By Arrangement, IMF Country Report No. 09/265  
 IMF 2010. Pakistan-Third Review under the Stand-By Arrangement, IMF Country Report No.10/6  
 IMF 2010b. Pakistan Fourth Review under the Stand-By Arrangement, IMF Country Report No.10/133  
 IMF 2010c. "IMF Approves Nine-Month Extension of Stand-By Arrangement for Pakistan", Press Release No. 10/515

*Continued from page 4*

### **A Reality Check on Fiscal Reform**

focus has shifted to tax governance, the current rubric for eliminating evasion, avoidance and exemption. Is this not tantamount to placing the cart before the horse? In other words, if the rich pay their taxes, won't governance improve by default? Dr. Mahbul Haq devised an ingenious solution, factoring agricultural income in the calculation of taxable income but not actually taxing it. So while one moved into a higher tax bracket, the tax rate was applied on non-agricultural income only. It would take a brave heart to go beyond this point. In a similar vein, a progressive tax on vehicles, utilities will raise the ire of the moneyed lot accustomed to using electricity, gas and water and gas-guzzlers like a free good.

Expenditure adjustments, the other side of the fiscal coin, falter on the multi criteria test as well. Two components of expenditure, namely, defence and debt servicing are non-negotiable and rising. The apparent give is in subsidies, administration and state-run enterprises. In compliance with IMF dictates, the process of phasing out food, fuel and energy subsidies has begun. Concurrently, the federal and provincial governments have launched the BISP income and loan, and 'sasti roti' (inexpensive

bread) schemes. But are income and price supports interchangeable? If historical precedent is anything to go by, targeted subsidies are prone to leakages and misuse and impose a heavy financial burden on the state. The new schemes are already being criticized on various counts of insufficiency, misidentification and leakages.

Few would deny that government and quasi government organisations are over manned. Responding to the need to downsize or rightsize, depending on how diplomatic one wants to be, large-scale retrenchments were attempted and just as quickly reversed. The KESC, PIA and department employees were reinstated, even by presidential decree. Similarly, privatising state enterprises and utilities, traditionally likened to selling the family silver, now needs to run the additional gauntlet of a public fired up about job losses and price hikes.

Whether the IMF is right or wrong is no longer an issue. It holds the purse strings and will continue to demand its pound of flesh in the manner it deems appropriate. The onus is on the government to tailor an appropriate response. It is no longer a question of whether to rather how to comply. Will the volatile combination of street riots, corruption and economic mismanagement produce sustainable fiscal outcomes, namely taxes on the rich. Probably not but here's to hoping.

# In Retrospect

## Campaigns and Talks



### Seminars at SDPI

#### **SDPI-SDC Series of Orientation Sessions on "Household Water Treatments (HWTs) Best Practices: Solar Water Disinfection"**

3- 6 January 2011

Mr. Hameed Ullah Jan Afridi, Federal Minister for Environment, applauded HWT's initiative and underlined the need for low-cost technologies for water treatment like SODIS. Citing the post-18th amendment scenario, he urged that the provincial governments also needed to be taken on board to give informed choice to the masses.

The speakers and experts said that 70 per cent diseases were water-borne in Pakistan. They highlighted improved water was being provided but not safe water to the people. They further said that 80 million people were in search of safe water in the country. Speakers said that it was necessary to propagate technologies to clean the water. SODIS method was an effective way to combat the onslaught of multinational corporations. It is a real case of out of pocket solution, they said, adding, that it was a panacea for those using water from ponds, taps or wells.

Speakers said that SODIS was a simple method, which did not involve money or energy. Contaminated water, when filled in transparent food-grade plastic bottles (like those used for soft drinks) and exposed to sun for six hours, disinfected the water. They said that one dollar per annum per person expenses were involved contrary to other water treatment methods which also involved relatively high cost and energy. They stressed that the media should be involved and engaged to send across the message among masses as it was a very easy method and should be part of country's water policies especially related to disaster-stricken areas.

#### **Globalisation and Health in South Asia (Special Lecture)**

11 January 2011

Discussing multiple dimensions of global health, experts said that global health was one of the most critical of the Millennium Development Goals

(MDGs) as there was a fertility decline and unprecedented urbanization, rising maternal and infant mortality rates. They also highlighted Pakistan's water crisis and its implications; and added that approximately 20-50 per cent deaths of children under the age of five years occurred due to waterborne diseases. Talking of global threats, they mentioned the term 'Triple Burden of Disease' and referred to agricultural practices, livelihood patterns and large population to be the triggering factors of emerging infectious diseases in Asia-Pacific and surrounding regions. They said that the replacement level of Pakistan was higher than many of the countries in the region.

Talking about the World Health Report of WHO, experts said a safer future is both a collective aspiration and a mutual responsibility. They mentioned Karachi to be among the mega cities at risk with regard to environmental pollution and livelihood standards that can have drastic implications on the health of the population. In the discussion session, several issues were discussed including climate change, trade practices, infectious diseases, and gender and health issues.

#### **Institutional Arrangement for Climate Change: Role of the Ministry of Environment**

27 January 2011

Climate change has emerged as a major challenge for the global community and that climate change was an existential threat for Pakistan. Experts presented the cost of damages to environmental and natural resources. They said that estimated costs were as follows: \$1867 million for water, sanitation and hygiene, \$1,167 million in terms of soil erosion and salinization, and, \$2200 million in terms of air pollution. They said that actual cost of damages to environment and natural resources was even higher.

Experts highlighted the World Bank report which had analysed the environment related issues in Pakistan and mentions that the environmental protection agencies in provinces were only ceremonial and so it was not feasible to leave this responsibility to them. It is also important to consider that environmental issues have no physical boundary, wind and water have their impacts across the borders as happens in case of In-

dia and Pakistan and such issues are taken up in Track-II dialogue e.g. the issue of fog due to excessive use of coal in the production of electricity. In December, it was decided in bilateral talks and a joint statement was issued that India would share the EIA report before initiating any project with Pakistan. They stressed that institutions needed to be trained before making any such decision. They questioned whether in case of any such report to be produced on part of Pakistan, will all provinces unanimously make one. Instead of shelving the ministry, it is important to review the ministry and evaluate its performance.

### **Pakistan Regulatory Environment: Successes and Failures**

31 January 2011

Experts highlighted that the roles and responsibilities of regulatory authority which were constantly changing due to prevailing circumstances in the country. In today's age, given the socio-political and economic upheavals, there is a growing trend of regulatory authorities exerting influence on the creation of green jobs. These green jobs would help accelerate the transition from jobs in high carbon sources to the low carbon ones. For the last 50 years, global economic growth has been unprecedented, however, it has led to fast environmental depletion. It is noteworthy that between 1981 and 2005, the GDP had more than doubled but the degradation of the world's ecosystems has been about 60 per cent. They suggested that OGRA should take the mission of biogas in Pakistan as this is a source of green energy and every village of Pakistan can take advantage of it.

They further said that in the past, huge amount was spent on laying of integrated infrastructure for gas. In the wake of serious gas crisis and rapid gas reserves promotion of biogas, on a large scale, even for electricity generation is best and most technically and financially most viable option in Pakistan. They said that the livestock sector was an integral part of agriculture in Pakistan as it plays an important role in the economy of the country. The potential of biogas as a source of clean and easily available energy is widely recognized but the country has the highest unexploited potential for biogas production in the region. Given the livestock potential, along with other necessary parameters needed for biogas, the country has a potential to provide energy to 7 million houses of Pakistan that was almost 60 per cent of the total population. Although the biogas technology has proven its importance in many countries, Pakistan is still promoting it as a pilot modality.

### **Economic Policy: What Needs to be Done?**

8 February 2011

The speakers and experts reflected upon the economic policies of the country starting from year 2000 to the present. They said that challenges being faced today were the same that Pakistan faced at the end of 1990s decade. They urged that the country should improve its macroeconomic environment, bring ever-increasing debt burden under control, restore investor's confidence, revive economic growth and restore financial sovereignty. They urged the policy makers to introduce wide-ranging structural reforms, develop policies to improve macroeconomic environment, reduce 'twin deficits', reduce inflation, build foreign exchange reserves, maintain stability in exchange rate and ensure continuity and consistency in economic policies.

Reviewing the current economic policy, they said that the economy was not government's priority. They highlighted several blunders committed by the government and maintained that the government had misguided people of Pakistan about the health of the economy. For instance, there were a number of irresponsible statements issued by the then Finance Minister. There were no Finance, Commerce, Petroleum and Health Ministers for six months in 2008. Government made yet another mistake by seeking \$11.3 billion financial resources from the IMF whereas government had already failed to deliver on the commitments with the IMF. There was a criminal increase in support price of wheat. The new NFC award did not take into account the capacities of the provincial governments to utilize the additional resources. Moreover, there was little or no consultation with stakeholders on VAT. Lastly, there is absence of credible economic team.

### **Legal and Institutional Reforms in Forest Laws for Accepting Forest Carbon as Commodity**

14 February 2011

Experts underscored for a comprehensive definition of different categories of forests with a strategy to balance livelihood means of dependent people with deforestation. They also stressed the need for REDD mechanism. The speakers said that there was no estimate of destroyed forests in those areas and there had been no census since 2004 to assess the impact of natural disasters. They stressed that there should be community ownership of the issue of deforestation and the Ministry of Environment should nominate a focal body to deal with such concerns and create awareness among stakeholders, particularly for technical issues. They urged for legal and institutional re-

forms, public/private partnership, and dismantling of mafia and more focus on corporate social responsibility.

They further said that there were challenges especially at the federal and provincial levels to address these issues and despite having policies such as forest policy, climate policy; and, environment policy, the country lacked implementation of these policies and decisions. They underlined the urgent need for survey of forests for informed decisions. They said that community ownership should be initiated with the identification of institutions and organisations that would provide help after engaging people and to utilize their support. They said that the up-stream communities were losing more due to floods and soil erosion while supporting a replacement for their sustained livelihood and identification of beneficiaries to create a win-win situation. They said that there should be a carbon accord like that of water accord in Pakistan to ensure appropriate distribution.

### **Energy Security and Climate Change**

17 February 2011

Experts were of the opinion that country's electricity consumers were badly affected by the tariff prices, which in recent times, have been fluctuating significantly due to mainly global fuel price hikes. The efficiency of electricity regulatory body depends upon the degree of satisfaction of its stakeholders.

Speakers talked about general observations on NEPRA's public hearings. They informed that NEPRA has a very comprehensive and consumer oriented procedural system in place, however, much more was desired to be done in practical terms. They said that it was often observed that domestic consumers were usually absent from public hearings, partly because the entire process appears convoluted to them. They stressed that consumers need to be educated about NEPRA's roles and responsibilities.

While discussing the mitigation, they said that Pakistan's energy needs will rise and that it was high time for Pakistanis to decide what form of energy they want to rely upon in the future. They said that although coal was a cheap source of energy, it would increase greenhouse gas emissions – gases that cause global warming. They said that although the initial costs of switching to clean energy might be higher, the benefits in the long-term would outweigh the costs.

### **Screening of Film "Mr. Smith goes to Washington"**

21 February 21 2011

"Mr. Smith goes to Washington" was a film about how a lone, honest politician could fight graft and corruption with the conviction of his ideas, integrity and honesty. It was highly relevant to Pakistan's current political landscape. It depicted a story of heroic struggle against vested interest groups in politics and corruption. According to the Wikipedia, "Mr. Smith goes to Washington" is a 1939 American drama film starring James Stewart and Jean Arthur, about one man's effect on American politics. It was directed by Frank Capra and written by Sidney Buchman, based on Lewis R. Foster's unpublished story.<sup>[1]</sup> "Mr. Smith goes to Washington" was nominated for 11 Academy Awards, winning for Best Original Story.<sup>[2]</sup> In 1989, the Library of Congress added the movie to the United States National Film Registry, for being "culturally, historically, or aesthetically significant".

### **Importance of Household Water Treatment**

1 March 2011

Experts highlighted that solar power was the most natural, sustainable and cheapest source of energy on the planet and hence its use in daily lives could be the most viable option including purification of water through SODIS water purification method.

Talking about certain HWTs, they said that once water had been delivered and treated within the household, it was extremely important to ensure that re-contamination of the water did not occur. They said that in case of floods and other disasters, in remote areas of Pakistan especially, there was acute problem of clean and safe drinking water and usually the water gets very turbid for the purposes of drinking, hence Horizontal Roughing Filter and Slow Sand Filter (HRF/SSF) could be a very good and effective solution for removing the turbidity in water. They further suggested that after the application of this filter, SODIS could be applied. This solar disinfection system had been tested with bore water, well and wastewater. They pointed out that in five hours, the unit eradicated 3 log 10 (99.99%) of bacteria contained in the water samples and the unit could provide about 6 litres of pure drinking wa-

1. [http://en.wikipedia.org/wiki/Mr.\\_Smith\\_Goes\\_to\\_Washington#cite\\_note-tcmnote-0](http://en.wikipedia.org/wiki/Mr._Smith_Goes_to_Washington#cite_note-tcmnote-0)
2. [http://en.wikipedia.org/wiki/Mr.\\_Smith\\_Goes\\_to\\_Washington#cite\\_note-NY\\_Times-2](http://en.wikipedia.org/wiki/Mr._Smith_Goes_to_Washington#cite_note-NY_Times-2)



ter and larger units could be fabricated for providing safe drinking water at the community level in developing countries.

During the course of discussion, a number of questions were raised about the SODIS method of HWT with respect to how it could effectively remove microbial pollutants and what was its effect on turbidity. It was explained that SODIS could not purify the water to a complete extent but it reduced the amount of micro-organisms to certain levels, hence it was very usable and accessible for those people living in the remote areas of Pakistan and who did not have ample resources to go for other options such as boiling or using tablets which were not easily available to them. Certain other concerns regarding the use of plastic bottles and the cacogenic elements being released by them in water also came into question, but it was proved that plastic bottles do not release the cacogenic materials into water unless the temperature gets above 80 degree Celsius.

### **Relationship between Food Insecurity, Poverty and Conflict**

(SDPI-USIP Joint Consultative Meeting with Civil Society)

14 March 14 2011

Experts urged that there was a need for a holistic approach to be adopted with regard to the looming threats of food insecurity, poverty and militancy in order to ensure human security.

They said that there were four dimensions of human security including individual, national, regional, and global security. They said that all the securities were interlinked and it was difficult to ensure security of the state if the security at one of the other level had been compromised. Highlighting worsening food security situation in Pakistan especially Balochistan, South Punjab and FATA, they said that food insecurity had increased in Pakistan from 37 per cent to 48.6 per cent over the last six years. They cautioned that when individual cases of relative hunger turn into collective deprivation and get an identity, they always lead to class-conflict and ultimately violence.

Speakers shared their perspective on the status of Pakistan in terms of food insecurity. They said that there was a need to differentiate between extremism and terrorism and all extremists were not necessarily terrorists. Speakers highlighted various types of securities and their relationship with each other. They expressed that the Muslims were being stigmatised; they quoted the examples of LTTE of Sri Lanka, Japanese Kamikaze Pilots and certain other examples to show

that whenever there was a feeling of oppression and helplessness, extremism and terrorism emerges. They further stressed that there needs to be a cooperative approach in dealing with such conflicts and need to adopt both hard and soft approaches rather than dealing only with coercion as it could deteriorate the situation further. Elaborating on extremism, they said that extremism was a state of mind and heart, and thus extremism and terrorism needs to be separated and treated differently. Extremism could be dealt with a softer approach as it was related to a matter of the heart while terrorism had its ideological reasons behind its execution. They said the causes of extremism included lack of education, poverty and food insecurity, long fostering political disputes, and political deprivation and a sense of powerlessness was also a major contributor.

### **SDPI-SDC Poster Competition on Household Water Treatment (HWTs): Best Practices**

18 March 2011

Experts and speakers of the seminar lamented that there were two major hindrances in the way of progress of our country, which were poverty and ignorance. They gave a brief introduction of SODIS and other household water treatments adding that the poster competition was basically meant to engage the youth in raising awareness about alternate and cost-effective methods of water disinfection, as the youngsters were the ones who would be taking lead in near future and it was very important that they should have the basic information of such methods of water treatments in a developing country like Pakistan. They said that there was an urgent need to address the issue of using household water treatments to get rid of the issue of water contamination. Highlighting the quality of posters prepared by participating youth, they said that they were very impressed with the understanding of youngsters of the importance of having clean drinking water to drink.

Speakers said that in a country like Pakistan, there was no safe water guarantee as there were few treatment plants for specific purposes, mainly of removing turbidity from the waters. They highlighted the importance of safe drinking water, which was an important issue for all as everyone's survival depended upon it. They further elaborated that in case of floods and other disasters in general, and in remote areas of Pakistan in particular, there was an acute problem of clean and safe drinking water. SODIS could be a method that could lower the number of e-coli and coliform i.e. the disease-causing bacteria, in water and hence

many lives could be saved that were lost due to water-borne diseases.

**SDPI-SDC Orientation Session on “Household Water Treatment (HWTs): Best Practices Solar Water Disinfection (SODIS)”**

21 March 2011

The speakers and experts said that 70 per cent diseases in Pakistan were water-borne. They highlighted that the country was providing improved but not safe water to the people. They further said that 80 million people were in search of safe water in the country. Speakers said that it was necessary to propagate technologies to clean the water. They said a lot of money was required to implement the water quality standards. SODIS was a choice, which had proved effective in Africa. Whereas it was not a complete solution, but it still helped a lot in dealing with the water contamination issues. SODIS method was also a way to combat the onslaught of multinational corporations. It is a real case of out of pocket solution as it was a panacea for those using water from ponds, taps or wells.

**World Water Day 2011**

24 March 2011

The World Water Day in 2011 was intended to focus international attention on the impacts of rapid urban population growth, industrialization and climate change on water resources and environmental protection capabilities of cities and small towns and other key issues such as the growing urban water and sanitation demand, increased pollution from municipal and industrial discharges, climate change and its unforeseen risks and challenges, over-exploitation of available water resources and better targeting of the urban poor. The experts said that, according to PRPA 1997, the Federal Government levied a pollution charge on any person who contravened or failed to comply with the provisions of sub-section (i) to be calculated at such a rate, and collected in accordance with such a procedure as may be prescribed under section 11, PEPA, 1997. They recommended the enforcement of NEQS, SMART, pollution charge, levying and collection of pollution charge by provincial/local governments. They said that there was a need of wastewater discharge licensing system, wastewater treatment plan, IEE/EIA, promotion of Cleaner Production Centre and rapid industrial development within industrial zones. Treatment plants should also be established for both industrial and municipal water management.

The experts briefed the participants about key urban water management issues and priorities for action. They highlighted current challenges, achievements and future prospects in the face of climate change-related risks and uncertainties and hoped that this seminar would form the basis of the campaigns throughout the year starting from the World Water Day 2011, by encouraging governments, organisations, communities, and individuals around the world to actively engage in addressing the water and sanitation challenges facing many cities and small towns, especially in the developing countries.

**Climate Change: Opportunities for Co-operation between Pakistan and Germany**

25 March 2011

Highlighting numerous opportunities, Pakistani and German experts on climate change underlined the need for greater co-operation and concerted efforts to deal with the worsening challenge of climate change and its negative effects on human being and environment.

They said that a transformation in the energy supply systems was taking place and there was a need for low-carbon economy and renewable era in Pakistan and globally. They identified exchange visits particularly in the research, solid waste management projects, cleaner sources of energy such as wind and solar energy initiatives were some of the potentials for cooperation between the two countries. They said that climate change was apparent in the form of floods, droughts, severe storms, and hurricanes across the globe as well as in Pakistan while the country or this region was not primarily responsible for omissions severely affecting the climate. They lamented that still many scientists did not recognize the climate change happening as a challenge.

Speakers said that the climate change was the greatest challenge that we face today due to human actions involving change of lifestyle and use of fossil fuels for economy but cautioned that the “business as usual is no option”. If current pace of development continues in the North, the global average degree rise would be 3-4 degrees. It is up to the North to reduce the emissions of carbon to help the world become low-carbon society, they underlined. They said that Germany was pioneer in renewable energy initiatives involving wind projects and somewhat solar energy.

They pointed out the nuclear energy was no option at all due to safety, economic and proliferation perspective and the same money could be utilized for solar and air energy projects.

# Workshops and Trainings

## SDPI Centre for Capacity Building



The Center for Capacity Building (CCB) is working with the aim of providing high quality trainings to the public, private and NGO sector organisations and individuals to strengthen institutions and build capacities for sustainable development. From January to March 2011, the CCB conducted the following trainings:

### **Workshop on Statistical Package for Social Sciences (SPSS) 18—20 January 2011**

This workshop was part of CCB's annual training calendar. The objectives of the workshop were to:

- Use data entry and retrieval of data files in SPSS
- Use different techniques of data cleaning and transformation
- Summarise and tabulate data in customized ways
- Understanding central tendency and variance of data
- Understand statistical concept of correlation and regression
- Interpret different statistical techniques

### **Workshop on "Research Methodology" 21 January 2011**

This workshop was exclusively organised as an in-house activity for SDPI research staff. The resource person was Dr. Urs Geiser, senior researcher at the University of Zurich, Switzerland. It was a one-day extensive workshop that focused on the following objectives:

- Translating the issues into meaningful research questions
- Learning what conceptual approaches or "theories" help in formulating sound research questions
- Planning and carrying out research utilizing techniques for qualitative and quantitative data generation and analysis in their appropriate context
- Twenty-five members of SDPI's research staff benefited from the training.

### **Workshop on Monitoring and Evaluation of Projects 25—27 January 2011**

This workshop was part of CCB's annual training calendar and was conducted at SDPI. Seven participants

attended the workshop. The objectives of the training were to:

- Define and distinguish between monitoring and evaluation
- Use logical frameworks to monitor and evaluate projects
- Develop a monitoring and evaluation framework
- Improve their progress reporting and project reviewing skills
- Learn methods to evaluate project effectiveness and impact

### **Workshop on Human Resource Management 1—3 February 2011**

This workshop was also part of CCB's annual training calendar. Conducted in SDPI's conference room, the



workshop was attended by 15 participants who belonged to various organisations in the private, public and development sectors.

The objectives of the workshop were to:

- Explain various approaches and methods of performance appraisal
- Explain the techniques of effective feedback aimed at employee motivation and development
- Understand how organisations formally engage in the process of training need assessment
- Learn various methods of, and approaches towards formal and informal learning and training.
- Conceptualise and synthesize the right ingredients

- at working place for training to work
- Learn the importance of succession planning in organisations
- Assess the techniques and tactics used in human resource planning (HRP)
- Differentiate between the candidates who 'do a good interview' and those who can 'do a good job'.

### **Workshop on Forest Carbon Stock Assessment (FCSA-REDD) 13—18 February 2011**

This training workshop was specially designed to bring the state of the art forest carbon assessment technology, forest inventory, the local forestry practitioners who are responsible for implementing the REDD pro-



jects in Pakistan. Thirty-six participants mainly from the public sector associated with forestry attended the workshop. The objectives of the workshop were:

- To equip the forestry stakeholders with state of the art of forest carbon stock assessment techniques
- To bring the latest trends in forest inventory using GIS and other tools like LiDAR
- To promote the forest carbon stock research and development tools for various forest ecosystems in Pakistan

### **Workshop on Policy Advocacy & Communication Skills 14—16 March 2011**

This three-day workshop was a part of CCBs annual training calendar. Conducted in SDPI's conference room, the workshop was attended by 13 participants

who belonged to various organisations in the private, public and development sectors.

The aim of the workshop was to help participants achieve a higher level of understanding and competence in communications and advocacy skills. The main objectives were to:

- Learn about the conceptual and operational framework of advocacy in Pakistan
- Enhance understanding of various forms, techniques and strategies of advocacy
- Learn how to effectively design and plan, manage, monitor, and evaluate different communication, advocacy, and outreach campaigns
- Develop better understanding of co-relation between communication and advocacy
- Understand the process and essentials of effective communication
- Learn modern and improved communication skills and techniques

### **Workshop on Management and Communication Skills 5—7 April 2011**

This workshop was exclusively designed and conducted for Islamabad Electric Supply Company (IESCO). Twenty-two members of their field and office management staff belonging to grade 17 and 18 attended the workshop. The workshop focused on the enhancement of skills related to the areas like commu-



nication and presentation skills, time management, motivation, teamwork, leadership and managing change.

#### **Announcement**

SDPI's Fourteenth Sustainable Development Conference  
**Redefining Paradigms of Sustainable Development in South Asia**  
 13 —15 December 2011

*Please visit [www.sdpi.org](http://www.sdpi.org) for more details*