

**Canadian International
Development Agency**

**Royal Netherlands
Embassy**

Pakistan Environment Program (PEP)

**2nd Monitoring Mission
Final Version - Draft Report
November 2004**

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ABBREVIATIONS

CE	Communication and Education Group (IUCNP)
CHC/PSU	Canadian High Commission/Project Support Unit
CIDA	Canadian International Development Agency
CDPF	Country Development Programme Framework
EA	Executive Agency
ECK	Education, Communication & Knowledge Management Group (IUCNP)
EIA	Environment Impact Assessment
EM	Ecosystem Management Group (IUCNP)
EPA	Environment Protection Agency
ES	Environment Section, Federal Planning Commission
IPO	Islamabad Programme Office (IUCNP)
GFP	Gender Focal Point
GoP	Government of Pakistan
KM	Knowledge Management
IUCNP	The World Conservation Union Pakistan
LFA	Logical Framework Analysis
M&E	Monitoring and Evaluation
MoE	Ministry of Environment
MTR	Mid-Term Review
NCS	National Conservation Strategy
NEAP	National Environment Action Plan
NGO	Non-Governmental Organization
NWFP	North West Frontier Province
PAC	Programme Advisory Committee
PC	Programme Coordination (IUCNP)
PCD	Policy & Constituency Development (IUCNP)
PEAA	Pakistan Environment Assessment Association
PEP	Pakistan Environment Programme
PEPA	Pakistan Environmental Protection Act
PMF	Performance Measurement Framework
PAC	Project Advisory Committee
PPMT	Programme Performance Monitoring Team
PRSP	Pakistan Reduction Strategy Paper
RNE	Royal Netherlands Embassy
RBM	Result-based Management
SDPI	Sustainable Development Policy Institute
SEE	Society, Economy and Environment Group (IUCNP)
SPO	Sindh Programme Office (IUCNP)
ToR	Terms of Reference
WCD	World Commission on Dams
WTO	World Trade Organization
WSSD	World Summit on Sustainable Development

EXECUTIVE SUMMARY

The goal of the Pakistan Environment Programme (PEP) and PEP Extension is “to improve Pakistan’s capacity to achieve environmentally sustainable forms of economic and social development”. Its purpose is to facilitate the implementation of the National Conservation Strategy (NCS) by building the capacity of various Pakistani institutions including:

Government:

- National Conservation Strategy Unit (NCS), Ministry of Environment;
- Environment Section (ES), Federal Planning Commission;
- Environment Wing (EW), Ministry of Environment;
- Federal Pakistan Environmental Protection Agency (EPA), Ministry of Environment;
- Provincial EPA’s;
- Provincial Environment Units (District Coordination Office); and
- District governments.

Civil Society:

- Sustainable Development Policy Institute (SDPI); and
- International Union for the Conservation of Nature Pakistan (IUCNP), also the Executing Agency for PEP Extension.

The 1st PEP Monitoring Mission was conducted from October 20th to 31st 2003 of which activities carried out from December 2002 to June 2003 were monitored.

The 2nd PEP Monitoring Mission was held from August 28th to September 10th 2004¹. Activities carried out from July 2003 to June 2004 were monitored during this mission. It emphasised on the broad approach of PEP and included assessment of policy, management and institutional aspects.

The report has been divided into 4 sections.

Section I contains the mission objectives, the monitoring approach and background information on PEP.

Section II contains three main themes:

- Follow-up to the 1st Monitoring Mission;
- Programme overview of core themes and programme institutions; and
- Sustainability of the program at the expected output and outcome results.

Section III contains information on project management.

Section IV, the last section of the report provides information on monitoring.

There have been many specific recommendations made throughout this report. All are important. These recommendations are intended of offering guidance on capacity building, technical aspects as well as project management.

These are the main findings of the joint CIDA/ Royal Netherlands Embassy (RNE) monitoring mission:

¹ The views expressed in the 2nd Monitoring Report are entirely those of the authors. They do not reflect the views of CIDA and the Royal Netherlands Embassy (RNE). The material herein has been obtained from sources reliable but it is not necessary complete and cannot be fully guaranteed.

Expected output results:

Expected output results to date have been scored. This table include a column to score the likelihood expected output results will be achieved. This is estimated on a five-point scale, ranging from 1 ('Likely to be completely achieved') to 5 ('Unlikely to be realized') with X ('Too early to judge the extent of achievement') to indicate where a judgment cannot yet be made. The scores are made in a prudent manner since the performance indicators have not been yet finalized. General explanations for the score can be found in sections 2.1, 2.2 and 2.3 of this report.

<i>Expected Output Results</i>	<i>Score</i>
Improved and effective existing core capacities of the NCS Unit, MoE	3
Improved and effective existing core capacities of the Environment Section, P&DD	2
Improved and effective existing core capacities of SDPI	2
Improved and effective existing core capacities of IUCNP	2
Improved and effective existing core capacities of the Environment Wing, MoE	X
Improved and effective existing core capacities of the Pak EPA	X
Select sectoral/sub-sectoral development policies reviewed and/or developed from a sustainable development perspective, preferably in water, biodiversity and industry sectors	1
Reviewed/developed policies are adopted in up to 3 provinces/regions (at least one policy in one province/region)	3
Sustainable development plans developed in at least one district of Pakistan	X
Implementation of a select district sustainable development plan partially facilitated	X
Effective links between the federal Planning and Development Division and the provincial Planning and development Departments for implementing environmentally sustainable development initiatives with a due regard to related gender concerns	X
A cadre of highly skilled environmental professionals with up to date technical and management expertise	2
Improved capacities of up to 6 select institutions in the public, private and the civil society sectors	2
Select stakeholders' capacity enhanced for effective environmental monitoring and compliance under the Pakistan Environmental Protection Act (PEPA), 1997	X
Environmental-education integrated curricula developed for select primary schooling and tertiary institutes	2
Increased awareness of linkages among population, environment and poverty (economy) in development planning	2
Increased awareness, knowledge, demand and support for environment among key decision-makers and the public at large for integrating environment and development	3
A fully resourced reference information base facilitating and influencing environmentally sound decision-making	3
Increased and diversified financial support for PEP related initiatives at large	1
Gender issues integrated into environmentally sustainable development policy, planning and implementation, budgeting, management, and its associated decision-making	2

Follow-up:

Issues raised in the 1st Monitoring Report have been addressed:

- PEP Extension is more thematically and geographically focussed. However, it was mention by IUCNP that Balochistan has been replaced with Punjab as Balochistan is already receiving considerable programme funding from RNE. IUCN should provide additional information on the reasons to include Punjab instead of Balochistan.
- PEP Extension ameliorated on reporting which was criticized during the initial phase of PEP. The process of applying management systems such as the Results- Based Management (RBM) has resulted in better management of PEP since November 2003. All partners have learnt much and are now applying some of these management tools in their other programmes.

- The nature of the relationship between CIDA and RNE was established in February 2004 when preparing the joint CIDA/RNE work plans, the reporting arrangements, and fund allocations.

Themes and issues:

Policy issues:

- A clear re-orientation to “applied and problem solving research” must be followed with high value “targeted themes” during the remainder of the project period.
- There is a valuable stream of contribution to the national dailies that needs to be continued. Highlighting the industrial issues is important but equally important is the need to decentralize the process of debate and widen the stakeholder base to the district level. The latter requires a major shift in the way policy options are discussed and debated. It should start with issue identification at the micro-level and proceed to the macro with a clear understanding of the ground realities.

Core themes

- The future challenges in the water area require immediate up-gradation of the institutions capabilities and broadening the scope of such analysis with a clear national agenda.
- Much of the policy support on industry will have to be targeted at the provincial level. Setting up a few select areas and developing the needed partnership for providing quality engagement of PEP will be a step in the right direction.

Advocacy

- While considerable attention has been paid on highlighting some of the important environmental concerns to a segment of the civil society, greater attention will be needed in future to identify, document and make available “**World best practices**” suited to the Pakistani context.
- In future only those activities that were undertaken specifically under a “PEP based environment bias” be documented under the activities and outputs matrix prepared for review by the monitoring missions.

Capacity Enhancement

- IUCNP was involved in several internal organisational review exercises. It concerned the consistency of IUCNP’s programme coordination, the implementation of its intercessional plan, and its corporate communication strategy. Clarification is needed about the relevance of these exercises in PEP and also a cost-benefit analysis should be carried out for such exercises.
- IUCNP coordinates and supports its PEP Partners in programme implementation. Assistance was given in putting up policy documents and in procuring equipment, where procedural bottlenecks were removed. Also integrated work plans and progress reporting was facilitated. IUCNP has signed with each partner MoU’s, in which their roles and responsibilities are outlined. More clarity is however needed about IUCNP’s mandate in the project operation. Now it appears that the organisation can be held responsible for programme performance in general without having any formal authority vis-à-vis the other partners.

Constituency and the Capacity for the Environment

- The new Resource Centre of NCS has an opportunity to play a major role in bringing together key stakeholders concerned with the environment. It is essential that the Centre gains a high level of credibility during its first years of operation. The Resource Centre should have high level human resources that can bring credibility to the centre.
- Although most activities carried out by PEP Partners will build a wider constituency equipped with adequate capacity to promote environmental agenda in Pakistan, there is no single theme that stands out to bring out ‘*la raison d’être*’ of PEP. PEP Partners should select a few key

themes that would help to bring partners together such as Gender and the Environment, the role of media in the environment sector, Environment Assessment as a planning tool, etc. Some PEP Partners could build around some of these core subjects and prepare and execute a series of activities that are strategically focused. This type of discussion should be facilitated during workshops to develop PEP work plans.

Gender

- For gender mainstreaming, IUCNP and PEP Partners must be made responsible and accountable. To make this responsibility operational, adequate financial resources have to be allocated in the budget to support activities for capacity building and integration. Specific financial allocations should be made for gender integration activities in each partner's budget.

Institutions:

NCS Unit

- IUCNP must exert its coordination role and must help to improve NCS outputs that are desired by PEP.
- NCS Unit should be fully committed to deliver planned activities in yearly work plans.

Environment Wing

- An official notification of the reallocation of the responsibilities and its budgetary consequences is a first precondition to enter in a proper planning and budgeting process, as far as PEP funds are concerned. A quick mobilisation of human resources in line with the reallocation is also needed for an adequate implementation of activities planned for 2005.

EPA

- The MOU, to be signed between IUCNP and EPA is under preparation. This document should include procedures on how funds will be transferred directly from IUCNP to the Federal EPA. The MOU should also include procedures on procurement, contracting, selection of consultants and hiring of experts and field staff.

SDPI

- The activity 'To prepare policy and planning recommendations that could subsequently be pursued by relevant agencies through meetings of the Study Group on Information Technology and Telecommunications' (2.1.09), although this activity has been approved in the work plan, it is not linked to the environment sector. Such an activity should not be included in PEP work plans.
- It may also be in the interest of PEP for SDPI to conduct a study on environment assessment compliance in the country.
- SDPI must make more efforts to secure funding from other than PEP funded activities.

ES

- The GoP Finance Division has not yet approved all the positions at the Environment Section (ES) on a permanent basis through its regular Revenue Budget. Finalization of service rules is under process. The ES is supported by PEP on the understanding that the government would take over the financial responsibility by the end of the project. The Federal Planning Commission has shown commitment towards the ES at the highest levels and is in the process of regularizing its entire staff. Some of their staff has been regularized as government employees to date; others are in the process of being so. All remaining staff should be finalized by July 2005. This would give the ES long-term sustainability and security.

IUCNP

- The Programme Coordination Division did not spend sufficient time on specific activities linked to PEP, such as monitoring. This Unit could play an important role to move the NCS

forward by proposing innovative strategic steps. This Unit could be involved in proving a new vision in the implementation of the NCS in consultation with other PEP Partners. The major activities to be proposed in the next work plan should be linked to PEP.

- Activities proposed by various IUCNP units should be within the three common areas of PEP concentration (water, biodiversity and industry). PEP has moved from a basic capacity building programme to a much better focused programme on higher levels of activities. This is not understood by all IUCNP units.

Management:

Leadership & Organisation

- PEP management in Islamabad should oversee all PEP activities and should have authority to make sure PEP activities are conducted as to the work plans.
- Decision-making with respect to the components of the programme was not sufficiently managed in a consultative process where all PEP Partners need to agree on the issue under consideration for the decision to be finalized. During the preparation of the next work plan, IUCNP should involve all partners using a participatory approach when developing this work plan. It may be necessary to carry out this activity in seclusion amongst partners. This may help PEP to further prioritize the partner's work to become strategically focus to show greater impact. Formal commitments to complete activities proposed in the work plans by each unit should be established during approvals of work plans.
- A process has been proposed by PEP Management to make sure the yearly work plan is approved by December of each year. PEP Partners must provide a draft work plan to donors by November 15th each year. The proposed work plan should be approved by donors before December 31st of each year.

Budgeting

- One of the important challenges for the PEP Partners is to improve budgeting procedures. At the activity level, formal training on budgeting is necessary with all PEP Units.

Financial Systems

- There is no mechanism in place for internal audit of the accounts of different PEP Partners. Recently, one of the partners has requested an increase in expenses incurred from January to June 2004 in the amount of more than \$85K due to miscoding of activities. With CIDA funding ending in November 2005, it is recommended that CIDA conducts a fourth audit in the coming months. The financial accounting systems need to be streamlined and regularized.
- All international travel should be clearly stated in the yearly work plan and approved by RNE and/or CIDA.
- It may not be feasible to develop procedures to recruit international experts at this moment since the CIDA funding is ending in November 2005. This request should be further studied by CIDA and RNE.

Funding

- Redistribution of CIDA funds among the 4 institutions is not necessary at this time since none of the units will be using all CIDA allocations by the end of November 2005.
- PEP Extension has been successful in achieving some capacity building objectives in order for PEP Partners to play an effective role in the management of Pakistan's natural environment. The capacity of the PEP Partners have been enhanced, especially IUCNP, SDPI and the Environment Section of the Federal Planning Commission. PEP has been able to build the capacity of these partner organizations to a credible level. The capacity of the NCS Unit to deliver specific PEP funded activities still needs to be strengthened. Although CIDA's involvement in PEP is ending in November 2005, RNE's support will continue until February 2007. RNE will continue to fund various units of IUCNP, SDPI and different units of the MoE (Environment Wing and EPA). Adding additional CIDA funds to this program is not

recommended since sufficient funds from RNE have been allocated to the programme until February 2007. However, RNE has not envisaged budget allocations for the Environment Section and the NCS Unit. The Environment Section will have achieved its capacity building goals and objectives by November 2005; however, the NCS Unit may need additional support until February 2007. RNE will have to decide if it will redistribute its funding in order to keep all the PEP Partners in the program once CIDA engagement terminates in 2005.

- Currently, the environment sector is not a priority for CIDA in Pakistan. A stand-alone project does not add much to CIDA's programming. Given that PEP has secured funding until February 2007, it is not recommended to extend CIDA's involvement beyond November 2005. Extending CIDA allocation of \$505,767 for a 14 months period till February 2007 would not add more to the programme. IUCNP HQ management fees would consume close to 18% of this amount.

Performance Monitoring

- It is proposed that at the time of finalizing the Performance Measurement Framework at least 2 outside observers with strong skills in performance and beneficiary monitoring be engaged for the workshop to provide critique of the indicators and the overall framework. Perhaps the single most important aspect will be to make the whole framework "pragmatic" as to what is doable with existing skills and what will have the most impact in improving the performance of the project during the remainder period.
- The finalized program should be circulated amongst all the partner staff dealing with management and a stricter code be developed to share information on periodic basis. The mission monitors also felt, that before putting the monitoring tools into practice, this to be shared with all the mission members. The local monitor for PEP would be available as an observer if invited.

Risk Management

- Risk management will now require a shift in approach from one of doing too much to doing more focused work with a high quality bias. The project has to be innovative in identifying and relating to emerging trends to ensure long term sustainability of the effort. It will require forward looking leadership and a vision. Developing such a vision statement should receive priority as part of the risk management strategy.

Programme Monitoring

- Since CIDA funding terminates in November 2005, it is proposed that the Canadian Monitor join the RNE monitors for the next 2 missions planned for April and October 2005.
- RNE Monitors will conduct the last monitoring mission in 2006 as the RNE support to PEP will end in February 2007.
- Communication & liaison between PEP Partners and the monitors in between their missions should be improved.

1. INTRODUCTION

1.1 OBJECTIVES 2ND MONITORING MISSION

The 1st PEP Monitoring Mission was conducted from October 20th to 31st 2003 of which activities carried out from December 2002 to June 2003 were monitored. This mission was conducted by Mr Boudreau.

The 2nd PEP Monitoring Mission was held from August 28th to September 10th 2004. Activities carried out from July 2003 to June 2004 were monitored during this mission. It was conducted by a three-member team which consisted of:

- Dr. Pervaiz Amir, ASIANICS Agro-Dev International, Pakistan
- Mr Bernard Boudreau, Independent Development Consultant, Canada
- Mr Eric Kamphuis, ETC Foundation, The Netherlands.

All three consultants were involved to assess various aspects including project management, leadership, gender awareness, and technical themes of PEP. The objectives of the mission were:

- Follow-up to recommendations of 1st Monitoring Mission;
- Specific discussions on activities carried out by PEP Partners during July 2003 to June 2004;
- Discussions on how these activities are achieving expected output results;
- Discussions on how output results are achieving outcome results;
- Discussions on gender equality within PEP: assess how expected results are monitored and reported;
- Advising PEP Partners on the Performance Monitoring Framework (PMF) including finalization of indicators and collection of reliable data;
- Discussions on project management, recruitment, coding, and disbursements;
- Assessment of internal salary scales and overheads for IUCNP and SDPI;
- Assessment of the procurement systems and procedures of the 4 institutions (SDPI, MoE, Federal Planning Commission and IUCNP) and monitor the performance of these procurement systems on specific PEP expenditure.

During this same mission, Mr Boudreau extended his trip until September 16th to assess the following issues:

- Assessment of Programme Expenditure: Since CIDA has decided to postpone the Mid-Term Review, the Monitor assessed the programme expenditure to date and if necessary, propose different scenarios for the redistribution of resources amongst the 4 PEP Partners;
- Determination of the reliance on PEP as its major funding for each of the 4 institutions (SDPI, MoE, PC and IUCNP) including each of the 9 PEP Units (e.g. what % of total revenue for each Unit is coming from PEP funds);
- An effect on the programme if a no-cost extension of CIDA funded PEP is granted up to January 2007, the same termination date as the RNE contract.

1.2 APPROACH

The 2nd Monitoring Mission emphasised on the broad approach of PEP and included assessment of policy, management and institutional aspects. The process followed is a three-stage approach:

- 1) Review of the relevant PEP documents, particularly emphasizing the Semi-Annual Progress reports (July 2003 to June 2004).
- 2) Extensive interviews with the stakeholders of PEP, including the PEP Managers and staff of the PEP Partner institutions. Considerable time was given to each PEP Partner to present their achievements and constraints. Group discussions with also held with project beneficiaries. At the end of this period, the consultants gave a debriefing presentation to the PEP Partners. A separate debriefing period was also held for both the donors. The mission schedule and the list of people consulted during this mission are available in Annexes A & B.

- 3) The last phase of the monitoring process involved report compilation.

1.3 BACKGROUND INFORMATION

The goal of the Pakistan Environment Programme (PEP) and PEP Extension is “to improve Pakistan’s capacity to achieve environmentally sustainable forms of economic and social development”. PEP is unique in the sense that it aims to bring together the public sector and civil society to provide a forum where public and professional institutions can debate policy issues relating to the environment.

PEP’s initial role was to facilitate the implementation of the National Conservation Strategy (NCS) by building the capacity of 4 institutions that have a key role to play in the process:

- National Conservation Strategy Unit (NCS), MoE;
- Environment Section (ES), Federal Planning Commission;
- Sustainable Development Policy Institute (SDPI); and
- International Union for the Conservation of Nature Pakistan (IUCNP), also the Executing Agency for PEP Extension.

During PEP’s first phase (July 1994 to June 2002), the main objective was to strengthen the PEP Partners and to enhance their capacity through core funding, technical assistance and training. Cowater, a Canadian Partner Organization was involved in the first phase of the project.

During PEP Extension (November 2002 to November 2005) the main objective was to continue to strengthen the institutional framework necessary to implement the NCS, especially the two government units (NCS and ES).

Table 1: PEP - CIDA

<i>Phases</i>	<i>Period</i>	<i>Budget \$Can</i>
PEP (local expenditures)	July 1994 to June 2002	9 383 063
PEP (Technical Assistance – Cowater)	July 1999 to June 2002	5 063 874
PEP Extension	November 2002 to November 2005	4 238 063
Total CIDA Contribution		18 685 000

RNE funding was envisaged to start during the same period as the CIDA PEP Extension phase, however, formal approval of this additional funding from RNE was granted only in February 2004, 14 months after the start of PEP Extension.

Table 2: PEP - RNE

<i>Phase</i>	<i>Period</i>	<i>Budget Pak Rs</i>
PEP Capitalising on Capacities	February 2004 to February 2007	150 000 000
Total RNE Contribution		150 000 000

Clarity of the nature of the relationship with RNE was established in February 2004 when preparing the joint CIDA/RNE work plans, the reporting arrangements, and fund allocations.

PEP Extension extended programmatic support to the following new units:

- Environment Wing (EW), MoE;
- Federal Pakistan Environmental Protection Agency (EPA), MoE;
- Provincial EPA’s;
- Provincial Environment Units (District Coordination Office);
- District governments; and
- IUCNP Sindh office.

Initially, there were some difficulties in the execution of PEP Extension due to lack of focus in the programme and the late arrival of RNE funding. The Inception Workshop did not meet expectations to

further define the project's thematic and geographic concentration. Programme focus was proposed following the 1st Monitoring Mission in November 2004.

PEP Extension has now been more thematically and geographically focussed. It has concentrated on policy review and forums, primarily in water, industry and biodiversity. Geographically, the programme is now focusing in Sindh, Punjab and NWFP while extending its outreach to the Badin District in Sindh Province.

2. FINDINGS

2.1 FOLLOW-UP TO THE 1ST MONITORING MISSION

The next Table summarizes the major issues raised in the 1st Monitoring Report. The status of these recommendations was based on observations made and during discussions with all major stakeholders.

Table 3: Follow-up of the 1st Monitoring Mission

<i>Key Issues</i>	<i>Status</i>
- Innovative strategic steps and actions needed to promote NCS.	Has been preliminarily assessed; issue still seems to be a concern. A strategy should be prepared by various PEP Partners. <ul style="list-style-type: none"> Work plan (2004-06) as well as Annual work plan (2004) include relevant initiatives and actions, including: Development of National Environment Policy; Five Year Plan (2005-10); Review of sectoral policies, especially in water, biodiversity and industry sectors; Support to provincial and district sustainable development strategies and plans; and Inter-provincial coordination and review on NCS implementation. However, no innovative strategic steps and actions have been proposed to promote NCS. There are also concerns that NCS is getting outdated and lacking implementation.
- Focus on particular strategic areas or sectors.	Has been preliminarily assessed; situation has improved; however, there is still room to focus strategically amongst PEP Partners on specific topics. <ul style="list-style-type: none"> The work plan (2004-06) brings some focus in the work of PEP Partners. The key strategic areas for PEP intervention include water, biodiversity and industry. PEP's geographical focus would be in Sindh, Punjab and NWFP while extending its outreach to a select district, such as Badin in Sindh Province. Balochistan has been replaced with Punjab as Balochistan is already receiving considerable programme funding from RNE.
- Budget allocations by outputs.	Has been assessed; this has been done. <ul style="list-style-type: none"> The work plan (2004-06) gives emphasis to activities related to output series 2, 3, 4 and 6. At the same time, emphasis has also been placed at Outcome 5 in lieu of need for post-PEP sustainability of the initiatives of the partners.
- Proper budgeting and forecasting.	Has been assessed; situation has not improved; formal training on budgeting is necessary. <ul style="list-style-type: none"> Disbursements for some PEP Units are low.
- Contractual conditions between IUCNP and PEP Partners.	Has been preliminarily assessed; situation has improved. <ul style="list-style-type: none"> The current system is working well. Improvements are being made. Operational Procedures have been drafted and provided to all GoP Partners. Bank accounts have been opened for the Environment Wing and Pak EPA.
- Redistribution of financial resources among the 4 PEP Partners.	Has been assessed; various scenarios will be proposed. <ul style="list-style-type: none"> Data on disbursements of funds by each partner have been made available during the 2nd monitoring mission.
- Finalize the selection of the PEP Gender Coordinator as soon as possible.	Has been assessed; this has been done. <ul style="list-style-type: none"> The PEP Gender Coordinator has joined in April 2004.
- Budget allocations towards gender integration.	Has been assessed; allocations should be increased within the PEP Partner's budgets.
- Final version of the PMF	Has been assessed; situation has improved somewhat. <ul style="list-style-type: none"> A specific workshop involving all PEP Partners is planned to identify indicators for each expected outcome and outputs results.
- Semi-Annual Progress Report should be on the basis of outputs rather than partners.	Has been assessed; this has been done. <ul style="list-style-type: none"> The Semi-Annual Progress Report from January 2004 onward has been made output based.
- The work plans and Work Breakdown Structure are integrated for both donors,	Has been assessed; this has been done. <ul style="list-style-type: none"> An integrated WBS has been approved by CIDA and RNE. An Integrated work plan (2004-06) has been approved by CIDA and RNE, along with

Key Issues	Status
i.e., CIDA and RNE	<p>the Annual work plan (2004).</p> <ul style="list-style-type: none"> Common formats have been developed for forecasting and expenditure reporting.

PEP Extension ameliorated on reporting which was criticized during the initial phase of PEP. The process of applying management systems such as the Results- Based Management (RBM) has resulted in better management of PEP since November 2003. All partners have learnt much and are now applying some of these management tools in their other programmes.

Recommendation: Follow-up of the 1st Monitoring Mission

- PEP Extension is more thematically and geographically focussed. However, it was mention by IUCNP that Balochistan has been replaced with Punjab as Balochistan is already receiving considerable programme funding from RNE. IUCN should provide additional information on reasons to include Punjab instead of Balochistan.

2.2 PROGRAMME OVERVIEW

2.2.1 Programme Core Themes

2.2.1.1 Policy Formulation

During the reporting period, all PEP Partners reviewed the National Environment Policy and attention has been given by the Environment Wing to ensure that sufficient stakeholder participation is undertaken, and a transparent method followed that helps develop ownership for the policy. Joint working on the various documents has helped inclusion of key environmental concerns into the official documentation. SDPI has made a concerted effort to develop a framework to encourage debate and consensus formulation in-country and abroad.

Documentation and review

The Environment Wing and SDPI both have taken a lead role in this area. The first draft of the environment chapter in the Five Year Plan (2005-2006) was prepared by the Environment Wing with active participation of all partners. This type of output has also improved the PEP Partners' image as illustrated by a follow-up request from the Government of the Punjab for assistance with the Punjab Strategy for Sustainable Development.

Advice to Other Departments

A useful function performed by PEP is that it is serving as catalyst in incorporating environmental concerns of its members (SDPI, IUCNP) serving on various government committees and boards. This aspect has helped create a greater awareness amongst a wide cross section of departments regarding importance of including environmental sensitivity in newly planned projects and identification of specialized human/capital resources to address these concerns.

Policy

The PEP Partners are providing advice on a variety of issues related to agriculture, WTO, water etc. In certain instances there is evidence of overstretching the mandate of PEP resources to undertake activities that appear to be outside the broader domain of environmental analysis. This trend is counter productive and needs to be checked urgently with the possible outcome of more focused, relevant and potentially prioritized use of resources with meaningful outcomes. There is also a tendency to claim each and every small and at times insignificant activity under the realm of output.

Recommendation: Policy

- A clear re-orientation to “applied and problem solving research” must be followed with high value “targeted themes” during the remainder of the project period.

- There is a valuable stream of contribution to the national dailies that needs to be continued. Highlighting the industrial issues is important but equally important is the need to decentralize the process of debate and widen the stakeholder base to the district level. The later requires a major shift in the way policy options are discussed and debated. It should start with issue identification at the micro-level and proceed to the macro with a clear understanding of the ground realities.

Moving to core themes:

Water

Water stands out to be the single most important issue facing Pakistan in the past 50 years (besides wars, financial mismanagement, corruption, etc). The present scenario for water and its future out-look provides an important arena for debating policy options. Good example was the IUCNP effort of exposing the WCD report on Dams amongst stakeholders. Similarly SDPI has been engaged in studies on agriculture and forestry with links to the water sector and also contributed articles to the debate on large dams with special documentation of concerns of various provinces and the possible impacts on small farmers. However, these inputs appear to require much higher level of intellectual effort and perhaps a need to develop a short and medium term capacity in water and environment sectors.

Regional focus of some PEP members like IUCNP hinted apprehension that location of its headquarters in Karachi restricts its capability to address important upstream and downstream issues due to political sensitivities often compromising its independence in reporting.

SDPI highlighted the issue of water quality by sensitizing journalists about the Hyderabad water pollution case in 2003 where over 100 people had died. SDPI provided necessary data and also briefed this group on the pollution problems of Manchar Lake. Similarly PEP has allowed SDPI to engage civil society and the Consumer Rights Commission of Pakistan to address the issue of clean drinking water.

All of these initiatives are commendable and need to be gauged in terms of their long term impact and usefulness in developing a sustainable response to critical water issues. Perhaps greater attention needs to be given to 93% of the water use that is agriculture. This will have to change since other sectors e.g. drinking water, municipal requirements, industry and minimum flows for environment etc are also having pressing and increasing demands on the limited water resources.

PEP will have to re-look at its overall capability and research agenda for the remaining years to ensure that “rules of engagement” clearly are tied to high priority topics and fewer resources are expended on “addressing issues of nominal significance to a wider section of the population”. This will only be possible through a well designed peer review process where activities are continuously monitored to ensure that they meet the established criteria of PEP overall program goals.

Biodiversity

SDPI has focused work on northern and southern areas including resource rights. IUCNP has also concentrated on reviewing policies on biodiversity seeking greater attention on implementation of Biodiversity Action Plan and also highlighting the issue of Vulture conservation that is becoming a serious problem. The biodiversity aspect is discussed at some length in the report.

Industry

SDPI engaged in a study on Zamzama Gas Fields to understand the role of gas companies in community development and reasons behind resistance to gas oil field development. There is also an advisory role played to facilitate industrial units to become more sensitive to the environmental concerns. Greater opportunities may exist through the ISO certification process, where PEP guidelines could be adopted for screening viable and environmentally responsive units.

Recommendation: Core themes

- The future challenges in the water area require immediate up-gradation of the institutions capabilities and broadening the scope of such analysis with a clear national agenda.
- Much of the policy support on industry will have to be targeted at the provincial level. Setting up a few select areas and developing the needed partnership for providing quality engagement of PEP will be a step in the right direction.

2.2.1.2 Advocacy

This component of the project has shown strong output performance ranging from activities in the print media, seminars, published bulletins, briefs, etc and also has developed commendable capacity in web based networking and information dissemination. Having noted the valuable performance on advocacy, the mission was concerned that there is considerable duplication and overloading of information "**preaching to the converted**" approach. With a rather low literacy rate in the country a significant perhaps over 80 of the population is unable to benefit from the outputs of PEP under the advocacy initiative. The mission sounded out the possibility of establishing a 'Water and Environment TV/Radio Channel' in view of GOP's announced policy of bringing almost 50 new TV channels. This aspect should be explored as it will have the highest pay-of in advocacy activities amongst the 80% or more of the population that has remained untouched with the sensitization of environmental issues.

There is some concern that SDPI tends to extend the "environment" flavour rather too broadly to topics like *Karo Kari* or honour killing, human rights and other similar topics under PEP. This trend should be discouraged. IUCNP has done a commendable job of widespread dissemination through its electronic media campaign, production of multi-media kits, publication of digests in key national languages etc. The other partners have also spent considerable time and resources in promoting advocacy. The mission recommends that while the thrust should remain, the quality of the message, relevance to environmental issues, prioritization and above all greater thought to 'what PEP is trying to accomplish' be built into the overall advocacy strategy. A strategy that includes all the stakeholders and majority of the population is what we are all striving at.

Recommendation: Advocacy

- While considerable attention has been paid to highlighting some of the important environmental concerns to a segment of the civil society, greater attention will be needed in future to identify, document and make available "**World best practices**" suited to the Pakistani context.
- In future only those activities that were undertaken specifically under a "PEP based environment bias" be documented under the activities and outputs matrix prepared for review by the monitoring missions.

2.2.1.3 Capacity Enhancement

Various activities have been carried out under the PEP capacity enhancement theme. PEP Partners had different preferences which can be attributed to their specific position in PEP. Main trends in capacity enhancement are highlighted below.

Training

All partners facilitated access to training opportunities mainly for increasing individual capacities of civil servants or professionals under the assumption that the organisational set-up, in which they operate, is strengthened by their improved performance. Most of the trainings events were focused on management related issues. Training in Result-based Management (RBM) and project management proved to be important for all PEP Partners. The need for specific training requirement was identified through personnel performance consultations, following internal human resources development procedures.

Consciousness about the fact that the effectiveness of training efforts is hampered by rapid transfer of trained personnel, counter measures are perceived difficult, especially within government organizations.

Mobilisation external expertise

Specific expertise was needed on short notice. Short-term external specialists were contracted to fulfil the requirements.

Networking

All PEP Partners reported intensive networking with other institutions (governmental bodies, NGOs, scientific community, donors) as important in their capacity enhancement. To what extent networking contributes to institutional capacity or only to individual capacities did not become clear from the reporting. It also needs to be clarified as to what kind of networking is the most important under PEP; maintaining networks stemming from regular institutional contacts or searching for networks giving new opportunities.

Input to policies

Nearly all PEP Partners provided inputs in policy development for enhancing the process of policy formulation. These inputs ranged from Federal/Provincial/District Five Years Plans, National Environmental Policy, the National Budget, or Northern Areas Cabinet to international issues like the WTO Ministerial Conference. More clarification is needed about which inputs to policies are really PEP-related.

Acquisition equipment

Acquisition of ICT equipment under PEP was deemed necessary for governmental partners of PEP for strengthening their management and administrative competence.

Information resources and Knowledge Management

EPA has a considerable amount of resources (books, periodicals, reports etc.). The Resources Centre of NCS that just started was making a first inventory of books and periodicals to acquire.

IUCNP, as the organisation coordinating the other partners in implementing their PEP activities, is in an already advanced process to organise its PEP information resources. A PEP website is functioning, where all main documents regarding PEP (main policy documents, as well as a knowledge base on research and actual developments) are accessible for external users. Specific documents falling under IUCNP's Management Information System (MIS) are accessible for the PEP Partners. Steps have been taken to further develop a comprehensive Knowledge Management (KM) system. The MIS sources certainly provide much relevant information for the management of PEP, but an analysis is needed on how this web-based information is being used.

Internal organisational strengthening

Most of the partners did not carry out internal organisational reviews. Within the Ministry of Environment, a reallocation of responsibilities has taken place, which adversely affected the Ministry's Environmental Wing (see 2.2.2.2), but this was the result of a collective review exercise.

Recommendation: Capacity Enhancement

- IUCNP was involved in several internal organisational review exercises. It concerned the consistency of IUCNP's programme coordination, the implementation of its intercessional plan, and its corporate communication strategy. Clarification is needed about the relevance of these exercises in PEP and also a cost-benefit analysis should be carried out for such exercises.
- IUCNP coordinates and supports its PEP Partners in programme implementation. Assistance was given in putting up policy documents and in procuring equipment, where procedural

bottlenecks were removed. Also integrated work plans and progress reporting was facilitated. IUCNP has signed with each partner MoU's, in which their roles and responsibilities are outlined. More clarity is however needed about IUCNP's mandate in the project operation. Now it appears that the organisation can be held responsible for programme performance in general without having any formal authority vis-à-vis the other partners.

2.2.1.4 Expanding Resource Base

Governmental Partners

It appeared that during the reporting period, SDPI and IUCNP were the strongest involved in activities regarding the expansion of their resource base. Technical support of the Environmental Wing of the MoE was delayed due to the reallocation of responsibilities in this institution.

The Environmental Section of the Federal Planning Commission had a close cooperation with other PEP Partners on expanding their resource base in general, without focusing on special issues. It contributed itself to an enhancement of PSDP allocations and approval of development projects.

SDPI

SDPI was involved in the submission of proposals to different funding agencies (EU, OXFAM, and IVM). The proposals covered a wide range of subjects (role of multinationals, WTO, honour killings, deforestation and the impact on communities, etc). Clarification is needed whether the decision-making on the chosen subjects and the approached donors fits within a general acquisition strategy. As it looks now, the organisation may loose focus in search of new funding opportunities. Key questions should be asked when seeking funds:

- How should the acquisition strategy related to SDPI's mission?
- How many resources should be mobilised for acquisition?

IUCNP

IUCNP's Intersessional Plan 2005-08 is the framework for the organisation's acquisition activities. Regular internal debates and meetings with donors take place about what issues can be taken up. The organisation hosts a special unit for project development. Information and knowledge is shared between different parts of the organisation through committees (PCC, M&E Forum; KM docs) and knowledge is shared between IUCNP in Pakistan, the country offices in Asia, IUCNP's in 8 other regions and its Headquarters.

The development of projects only takes place after undertaking an integrated analysis of project opportunities and potential partnerships. The organisation has internally rationalised the proposal development cycle. A database of ideas, concepts and proposals is maintained, internal proposal assessment systems set up, and guidelines revised. Special consideration is given to gender projects. Regular brainstorming with its internal subject groups (Society, Economy & Environment, Communication & Education, Ecosystem Management, and Policy & Constituency Development Group) takes place. Potential donors receive a monthly update on project ideas and proposals in development. The organization maintains a directory for donors and funding foundations. It also builds acquisition capacity of its own staff. In the reporting period, 3 proposals have been reviewed and 4 are to be reviewed in the second half of 2004.

IUCNP aims at diversifying sources of funding. Currently the organization gets funding from GEF (53%) RNE (23%), CIDA (11%), SDC (10%), and NORAD (3%). More clarification is needed about how PEP funds are used in the organization's acquisition activities and to what extend these acquisitions are PEP related, in view of the organization's comprehensive coordination responsibility in the programme.

2.2.1.5 Constituency and Capacity for Environment

A wider constituency equipped with adequate capacity to promote environmental agenda in Pakistan is a key focus of the programme. During the period of July 2003 – June 2004, significant achievements were made to involve key stakeholders in the environmental agenda during events as workshops, meetings, capacity building events and networking. During this period, fostering partnerships with provincial and local government have been significant. PEP Partners' engagement with the national consultative and decision-making process has resulted not only in environmentally sound policies and programmes but has also enhanced the partners' credibility. The following highlights some of the major achievements by partners:

Government

- The Resource Centre of NCS Unit is an attempt to provide an information technology supported resource centre which would be accessible by interested stakeholders in the public sector as well as civil society. It would also house research fellows, to be sponsored by the private sector. NCS Unit should identify indicators by which it will be able to measure the centre's performance.
- Efforts also continued to improve the understanding of public sector partners' (NCS Unit and Environment Section) role and functions within the institutional framework of their respective ministries. Initiatives included collaborations with the Ministry of Education on environmental education, and essay and poster competitions among school children on Environment and Earth Days.
- Dialogues have been initiated with provincial Environmental Protection Agencies, Environment Departments and Environment Units in the district governments for increasing coordination for building their capacities and helping them in taking forward the environment agenda. PEP Partners' interaction with the provincial EPAs and installation of SMART-1 provincial modules for environmental monitoring is one very good example. The relationship and coordination with federal and provincial EPAs and PEP Partners grew stronger with mutual consultation and joint activities like the WSSD process and input to PRSP.
- Efforts are also underway to develop capacities of provincial EPAs enabling them to implement environmental protection regime in the country. Some of the demonstration efforts such as setting-up a mobile vehicular emission testing lab are certainly contributing in this direction.

SDPI

- SDPI's participation in regional and international conferences, networks, joint research and advocacy initiatives has resulted in enhanced capacity of SDPI as well as relevant individuals in building a wider constituency for sustainable development. SDPI is also an active member of many influential forums. SDPI is reporting adequately on its influential role in Pakistan. Some positions taken by the institution are not always easy to take, however, they have produced results.
- SDPI's training unit alone arranged more than 50 courses and about 50 seminars on various environmental and sustainable development themes. The formal trainings organised by SDPI still attract a significant number of professionals working in diverse areas of interest. Efforts are underway to make this programme more relevant and vibrant.

IUCNP

- A number of public, civil society and private sector institutions were supported by IUCNP to enable them to practice sustainable development principles with efficacy. This support was provided in the form of technical backstopping, development of environmental guidelines and training workshops. Such support included assistance to the Sindh Environment Section during the *Tasman Spirit* oil spill crisis, an MoU with the Malakand Rural Development Project for environmental assessment, six sub-national workshops to disseminate findings of the report of the World Commission on Dams (WCD), secretariat support to the WCD Council, inputs on the GATS-WTO Agreement, scoping missions for IUCNP Laos and the

Ministry of Communications, Transport, Post and Construction of the Lao PDR, and workshops in major cities of Sindh for environmental magistrates to enhance their capacity on environmental law.

- IUCNP's input into the World Parks Congress and support to the Asia Regional Conservation Forum contributed towards an expanded constituency and knowledge base for environment.
- IUCNP have 23 members in Pakistan which constitute Pakistan National Committee of IUNC members. Six IUCN Commissions, based in Pakistan, have 87 members from Pakistan. IUCNP work with many partners in the country. IUCN does not have an internal strategy on constituency. Without a strategy, IUCNP will have difficulties to report back on results.

How can constituency become more effective? Only a few strategic partnerships amongst PEP Partners seem to be effective in relation to the PEP work plans. Environment assessment is one sector in which the Federal EPA and provincial EPA want to team up with NGOs such as SDPI and IUCNP to build-up strategic links to adequately deal with further challenges in this sector.

Recommendation: Constituency and the Capacity for the Environment

- The new Resource Centre of NCS has an opportunity to play a major role in bringing together key stakeholders concerned with the environment. It is essential that the Centre gains a high level of credibility during its first years of operation. The Centre should have high level human resources that can bring credibility to the centre.
- Although most activities carried out by PEP Partners will build a wider constituency equipped with adequate capacity to promote environmental agenda in Pakistan, there is no single theme that stands out to bring out '*la raison d'être*' of PEP. PEP Partners should select a few key themes that would help to bring partners together such as Gender and the Environment, the role of media in the environment sector, Environment Assessment as a planning tool, etc. Some PEP Partners could build around some of these core subjects and prepare and execute a series of activities that are strategically focused. This type of discussions should be facilitated during workshops to develop PEP work plans.

2.2.1.6 Gender

The outcome and outputs on gender were reinstated in the February 2004 version of PEP Result-based Management Matrix following suggestions made during the 1st Monitoring Mission. Gender being a culturally sensitive issue, it took a lot of effort for hiring an appropriate gender consultant. PEP appointed a Gender Coordinator as of April 1, 2004. The recruitment of a full time gender coordinator for PEP is a strategic approach. This helped to bring focused attention and inputs towards capacity building on gender. This person is also the Gender Focal Point for IUCNP. The Gender Coordinator is working with PEP Partners to address gender issues at the institutional and program levels.

Gender Focal Points designated in each partner organization are to facilitate the coordination of gender integration activities within their respective organizations and amongst PEP Partners. This was in addition to other assignments within their institutions.

A GFP has been designated in Pak-EPA. GFPs in the Environment Wing, NCS and the Environment Section are underway since some has been transferred to other sections. Terms of References for GFPs have been shared with all and adopted. A Gender Operational Committee meeting was held on May 24, 2004. A Workshop conducted on Gender Mainstreaming in PEP was held in July 5-6, 2004. The workshop provided the participants with an understanding of core gender concepts and their application to enable them to integrate these concepts in their work. It was felt by all that such workshops should be carried out more frequently and at all levels of the government in the Ministry of Environment. In order to take the gender agenda forward, it was also agreed that the Gender Operational Committee (comprising of the Gender Focal Points) would function more as a "study circle" where each partner will be able to present their ideas and work and be able to generate discussions on concepts linked to environment and gender. Following this workshop, mainstreaming

of gender-related tasks in the work plans at the task level of three government partners for 2005 are being planned.

Pak-EPA has produced an effective strategy to implement gender integration within its institution which includes the appointment of GFPs in the provincial EPAs, training of all the provincial GFPs, creation of a gender network at EPAs and gender mainstreaming in EIAs.

The Environment Wing is to organize an orientation/training on gender concepts to highlight the role of gender in environment, to develop linkages with NGOs on gender and environment for mainstreaming of gender, and to develop polices to be made more gender sensitive.

PEP GFPs are working together to address some enabling factors for gender mainstreaming in PEP such as:

- Acceptance and approval from higher levels followed by concrete actions;
- Create space for gender work – accountability of GFPs within the government;
- Engagement of management in the design, implementation and monitoring of gender work with a strong commitment;
- On-going capacity building of staff in gender concepts and their applications;
- Building alliances with other partners, both NGOs and other relevant ministries.

Insufficient resources are allocated towards gender integration in the PEP work plans. Besides the budget allocations of \$ 24 264, the PEP Partners must include in next year's work plan, gender budgeting on activities within existing budgets. PEP Partners must understand the importance in earmarking specific funds in gender integration. As suggested by the GFPs, specific training on gender budgeting should be organize before the process of developing the next work plan. Even if the budget of the PEP Partners as well as IUCNP is committed to planned activities, they should release allocations specifically for capacity building on gender.

Important challenges have been identified such as the institutionalization of Gender Focal Points by adding GFP ToR as part of job descriptions. PEP GFPs needs to continue lobbying within the MoE at higher levels. Capacity building on gender at higher levels may also be required.

Since April, PEP Partners recognized the importance of GFPs in facilitating gender integration work. GFPs helped to underscore the importance of the formal and informal support being provided and the need for consistent and concerted attention for gender equity integration work to improve the functioning of the project. Gender mainstreaming does not happen automatically, even if resources are budgeted. It requires conscious focused effort at a consistent level as well as initiatives to integrate it into on going work.

Recommendation: Gender

- For gender mainstreaming, IUCNP and PEP Partners must be made responsible and accountable. To make this responsibility operational, adequate financial resources have to be allocated in the budget to support activities for capacity building and integration. Specific financial allocations should be made for gender integration activities in each partner's budget.

2.2.2 Programme Institutions

2.2.2.1 NCS Unit, Ministry of Environment

The NCS was an important part of the assessment of the Ministry of Environment. It was found that while the NCS was an important and integral output under PEP it has been ignored in the overall focal thrust of the ministry. It seems to be put on the "back burner". A review of the progress activities during the monitoring period paints a rather gloomy picture. Besides the initiation of a rather

embryonic NCS-Resource Center which needs far more resources and technical input before it would be able to meet the envisaged mandate, there have been few and cursory activities in the NCS. The unit would benefit by engagement of short term senior level consultants to provide direction and put the National Conservation Strategy on the right footing—if minor revisions are needed or updates need to be incorporated such input must be provided so that this becomes the unanimous voice on the subject, like the National Agriculture Commission. Such slow progress in broadly implementing NCS is of concern and the mission stresses the need for a time based plan to put NCS on the track. The presentations to the mission and clarifications suggest that much of the output of this unit is of limited value unless the Unit gains the prominence it once achieved at the time of completion of the NCS.

Table 4: Disbursements, NCS

PEP Partners	Dec 2002 - Dec 2003			Jan – June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	0	0	-	0	0	-	0	-	-
Operations	54 699	16 270	29.7	38 838	4 830	12.4	0	-	-
Activities	67 966	20 216	29.7	84 000	20 769	24.7	0	-	-
Equipment	10 176	3 027	29.7	0	5 179		0	-	-
Total	132 841	39 513	29.7	122 838	30 778	25.1	0	-	-

Disbursements are low. Many reasons can explain this situation:

- Lack of commitment to deliver specific PEP activities: The NCS Unit may be too busy with their regular government responsibilities;
- Over budgeting: some activities require small amounts of funds but require much time and commitment for human resources. The Unit has staff shortage.
- During the past 2 years, key personnel have been appointed in other ministries. Staff turnover within this Unit is high.
- NCS considers the PEP financial process complex. They would rather manage PEP activities on their own instead of getting approvals from IUCN Islamabad or IUCN HQ.

IUCNP is looking for ways to strengthen existing human resource within MoE to deliver effectively on PEP, particularly when existing staffing is not sufficient to do even routine tasks. Initially, PEP had experts working directly as core staff of MoE. This expertise was paid via core funding from PEP. This is still the case with the Environment Section of the Federal Planning Commission, however, it has been suggested that these resources will be regularized as government employees. It may not be good timing for IUCNP to propose technical assistance within the MoE since the Ministry is now undergoing a major restructuring exercise. MoE may not be interested to lodge technical assistance provided by IUCNP within the Ministry.

Recommendation: NCS Unit

- IUCNP must exert its coordination role and must help to improve NCS outputs that are desired by PEP.
- NCS Unit should be fully committed to deliver planned activities in yearly work plans.

2.2.2.2 Environmental Wing, Ministry of Environment

The Environment Wing reported on the progress of activities under the following PEP outputs:

- Improved and effective existing core capacities of the Environmental Wing;
- Select sectoral/sub-sectoral development policies reviewed and/or developed from a sustainable development perspective, preferably in water, biodiversity and industry sectors;
- Review/developed policies are adopted in up to 3 provinces/regions (at least one policy in one province region);
- Increased and diversified financial support for PEP related initiatives at large.

The Environmental Wing briefed the mission on the reallocation of tasks within the Ministry of Environment. No official communication on this decision has been issued, either to PEP or to IUCNP. The reallocation concerned mainly the tasks of the Environmental Wing and has considerably affected the progress of the Wing's originally planned activities. On the planned activities, no progress could be reported. PEP funds allocated to the Environment Wing were not spent as suggested in the next Table.

Table 5: Disbursements, Environment Wing

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	0	0		0	0		1 115 000	0	0.0
Operations	0	0		0	0		1 000 000	0	0.0
Activities	0	0		0	0		1 320 000	0	0.0
Equipment	0	0		0	0		945 000	0	0.0
Total	0	0		0	0		4 380 000	0	0.0

The responsibilities for the activities related to support the conventions on biodiversity and desertification have been shifted to the Forestry Wing of the Ministry, and activities on Climate Change Convention were shifted to the NCS Unit. All these changes have taken place and thus far, a few measures have been taken to mobilise human resources to set up responsibilities effectively.

Another complication is that PEP funds cannot be shifted to the Forestry Wing because this Unit is not under PEP. It was not clear to the mission how budgeting issues will affect the planning process for the year 2005, which is due to start shortly.

IUCNP supported to Environmental Wing adequately in the procurement of computer equipment. The support facilitated a more rapid acquisition of the equipment, than would have been in case the governmental procedures were followed.

Recommendation: Environment Wing

- An official notification of the reallocation of the responsibilities and its budgetary consequences is a first precondition to enter in a proper planning and budgeting process, as far as PEP funds are concerned. A quick mobilisation of human resources in line with the reallocation is also needed for an adequate implementation of activities planned for 2005.

2.2.2.3 EPA, Ministry of Environment

The Federal EPA has recently join PEP. PEP is to provide an opportunity for strengthening capacity of federal and provincial EPAs. Efforts are also underway to develop capacities of provincial EPAs enabling them to implement environmental protection regime in the country.

Federal EPA, having sufficient technical expertise to implement the programme, has moved forward on air pollution in Islamabad. As a pilot, a mobile vehicular emission testing lab is being established in Islamabad and a system of on-the-spot fines would be implemented in collaboration with the Islamabad Police. The work for launching its mobile motor-vehicular emission testing laboratory has been initiated with procurement of vehicles and equipment. Necessary recruitments have also been planned as soon as the lab is in place.

These are other activities reported by EPA since February 2004:

- Office equipment's procurement process has been initiated.
- The Director (EIA/Mont) attended the RBM training.

- Initial work on institutional strengthening through developing systems and hiring some short-term staff has started.
- A declamation contact was arranged among Islamabad's schools and colleges in connection with the World Environment Day celebrations.
- The study to countercheck the reported discharge and emissions from selected industries under SMART has started.
- An investigation into water contamination incidence at Hyderabad has been made.

Funds have not been yet disbursed as suggested in the next table. Financial arrangements are underway between IUCNP and EPA. A bank account specific for PEP funds has been open.

Table 6: Disbursements, EPA

PEP Partners	Dec 2002 - Dec 2003			Jan – June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	0	0		0	0		2 100 000	0	0.0
Operations	0	0		0	0		200 000	0	0.0
Activities	0	0		0	0		390 000	0	0.0
Equipment	0	0		0	0		3 100 000	0	0.0
Total	0	0		0	0		5 790 000	0	0.0

Recommendation: EPA

- The MOU, to be signed between IUCNP and EPA is under preparation. This document should include procedures on how funds will be transferred directly from IUCNP to the Federal EPA. The MOU should also include procedures on procurement, contracting, selection of consultants and hiring of experts and field staff.

2.2.2.3 Environment Section, Federal Planning Commission

The Environment Section of the Federal Planning Commission when seen in the context of the environment, in which they function, is significant. How much has the core capacities of the ES improved over time? They have taken on vital functions and have been placed on forums where they can influence government policy and planning. The ES has developed capacity for collaboration amongst the federal and provincial government departments on environmental issues.

The ES showed real progress as its increased technical competence enabled it to become a solid technical section to which all development proposals come for appraisal. ES is progressing very well and will achieve all planned activities during the current year. However, budgeting and disbursements seem to be a problem as suggested in the next table.

Table 7: Disbursements, ES

	Dec 2002 - Dec 2003			Jan – June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	28 733	27 126	94.4	19 606	24 839	126.4	0	0	
Operations	22 158	20 918	94.4	2 000	6 819	341.0	0	0	
Activities	26 052	24 595	94.4	49 700	2 697	5.4	0	0	
Equipment	305	288	94.4	0	920		0	0	
Total	77 248	72 927	94.4	71 306	35 275	49.5	0	0	

Disbursements on salary and operations have exceeded budget estimations. These following reasons can explain this situation:

- Over budgeting: some activities require small amounts of funds but require much time and commitment for human resources. Most activities were over budgeted.

- Adaptations to an activity and output budget with specific coding.
- Specific experts specialized in focus sectors were hired to work on PEP sector focus.

Recommendation: ES

- The GoP Finance Division has not yet approved all the positions at the Environment Section on a permanent basis through its regular Revenue Budget. Finalization of service rules is under process. Environment Section is supported by PEP on the understanding that the government would take over the financial responsibility by the end of the project. The Federal Planning Commission has shown commitment towards the ES at the highest levels and is in the process of regulating its entire staff. Some of their staff has been regularized as government employees to date; others are in the process of being so. All remaining staff should be finalized by July 2005. This would give the ES long-term sustainability and security.

2.2.2.5 SDPI

SDPI has evolved into one of the most prominent research and advocacy institutions in the country and has maintained its reputation as an impartial and credible think-tank. It has been able to advocate controversial issues for the civil sector, and yet at the same time, it has officially and unofficially provided the government with policy research on vital issues. SDPI has been quite effective in providing forum for discussion and consultation regarding environmental issues. The Institute has built capacity and has reached a level from where it has successfully influenced policies regarding governance, environmental protection, education, rural water supply, health, gender, power devolution, trade and environment and squatter settlements.

SDPI has done an excellent work in reporting of its activities. SDPI progress is in line with planning. SDPI has helped create substantial awareness regarding the rights of women. In fact, SDPI has integrated gender in most of its activities. Other PEP Partners can learn much on how to incorporate this cross-cutting issue within their activities.

Table 8: Disbursements, SDPI

PEP Partners	Dec 2002 - Dec 2003 ¹			Jan – June 2004 ²					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp ¹	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	107 063	106 513	99.5	292 449	55 723	19.5	563 910	234 963	41.5
Operations	207 862	206 794	99.5	100 000	64 101	64.1	580 040	241 683	41.5
Activities	131 353	130 678	99.5	19 500	5 494	28.5	1 700 310	31 009	1.8
Equipment	0	0		0	0		951 500	396 458	41.5
Sub Total	446 278	443 985	99.5	411 949	125 318	30.4	3 795 760	904 113	23.8

SDPI has requested an amendment for expenses incurred from January to June 2004 (from 125,318\$ to 211,128\$, increase of 85,810\$). Activities during this period have been executed as per the work plan. The major reason for this amendment is due to coding of activities. IUCNP will look into the matter carefully and will make a recommendation.

SDPI average dependency of PEP has been approximately 31% during the 10 past years. For the Year 2003-04, 25 funding agencies have provided funds to SDPI. The two major donors are CIDA via PEP at 34.5% and the International Institute for Educational Development at 15.9%. 15 other agencies provide funds that range from 0.7 to 1.8 Mission Rupees.

Table 9: Dependency of SDPI on PEP from 1994 to 2004

<i>Year</i>	<i>PEP² (in Rs)</i>	<i>Other sources</i>	<i>Total</i>	<i>% Dependent</i>
1994/95	10 194 689	6 772 078	16 966 767	60.1%
1995/96	9 229 875	7 851 754	17 081 629	54.0%
1996/97	6 635 511	20 793 594	27 429 105	24.2%
1997/98	8 524 415	19 430 532	27 954 947	30.5%
1998/99	14 372 323	31 532 644	45 904 967	31.3%
1999/00	9 451 275	27 720 002	37 171 277	25.4%
2000/01	8 729 805	29 030 839	37 760 644	23.1%
2001/02	11 765 613	29 745 166	41 510 779	28.3%
2002/03	9 755 260	29 881 282	39 636 542	24.6%
2003/04	12 120 599	23 020 351	35 140 950	34.5%

SDPI has recently prepared and submitted to donors a number of proposals. More efforts to secure funding will be required in the next year.

Some of future research proposed by SDPI is very much in line with PEP such as:

- Climate Change Project
- Forestry Incentives Study
- Inland Fisheries Resource Rights Proposal
- Environmental and Occupational Health Impacts on Children: Hazards from Fuel Use in Urban and Rural Areas of NWFP Pakistan
- Implementation of NEQS through Self-Monitoring and Reporting/SMART Program for Industry in Pakistan
- Characterization of Effluents and Resulting Pollution Load from sample Sugar Industries in Pakistan
- Study Emission of Dioxins & Furans (U-POPs) from Incinerators Use in Pakistan and their Environmental Health Impacts
- Agriculture in WTO: Impact on Food Security & Human Development
- Culture, Society and nuclear weapons in South Asia.

Recommendation: SDPI

- The activity ‘To prepare policy and planning recommendations that could subsequently be pursued by relevant agencies through meetings of the Study Group on Information Technology and Telecommunications’ (2.1.09), although this activity has been approved in the work plan, it is not linked to the environment sector. Such an activity should not be included in PEP work plans.
- It may also be in the interest of PEP for SDPI to conduct a study on environment assessment compliance in the country.
- SDPI must make more efforts to secure funding from other than PEP funded activities.

2.2.2.6 IUCNP

Within units of IUCNP, most of planned activities have been attended however; the disbursements for some units are low. In some cases, various units have over estimated budgets, in others cases, it is linked to capacity. Some of units are one person stand alone units such as the Policy and Constituency and the Ecosystems Management groups.

It is difficult to specially estimate how different IUCN units have helped the other PEP Partners in their activities. It is not obvious how IUCN has helped other PEP Partners beside logistics, administration and contracting. During the next mission planned for April 2005, this matter will be given separate attention.

² PEP funds include salaries only.

2.2.2.6.1 Programme Coordination

In the context of IUCNP's growth, there is a need for a central coordination point to provide a holistic view of programmes and projects of the institution and interface with different stakeholders including the IUCNP country/regional offices and thematic programmes. Many of these activities performed by the Programme Coordination (PC) are mostly IUCN related including IUCN intercessional programme review and structural organisation review. The Unit is also responsible for monitoring and evaluation and project development.

During January-June 2004, PEP funds were used to pay some of the cost related to following international trips.

- David Sheppard (Head, IUCNP HQ Protected Areas Programme) and Kishore Rao (Head, Asia Regional Protected Areas Programme) came to Pakistan to facilitate a national consultation on "Protected Areas in Pakistan towards Effectiveness".
- The IUCNP Programme Coordinator ad interim participated in the Regional Programme Coordinators meeting in January at Asia Regional Office.

These specific trips were not fully identified and budgeted in the work plans. Details such as the name of the people travelling, dates, and ToRs for these trips should be included in the work plan. These trips could be approved by CIDA or RNE when approving yearly work plans. Any travel that was not specifically approved in the work plan must seek approval by CIDA or RNE prior to these trips.

Table 10: Disbursements, Programme Coordination Division

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	93 573	50 537	54.0	69 992	47 915	68.5	629 840	168 528	26.8
Operations	18 230	14 058	77.1	13 636	8 593	63.0	420 776	34 354	8.2
Activities	15 131	17 918	118.4	11 318	7 733	68.3	2 550 000	88 835	3.5
Total	126 934	82 513	65.0	94 946	64 241	67.7	3 600 616	291 717	8.1

Expenditure for the two first quarters of Year 2004 is at 67.7% for CIDA funds and 8% for RNE funds. The high use of funds during the first 6 months of 2004 was mainly due to several internal organisational review exercises that were charged to PEP. Some of these reviews are linked to the specific output on IUCNP's improvement of core capacities, however, some of the cost of these reviews should not be charged to PEP.

Recommendation: Programme Coordination

- The Programme Coordination Division did not spend sufficient time on specific activities linked to PEP, such as monitoring. This Unit could play an important role to move the NCS forward by proposing innovative strategic steps. This Unit could be involved in proving a new vision in the implementation of the NCS in consultation with other PEP Partners. The major activities to be proposed in the next work plan should be linked to PEP.

2.2.2.6.2 Society, Economy and Environment Group

The Society, Economy and Environment Group (SEE) covers 4 thematic areas notably the Environmental Assessment Services Programme, the Environmental Economics Programme, the Environmental Law Programme, and the Business Programme. The first three programmes have been presented to the mission team. The presentations were not always tallying with the PEP Semi Annual Progress Report because of differences in the reporting periods applied by each thematic area. Also these reporting periods differed sometimes with PEP's Semi-Annual Report. No specific reporting per thematic area was also done.

Each thematic area mission statements were presented. The Environmental Assessment Services Programme aims at the incorporation and implementation of Environmental Assessment concepts in

development planning and processes in Pakistan. The Environmental Economics Programme's vision refers to a more efficient, equitable and sustainable management of ecosystem goods and services in Pakistan resulting from the integration of economic concerns and measures into conservation and development policy, planning and practice. The Environmental Law Programme focus is about implementation of laws for the conservation and the sustainable development of natural resources based on a strong legal foundation and infrastructure. No presentation has been given from the Business Programme. This area is still to be revitalised.

Under spending the funds allocated to the SEE Group has occurred according to PEP's budget status per June 30 2004: 62.6% of CIDA funds and 98.1% of RNE funds are remaining. Most of the planned activities appear to be attended.

Table 11: Disbursements, Society, Economy & Environment Group

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	116 258	64 880	55.8	80 640	48 548	60.2	700 000	206 820	29.6
Operations	22 789	23 734	104.2	17 046	10 297	60.4	340 000	49 692	14.6
Activities	55 800	21 986	39.4	30 737	3 494	11.4	750 000	30 000	4.0
Total	194 847	110 600	56.8	128 423	62 339	48.6	1 790 000	286 512	16.0

In spite of the different ways of reporting by the thematic sectors, it is clear that under SEE, activities have taken place and that these were carried out in accordance with the tasks mentioned in the Annual Plan of 2004. For the next period, the reporting of the themes should be in line with the content of Semi-Annual Plan (July – December 2004). This facilitates also the planning and budgeting process for the year 2005.

2.2.2.6.3 Communication and Education Group

The group covers a wide range of activities. The Group deals with education and two cross-cutting areas, communication and knowledge management (KM). Communication and KM have both corporate and PEP functions; the proportion between these two functions needs further clarification.

Activities related to education are geared to the integration of environment into school curricula, capacity building in general, teacher material development, and networking for education. Those for communication are focused on corporate communication, internal communication, communication for environment and sustainable development capacity building for communication. Within the framework of KM, the developing of a knowledge management system for IUCNP is envisaged, as well as the facilitation of access to conservation and sustainable development information and knowledge.

The group mentioned that many activities were aimed at 'Leveraging PEP'. These were presented as additional to the output reporting of the group. Most of these activities appeared to have PEP relevance, but it was not clear to what extent these activities have contributed to the planned PEP outputs. Due to the comprehensive tasks the group has in the whole IUCNP organisation, it is difficult to detect what activities are solely dedicated to PEP and also what PEP budget for the group's activities is used.

Table 12: Disbursements, Education & Knowledge Management Group

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	113 096	89 913	79.5	84 597	52 266	61.8	1 872 371	394 470	21.1
Operations	29 779	35 928	120.7	22 275	12 146	54.5	582 161	97 271	16.7
Activities	23 268	20 519	88.2	17 405	5 183	29.8	1 130 000	38 028	3.4
Total	166 143	146 360	88.1	124 277	69 595	56.0	3 584 532	529 769	14.8

Consistent reporting certainly contributes to a transparent budgeting process, which is important in view of avoiding under spending. According to PEP's budget status up to June 2004, 46.6% of the CIDA funds are remaining and 96.6% of RNE funds. Most of the planned activities have been attended.

2.2.2.6.4 Ecosystem Management Group

The Ecosystems Management Group (EM) looks at an array of biodiversity issues in Pakistan from habitat loss, issues of overgrazing, poverty and loss of migratory species etc. This group has been actively involved in supporting provincial level planning and consultation. It is serving as focal point for issues pertaining to ecosystems stabilization and biodiversity. The group has compiled a Red list of endangered mammal species and also coordinates national and international efforts at conservation of endangered species. It has also looked at the Red list for fresh water diversity. The stakeholder base has been diversified by including various zoological departments, conservation breeding groups etc.

Table 13: Disbursements, Ecosystem Management Group

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	61 390	30 574	49.8	45 920	12 144	26.5	2 625 231	290 330	11.1
Operations	13 673	5 759	42.1	10 228	3 149	30.8	842 876	123 094	14.6
Activities	10 808	1 961	18.1	8 084	1 835	22.7	750 000	0	0.0
Total	85 871	38 294	44.6	64 232	17 128	26.7	4 218 107	413 424	9.8

Only one expert is working in this unit. IUCNP has been unable to fill postings. This explains the under utilization of budgets.

A document of IUCNP's biodiversity program is in progress. A useful output of this section would be developing guidelines for provincial biodiversity action plans. A series of reports covering cross cutting issues covering mountain communities, migratory birds (Global Flyway Conference) etc have been conducted. These activities are being undertaken based on internal priority setting within PEP and especially the concerned agencies.

The mission felt there was a clear need to focus on a few "high value" topics that would impact the major environmental concerns wetlands, drought prone areas, mountain ecologies with consequences for watershed etc.

There is a need to involve national expertise on short term basis for more focused program development and efforts should be focussed on activities that could be completed within the stipulated PEP time framework. Where long term studies are initiated the concerned partner should show capacity to arrange funding for such works. The Unit identifies both time and resources as a constraint for future work. The needed backward and forward linkages with different universities and research intuitions need to be further strengthened to take full advantage of these resources. Opportunities exist for short term contract research that feed into the PEP's mission.

2.2.2.6.5 Policy and Constituency Development Group

At IUCNP, sector policy work is the responsibility of relevant thematic programs. The Policy and Constituency Development Group is responsible to influence the macro policy framework using the NCS as a key reference. This framework includes economic policies, social policies, PRSP, governance and devolution related work and global conventions and events. Policy work for the WSSD, WCD, WTO (Trade and Biodiversity) and provincial and district conservation strategies forms are important policy work of this unit. The Unit has set out a number in key challenges for the future. These include:

- To revive interest in and pitch the NCS as the key planning framework. This may entail a revision/re-vamp of the NCS "Greening" major non-environmental policies and forums;

- Making an economic/business case for SD and environment; and
- Raising level of engagement to the highest possible levels.

The constituency component aims at creating partnerships and alliances for sustainable development in the country. The basis of such partnerships is the NCS – i.e. promoting, interpreting and implementing the principles and actions contained in the NCS. Beside IUCNP members and commissions, IUCNP works with a large number of partners, such as: government agencies, CSOs, and research institutions -often within a project framework around themes of the NCS. IUCNP can also potentially impact numerous institutions working directly/indirectly on conservation and sustainable development. Constituency management had always happened but in an ad-hoc manner. Recently, a new position of Head, Constituency and Special Assignments has been created; however, the posting has not yet been filled. The Unit is focusing in 2004 on these specific themes:

- Identifying and targeting more (relevant) organizations for membership;
- Identifying key institutions in all major thematic areas for targeted advocacy;
- Building programmatic and managerial skills of members;
- PR material on IUCNP, IUCNP Program and emerging areas of work;
- Improvements in EIA processes, via PNC sponsored Roundtables;
- One major scientific event per year, inviting Commission members and technical experts to present papers on current trends in key sectors and themes;
- A study on lessons learnt via interface with various elements of the constituency;
- WCC in Bangkok (Nov. 17-25, 2004).

Table 14: Disbursements, Policy & Constituency Development Division

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CDS	CDS		CDS	CDS		PKR	PKR	
Staff	72 540	41 268	56.9	54 260	25 359	46.7	129 269	21 444	16.6
Operations	16 202	19 098	117.9	12 119	3 950	32.6	162 215	4 177	2.6
Activities	14 240	9 409	66.1	10 652	7 369	69.2	2 530 000	0	0.0
Total	102 982	69 775	67.8	77 031	36 678	47.6	2 821 484	25 621	0.9

Expenditure for the two first quarters of Year 2004 is at 47.6% for CIDA funds and 1% for RNE funds. Some of the planned activities have been attended however, is this Unit equipped with sufficient resources to achieve planned activities? At the time of the mission, the Unit is comprised of only one expert.

Recommendation: IUCNP Programming with PEP

- Activities proposed by various IUCNP units should be within the three common areas of PEP concentration (water, biodiversity and industry). PEP has moved from a basic capacity building programme to a much better focused programme on higher levels of activities. This is not understood by all IUCNP units.

2.3 SUSTAINABILITY OF THE PROGRAM

2.3.1 Expected Outcome Results

PEP and PEP Extension has been a successful at achieving the goals that were set. It has been able to achieve some specific goal of building the capacity of the PEP Partners in order for them to play an effective role in the management of Pakistan’s natural environment. PEP has contributed to the capacity of the government and civil society, which have both been strengthened to meet the challenges of managing the environment. PEP and PEP Extension success can be assess on three levels:

- Overall successful implementation of the various activities in yearly work plans: PEP Extension has been able to fulfil its contractual obligations. Most activities and components in work plans have or will be implemented.
- Capacities of the PEP Partners have been enhanced, especially IUCNP, SDPI and the Environment Section of the Federal Planning Commission. PEP has been able to build the capacity of these partner organizations to a credible level. The capacity of the NCS Unit to deliver specific PEP funded activities still needs to be strengthened.
- PEP and PEP Extension has allowed the partners to work collectively on core activities without losing their own identities, as they are free to network with other organizations and pursue different stands on other issues. It is this very partnership which can be categorised as PEP's strength in terms of its unique contribution and its ability to achieve its goal.

2.3.2 Expected Output Results

Expected output results to date have been scored. This table includes a column to score the likelihood expected output results will be achieved. This is estimated on a six-point scale, ranging from 1 ('Likely to be completely achieved') to 5 ('Unlikely to be realized') with X ('Too early to judge the extent of achievement') to indicate where a judgment cannot yet be made. The scores are made in a prudent manner since the performance indicators have not been yet finalized. General explanations for the score can be found in sections 2.1 and 2.2. During the next monitoring mission, the proposed scores will be subject to the following assessment:

- Verify the accuracy of reported results;
- Explain if progress is not as planned;
- Provide time-bound action points.

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
Output 1.1. Improved and effective existing core capacities of the NCS Unit, MoE	With some changes in the staff and structure of the Unit, it is in much better position to play an important role in advancing NCS implementation. The human development needs have also been met through in-service training of the staff. In addition, some short term consultants and assistants would certainly contribute towards enhanced capacity of the Unit.	3
Output 1.2. Improved and effective existing core capacities of the Environment Section, P&DD	The Section has been strengthened through reassessment of its needs and resultant hiring of consultants. The newly acquired expertise in Environmental Assessment, NRM and Training & Capacity Building have started benefiting the planning mechanisms at the federal and provincial levels through active involvement in reviews of project proposals and implementation, and a series of workshops on integrating environment into development planning and appraisal.	2
Output 1.3. Improved and effective existing core capacities of SDPI	The diverse research capacity of SDPI was used to provide both solicited and unsolicited policy advice on various issues to government as well as partner institutions. SDPI's enhanced training capacity was further strengthened by designing and conducting specialised training courses for environmental and management professionals. Several advocacy initiatives were launched to advance sustainable socio-economic issues.	2
Output 1.4. Improved and effective existing core capacities of IUCNP	A small number of staff attended skill building workshops; one attended a workshop organised by SDPI. Expertise in protected area and forestry work was brought in from the region and HQ. In this half year, the draft Asia Project Review Guidelines (PRG) was commented on and the Pakistan PRG guidelines amended to follow suit. Work planning for 2004 was completed during the year and coordination within the Pakistan Programme improved by running both PRG and Programme Coordination Committee meetings. In addition, the Intersessional Programme was amended slightly and a review of programmes and how they match with the IP was started. The Programme has been helpful to IUCNP in improving both its knowledge of natural resource issues and its management. As a start a series on internal dialogues on knowledge management have been held and a discussion on institutional learning started. Equally, to disseminate its knowledge, IUCNP has started updating its website, producing material specifically for the donors and members and liaising more with the media. PEP management has improved manifold with an integrated work plan and reporting against results for both CIDA and RNE. The newly developed website – PEPnet – will assist the PEP Partners in planning and reporting and will be fully operational in the next half year. The programmatic	2

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
	and administrative assistance to other IUCNP projects enabled them to have better liaison with the Government of Pakistan and donors.	
Output 1.5. Improved and effective existing core capacities of the Environment Wing, MoE	Though mainly focusing on take-off, the Wing has tried to quicken the implementation by acquiring short-term technical assistance from a Dutch consultant. This will benefit the Wing in two ways: (1) enhancing hands-on capacity of the regular staff of the Wing and (2) developing a national plan of action on water related recommendations of WSSD.	X
Output 1.6. Improved and effective existing core capacities of the Pak EPA	The Pak EPA, having sufficient technical expertise to implement the programme, has moved forward to put a check on air pollution in Islamabad. The spade work for launching its mobile motor-vehicular emission testing laboratory has been initiated with procurement of vehicles and equipment. Necessary recruitments have also been planned as soon as lab is in place. It would result in a strengthened federal EPA, assisting the provincial counterparts in enhancing their capacity.	X
Output 2.1. Select sectoral/sub-sectoral development policies reviewed and/or developed from a sustainable development perspective, preferably in water, biodiversity and industry sectors	<p>The first draft chapter on environment for the Five Year Plan (2005-06 to 2009-10) was developed by the Environment Section.</p> <p>The Programme had a strategic leverage through SDPI's membership of various government committees and boards. SDPI provided policy advice on various subjects. Policy and planning recommendations were provided through research.</p> <p>SDPI's research initiatives have contributed to the approaches for addressing the challenge of environmental management. The study on Zamzama Gas fields in this regard was the first study of its first kind in the country, which is aimed at understanding the role of gas companies in community development and the factors behind the annoyance of the local communities on the gas production sometimes manifesting in the form of violent protests and even attacks on the gas installations. A team of journalists associated with The Network was assisted on the issue of killings of about 100 people at Hyderabad because of consuming polluted and poisoned water. SDPI provided data, the basic reasons for that tragic incident and contacts at Hyderabad to work further on the issue and requested them to take a proactive rather than reactive approach to the problem. They were also given a briefing on the state of contaminated water of Manchar Lake. Dialogue has been started between SDPI and the Consumer Rights Commission of Pakistan (CRCP) to develop a proactive strategy on the issue of clean drinking water. An initial meeting was held with CRCP in this regard and it was agreed to have more meetings for possible collaborations and campaigning against the supply of contaminated water to citizens.</p> <p>The Programme provided SDPI as opportunity to contribute articles on the issue of large dams as the government is not considering the concerns of small farmers, especially at lower riparian and population in Indus Delta, while deciding about construction of large dams. The articles were written based on the website of Parliamentary Committee on Water that states that the three provinces have given their opinion against the controversial large dams</p> <p>Biological diversity is the variety of life on Earth, from the simplest bacterial gene to the vast, complex rainforests of the Amazon. Human beings are an integral part of this diversity, as is the food, medicine, clothing and other biological resources that sustain us. Important policy debates have emerged on issues like ownership of biodiversity, IPR issues vis-à-vis traditional knowledge, biosafety, etc. SDPI focussed its primary research work on the issue of the management of conservation of biodiversity with its studies on (1) Northern Subsidies and their impacts on Southern Environment, and (2) Resource Rights and Sustainable Livelihoods.</p>	1
Output 2.2. Reviewed/developed policies are adopted in up to 3 provinces/regions (at least one policy in one province/region)	Through IUCNP's advocacy with MoE on implementing the Pakistan Biodiversity Action Plan, the first Federal Biodiversity Working Group meeting was held, paving the way for the provinces to have their own meetings. Interestingly, there has been much furor over vulture deaths occurring on both sides of the border and IUCNP is part of the group working on a vulture conservation plan. A series of meetings is planned on this issue in the coming months.	3
Output 2.3. Sustainable development plans developed in at least one district of Pakistan	The Programme's assistance has enabled IUCNP to work with the local government to develop a vision for the Badin District while engaging in information and capacity building work. As part of this work, a website/portal on Badin has been set-up, the idea of district level funds for sustainable development introduced and the concept of education for sustainable development discussed with legislators. The Programme has assisted the district authorities in developing the Five-Year Plan for Badin District, the first-	X

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
	ever effort at the district level, through a joint effort of IUCNP and the Environment Section.	
Output 2.4. Implementation of a select district sustainable development plan partially facilitated	As part of the implementation plan in Badin, the first workshop of a capacity building programme for Nazims and Naib Nazims has been run and a scoping of the environmental assessment needs of the district government undertaken. More interest has been expressed in either a solid waste management plan or a water treatment plant.	X
Output 2.5. Effective links between the federal Planning and Development Division and the provincial Planning and Development Departments for implementing environmentally sustainable development initiatives with a due regard to related gender concerns	Building upon the links developed during the previous period, further efforts have been made to strengthen liaison with the provincial P&D departments. It has resulted in planning a series of capacity building workshops on environmental appraisal of development proposals. These would be organised at provincial level as well as in Azad Jammu and Kashmir.	X
Output 3.1. A cadre of highly skilled environmental professionals with up-to-date technical and management expertise	As part of IUCNP programme's to raise priority issues among professionals, two roundtables on EIA and Public Hearings were held in collaboration with the Pakistan National Committee of IUCNP members in Karachi and Lahore. They were well attended by a cross-section of government, civil society and the private sector. The debate generated in these roundtables resulted in formulation of far reaching recommendations. In addition, discussions have been started with the Nazim and the City District Government of Karachi on a Clean Air Initiative for the city – replacing diesel with CNG in public transport. Background technical information is being compiled for a Clean Air Committee that is to be set-up. Raising the profile of biodiversity issues in the country, a seminar on Access and Benefit Sharing was held with the comments to be forwarded to the MoE. The Federal Biodiversity Working Group also decided to address ABS in the National Biodiversity Act that they are suggesting government develop. Background briefing material was provided to the GoP staff that attended the CBD COP in Malaysia this year. SDPI's participation in regional and international conferences, networks, joint research, and advocacy initiatives has resulted in mutual capacity building of environmental professionals. Through two specialised courses, on (1) Economic Evaluation of Health Care Programs, (2) Monitoring and Evaluation of Projects, capacities of 70 people including 16 women were enhanced. A programme for capacity building of the public sector organization in environmental appraisal of development proposals has been scheduled, to be implemented in later half of 2004.	2
Output 3.2. Improved capacities of up to 6 select institutions in the public, private and the civil society sectors	Efforts were made to establish linkages with the Department of Environmental Studies, University of Peshawar but due to lack of interest on their part, the Karachi University and the Quaid-e-Azam University are being approached for an active collaboration. An effective partnership has been established between SDPI and some likeminded organization, including SANFEC, SAAG, SSRC, WTO Watch Group, International POPs Elimination Network (IPEN) Steering Committee, Clean Air Initiative for Asian Cities, Global Alliance for Incineration Alternatives, and Safe Drinking Water Group Pakistan. IUCNP's collaboration with the Sindh Provincial Institute of Teacher Education, the Indus Resource Centre and the Pakistan Petroleum Exploration and Production Companies' Association has started taking shape with scoping meetings and formal endorse of the process between these institutions.	2
Output 3.3. Select stakeholders' capacity enhanced for effective environmental monitoring and compliance under the Pakistan Environmental Protection Act (PEPA), 1997	The Programme has provided opportunity for strengthening capacity of federal and provincial EPAs. As a pilot, a mobile vehicular emission testing lab is being established in Islamabad and a system of on-the-spot fines would be implemented in collaboration with the Islamabad Police. AJK EPA has been supported in environmental monitoring through setting up of the water quality testing lab and in building staff's capacity in water quality testing. IUCNP as member of the NEQS Implementation Committee has contributed significantly to ensure compliance of PEPA, 97.	X
Output 4.1. Environmental-education integrated curricula developed for	With the support of the Pakistan Environmental Law Association, IUCNP is advocating that environmental law be taught in the Federal and provincial judicial academies. In the sphere of education, the Federal Bureau of	2

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
select primary schooling and tertiary institutes	Curriculum has been approached. The Bureau is looking forward to close collaboration with IUCNP on the NEAP Support Project to integrate environmental concerns into the curriculum. IUCNP has been requested for some good examples of such work, leading IUCNP to document its work in the Northern Areas, where EE was incorporated into the textbooks of primary classes. The Sindh Education Department is also interested in similar work. The IUCNP Biodiversity and Education website has been a useful channel to disseminate EE material. The latest effort was on Mountains in Pakistan. The planned Environmental Theme Park, in the vicinity of the Ministry of Environment, would provide a good medium to raise environmental awareness through exhibitions of educational projects by different schools. The initiative is being significantly supported by the private sector.	
Output 4.2. Increased awareness of linkages among population, environment and poverty (economy) in development planning	In IUCNP, two research studies are underway to contribute towards this output. The first delves into the phenomenon of sea intrusion and, through research, attempts to delineate the coping strategies of poor households against this trend; a demonstration project can be based on the finding of the research. The second is an impact study to assess linkages between ERNP's capacity building initiatives and poverty reduction. The link between social, economic and environmental spheres is the focus of the 3 rd IUCN World Conservation Congress, being held in November 2004 in Bangkok. IUCNP is supporting its members in participating in the four themes and their associated workshops and in attending the Congress itself. The weekly seminar series and some special seminars, arranged by SDPI, are helping in raising debate and awareness on issues. Several articles authored by SDPI researchers were published in leading newspapers and magazines on PRSP, refugee and migrant issues, globalisation and labour, political representation and women's self perception. The Publishing Unit reviewed and brought out SDPI's working, research and policy papers, policy briefs, monographs, books and other information material related to SDPI's research agenda. The papers presented in the 6th Sustainable Development Conference Bridging the research/policy gaps in southern context have been compiled in a two-volume anthology, to be published by the Oxford University Press. A concept note for the 7 th Conference has been developed and circulated. Several donors are being approached to secure funding for this upcoming event. The Population and Environment Digests have significantly raised awareness on population and environment issues.	2
Output 4.3. Increased awareness, knowledge, demand and support for environment among key decision-makers and the public at large for integrating environment and development	Jareeda, IUCNP's Urdu quarterly on environment and development continues in its 11 th year with a mailing list of 3,500 with higher runs for special issues such as the June one on mountains, celebrating the 50th anniversary of K2's ascent. The support to the Pakistan Environmental Law Association (PELA) has been helpful in taking forward the agenda of environmental integration into the law profession. Similarly, the Pakistan Environmental Assessment Association (PEAA) was able to consolidate its efforts for promoting environmental assessment in Pakistan. The consultative process on the World Commission on Dams report has resulted into not only a wider constituency aware of issue's vitality but also has culminated into a policy brief which has been circulated to the WCD Council for review. In this regard, a study to identify gaps in the policy framework of Pakistan vis-à-vis the WCD report has also been completed.	3
Output 4.4. A fully resourced reference information base facilitating and influencing environmentally sound decision-making	In order to consolidate its efforts to provide reference information to the stakeholders, the NCS Unit has planned to establish a Resource Centre in the Ministry of Environment. Not only would the Centre provide information and data to the relevant stakeholder in the public sector as well as civil society, but it would also host the database on the public sector development schemes in the environment sector. Knowledge management and dissemination through websites continued by developing and maintaining a database on Pakistan's natural resource related legislation, Pakistan Development Gateway, Balochistan Development Gateway, a website on the Wetlands of Pakistan and a Daily Development News service. Moreover, a concept paper on introducing Strategic Environmental Assessment under PEPA 97 has been conceived. The Programme has supported SDPI's efforts to raise awareness through its website, bi-monthly SDPI Research and News Bulletin, Dharti, Paidaar	3

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
	<p>Taraqqi, Pakistan Environment Digest, working papers, research papers, policy papers, policy briefs, monographs, books and other information material related to SDPI's research agenda. These research papers and news bulletins were also translated, published and disseminated in Urdu, Punjabi, Sindhi, Balochi and Pushto for wider outreach of SDPI's research agenda.</p> <p>Realising the shift of publication media from paper to electronic and digital forms, and the need to cater the users' needs SDPI's Resource Centre has started work on developing a virtual library. Initially the available electronic and digital resources, i.e., CD-ROM databases and full-text resources would be made accessible through a window on SDPI website.</p>	
<p>Output 5.1. Increased and diversified financial support for PEP related initiatives at large</p>	<p>The programme results are being supplemented through seeking approval of two large environmental initiatives at an approximate cost of Rs. 235 million.</p> <p>The Pak EPA submitted proposals for (1) Clean Drinking Water Initiative, and (2) Capacity Building of Provincial EPAs. These proposals will be approved in the next meeting of CDWP.</p> <p>A higher priority was accorded to environmental project proposals by virtue of membership of the Environment Section at two key project approving forums, ECNEC and CDWP. The Section facilitated formulation of viable project proposals and integration of environment into development projects.</p> <p>Proposal development and resource diversification has improved as a result of number of initiatives taken within IUCNP. Internal systems have been streamlined and all pending proposals have been processed through Project Review Group, i.e., checking for consistency and quality. In addition, several donors were visited to gauge areas of interest and to develop a donor database that would allow these interests to be documented and be available to all staff. Several proposals have been developed; some have been sent to interested donors.</p> <p>The Programme supported IUCNP to organise two IDCG meetings while an EDCG meeting was attended. These meetings have been a medium of close liaison for the expanded donor base.</p> <p>A successful collaboration has been struck between SDPI and several partners and donors to carry out research, advocacy, training, and policy dialogue on various environmental and socio-economic issues. SDPI researchers prepared several concept notes and draft proposals on environmental issues for submission to various donors. Some of these were successful whereas some are close to fruition and others are being floated to other donors. The acceptance of a proposal for one-year study on Perverse Incentives, Deforestation and the Impact on Communities by the Poverty Reduction and Environmental Management (PREM) – a new environmental economic research programme launched by Institute for Environmental Studies (IVM), Amsterdam – is one step towards diversification of SDPI's resource base. The collaborative studies being undertaken with Oxfam on violence against women and karo kari will also add value to SDPI's Gender program. There are positive signs from the potential donors on our proposals on GATS and ATC. This will open up avenues for new partnerships and collaborations, as well as help us towards financial stability. The proposals on Manchar Lake, Zamzama gas fields and Pakistan's High Value Added goods will be floated to some other donors.</p>	1
<p>Output 6.1. Gender issues integrated into environmentally sustainable development policy, planning and implementation, budgeting, management, and its associated decision-making</p>	<p>With induction of the Gender Coordinator, the Programme would be in a position to support gender initiatives of the partners. A sensitisation and brainstorming workshop on gender mainstreaming was planned for early July. The Gender Operational Committee has also been revitalised and role of gender focal points within the partners has been elaborated.</p>	2

3. ORGANISATION & MANAGEMENT

3.1 LEADERSHIP AND ORGANISATION

3.1.1 Coordination

PEP management has to focus on coordination and collaboration of core activities between partners. That is not to say that individual mandates of these various PEP Units be abandoned for common goals. The three common areas of concentration (water, biodiversity and industry) on which each

partner focuses their activities should achieve a greater impact and synergy of effort. This cannot be done without LEADERSHIP.

PEP has moved from a basic capacity building programme to a much better focused programme on higher levels of activities. Coordination between the PEP Partners is of great importance. This coordination seems to be working very well between IUCNP-Islamabad office and PEP Partners in Islamabad (SDPI, MoE and ES). This is not understood by all PEP Units, especially PEP Units out of the IUCNP HQ. There is a lack of clarity and understanding as to how PEP activities are managed between the Islamabad office and the IUCNP HQ. Coordination of core activities is extremely sporadic and lacks focus. This situation allowed some IUCNP units to maintain their niches of activities and keep their individual mandates and identities, paid from PEP. PEP activities are not their priorities. Most of these priorities are set by the IUCNP HQ.

Role and responsibilities between the IUCNP HQ and the IUCNP- Islamabad Office is somewhat vague. Two PEP organizational charts that provide contractual and functional relationships between the PEP managers, the PEP Partners and donors are included in both RNE and CIDA contracts.

In the CIDA Project Organizational Chart, the Project Advisory Committee (PAC) is highlighted as the key decision body. The decision making process through is complex and elaborate, but it allows participation and consultation with all PEP Partners on all PEP activities. This insures that communication and coordination on these activities is maximized, resulting in efficient use of PEP resources.

The organizational chart in IUCNP-RNE contract is most recent. It is a useful document. The core leadership of PEP is in the IUCNP-Islamabad office. All decision concerning PEP activities should be taken from this office. Although IUCNP HQ was chosen as the executing agency on the basis of its portfolio, it has been difficult for IUCNP HQ to provide important financial information to the Islamabad office. Financial information provide by IUCNP HQ is insufficient for PEP management to take quick decisions.

3.1.2 Programme Advisory Committee

The 1st meeting of the Programme Advisory Committee was held on April 26 2004. The meeting was chaired by Mr Javad Hasan, Secretary of the MoE. The status of key issues raised during this meeting is presented in the next table.

Table 15: Follow-Programme Advisory Committee meeting

<i>Key Issues</i>	<i>Status</i>
Procedural bottlenecks (bank accounts for Environment Wing and EPA)	Has been assessed; both bank accounts are now open.
Economic Affairs Division to refocus on the environment sector (attracting more donors for the environment)	Has not been assessed during this mission.
Gender integration as a separate outcome and output	Has been assessed; gender outcome and output has been reinstated in the Programme Framework.
Formal approval of the Work Plan 2004 by donors	Has been assessed; Formal approvals of the work plan have come late. Both donors required additional information. Formal approval was granted in July 2004.

Formal approval by donors of a yearly (January to December work plan) in July is unacceptable. A process has been proposed to make sure the yearly work plan is approved by December of each year. PEP Partners must provide a draft work plan by November 15th each year. The proposed work plan should be approved by donors before December 31st of each year.

The PAC has been instrumental in reducing administrative bottlenecks to execute the program and ways to attract other donors in the environment sector. The PAC should also be involved in formal approval of work plans.

Recommendation: Leadership & Organisation

- PEP management in Islamabad should oversee all PEP activities and should have authority to make sure PEP activities are conducted as to the work plans.
- Decision-making with respect to the components of the programme was not sufficiently managed in a consultative process where all PEP Partners need to agree on the issue under consideration for the decision to be finalized. During the preparation of the next work plan, IUCNP should involve all partners using a participatory approach when developing this work plan. It may be necessary to carry out this activity in seclusion amongst partners. This may help PEP to further prioritize the partner's work to become strategically focus to show greater impact. Formal commitments to complete activities proposed in the work plans by each unit should be established during approvals of work plans.
- A process has been proposed by PEP Management to make sure the yearly work plan is approved by December of each year. PEP Partners must provide a draft work plan to donors by November 15th each year. The proposed work plan should be approved by donors before December 31st of each year.

3.2 RULES, REGULATIONS, PROCEDURES

The Mission Team assessed project management including rules and regulations, internal salary scales and overheads for IUCNP and SDPI. This assessment has been carried out however, detailed figures on overheads of both organisations have not been provided. It was not clear how the operation costs budgeted by both organisations and what fraction of the general organisational costs is attributed to PEP.

3.2.1 SDPI

SDPI's internal organisational functioning is governed by a management manual³. The manual highlights SDPI's organisational set-up and various management committees. Working committees are related to research, whereas others are related to crosscutting themes and human resources management matters. The links between the organisational chart and the different functions, as described in the manual, is not clear. Notably the hierarchical set-up and the division of responsibilities are not clearly indicated.

Rights and obligations of the personnel is clearly described (functions, recruitment procures, labour contracts, primary and secondary labour conditions, salary scales, retirement benefits, code of conduct, etc.). Different salary scales are described. No data have been provided on the organisation's staff turnover.

All financial procedures (i.e. internal controls, procurement procedures, payment and accounting principles, inventory assets, etc.) are described. SDPI's yearly accounts are externally audited. According to the SDPI's financial director organisational practices have been acknowledged as being in line with international auditing standards.

The organisation uses timesheets to have transparency in the time spent in relation to all its activities. The financial director stated that it was possible to break down costs for operations to the different programmes and activities.

The manual contains also a chapter on budget proposal guidelines. It is important to get more insight how these guidelines are being applied in relation to PEP budgeting. It can be concluded that SDPI's rules & regulations are by and large well in place. More information on SDPI's salary scales, operational costs overheads are required.

³ MANAGEMENT PROCEDURES, lastly amended September 24, 2001

3.2.2 IUCNP

IUCNP has various guidelines for human resources management⁴, and administrative systems & procedures⁵. A comprehensive set of rules are applied for financial management. IUCNP also issued operational & financial guidelines⁶ especially for PEP Partners. The last document has been sent to all PEP Partners in order to facilitate smooth PEP implementation.

The manual on human resource management (HRM) is comprehensive including staff categories and staff committees, recruitment procedures, professional development, and a gender policy. In addition staff benefits and rules/conditions of service (conduct, grievances etc.) are described.

The organisational set-up shows clear hierarchical lines and departments. It is not clear to what extent the organisational set-up is also reflected in individual labour contracts, especially where it concerns individual tasks and responsibilities.

Staff turnover has increased from 18 to 22% (2001 to 2003). Different factors for this increase were brought forward (better prospects, project closure, contract conclusions, study abroad, or unsatisfactory performance). Gender balance seems to be an issue with only 30 female for 95 male in professional staff personnel. Supporting staff is 59 male and 1 female. Salary scales are provided in the HRM system manual.

The manual on administrative systems & procedures is comprehensive and systematic and looks very complete. Procurement, maintenance, logistics, advances, payments, stationary, transport means and personnel leave are the issues dealt with. Authorisation responsibilities are generally well defined. Procedures on budgeting, cash flow management, bookkeeping, treasury management, and audits were shortly explained.

Time spent on various activities is increasingly important element in the organisation's budgeting and budget control practice. Thus no timesheets are used, which is the reason that it is often difficult to link detail expenditures with activities. One of the important challenges for the organisation is to improve budgeting based on time to be spent on clearly specific activities.

IUCNP is very instrumental in giving assistance to the procurement of equipment by governmental PEP Partners. The procurement procedures applied by the organisation are transparent and not complicated. The EW, NCS Unit, EPA and ES expressed their appreciation about IUCNP's support in procurement matters.

3.3 PLANNING, BUDGETING & REPORTING

Each PEP Partner proved to be conscious about the programme's planning cycle. Planning in accordance with the codification agreed after the 1st Monitoring Mission of February 2004 is well understood. IUCNP plays an important role in supporting the planning process of PEP's other partners, especially where it concerns the coming about of planning per quarter.

More attention is needed with budgeting. PEP has produced operational & financial guideline⁷. This guideline indicates that 'A budget describes an amount of **money** that an organisation **plans** to raise and spend for a set **purpose** over a given period of **time**'. The guideline provides elements for monitoring, evaluation and reporting calendar. The essential elements for good budgeting are thus mentioned in the guidelines, but in view of existing budgeting practices, much more attention should be given to the budgeting process (time and cost calculations) and this should be reflected in a more elaborate monitoring, evaluation and reporting calendar. It was agreed between the PEP Partners at the end the second monitoring mission to have a partner's workshop on the process of budgeting. It is also

⁴ IUCN Pakistan – Human Resource Management Systems Manual, 1 May 1997

⁵ IUCN Pakistan – Administrative Systems & Procedures, 06 May 2003

⁶ PEP Operational & Financial Guidelines, no date of issuing mentioned

⁷ PEP Operational & Financial Guidelines, no date mentioned

noted that the Guidelines document should be a 'living document', which means that it is adapted regularly (every 6 months for example).

The Semi-Annual Report format with a narrative section on the overall process provides useful information. The detailed progress report has been consolidated in an overview per partner of the progress in activities over the reporting period. The codification of the activities, based on the existing output codes, was applied consistently. Reporting on the progress was sometimes very factual, but other times also descriptive. Progress reporting can be done in a more punctual way with a better references to the outputs envisaged. Observations could be included to improve reporting.

The detailed progress reporting of the Semi-Annual Report January- June 2004 did often not correspond with the presentations given by partners. The presentation ECK, SEE, or EM for example were too often differing from the reporting in the Semi-Annual Report (newly added facts, reporting on issues beyond 1 July 2004). Often different reporting periods were applied in the presentations. Presentations also referred to many more activities than were mentioned in the Semi-Annual Report. Reporting on actual time spent proved to be poor in the presentations.

The application of activity codes has improved reporting. The detailed progress reporting is done on activities. The partners then roll-up results of activities that feed into various outputs and outcomes. The next Semi Annual Report, PEP Partners should emphasize the link between activities and expected results. The use of the performance indicators by output and outcome expected results will help the process.

Recommendation: Budgeting

- One of the important challenges for the PEP Partners is to improve budgeting procedures. At the activity level, formal training on budgeting is necessary with all PEP Units.

3.4 FINANCIAL SYSTEMS

3.4.1 Auditing

There have been some concerns raised about the financial systems of PEP. Due to the complexity of the project there have been several institutions that have been responsible for monitoring the financial accountability of different activities, including IUCNP. One of the issues that have been observed is that the PEP Partners all have different financial systems and that there is a marked difference between them. For instance, IUCNP reporting to IUCN HQ and its others donors is at a different level from the Government partners accounting systems. There is no mechanism for internal audit for accounts of PEP management. IUCNP's financial division should provide guidance to PEP management in conducting internal audits. In order to strengthen the partnership, particularly as it moves on to joint activities, it is necessary to make all the partners financially accountable in a uniform manner through similar internal and external auditing systems. This complexity and ambiguity in financial responsibility and reporting is combined with the various accounting practices and systems in place amongst the different PEP Partners.

3.4.2 Operational Issues

PEP management has requested approval for international travel. All international travel should be clearly stated in the yearly work plan. Details such as the name of the people travelling, dates, and ToRs for these trips should be included in the work plan. These trips could be approved by CIDA or RNE when approving yearly work plans. Any travel that was not specifically approved in the work plan must seek approval by CIDA or RNE prior to these trips.

PEP management has requested the hiring of some international consultants. As stipulated in the Amendment 7, Attachment A-1, page 7/14, 'technical assistance (TA) must first come from Pakistan; if appropriate local TA is not available, it can be sought from the Asia Region. In the event that neither

Pakistani nor regional technical assistance is available, Canadian technical assistance will be sought'. IUCNP was to identify during the Inception Workshop the procedures for obtaining local and Canadian technical assistance, previously the responsibility of Cowater.

Recommendation: Financial Systems

- There is no mechanism in place for internal audit of the accounts of different PEP Partners. Recently, one of the partners has requested an increase in expenses incurred from January to June 2004 in the amount of more than \$85K due to miscoding of activities. With the project ending in November 2005, it is recommended that CIDA conducts a fourth audit in the coming months. The financial accounting systems need to be streamlined and regularized.
- All international travel should be clearly stated in the yearly work plan and approved by RNE and/or CIDA.
- It may not be feasible to develop procedures to recruit international experts at this moment since the CIDA funding is ending in November 2005. This request should be further studied by CIDA and RNE.

3.5 BUDGETING, FUND ALLOCATIONS, AND DISBURSEMENTS

The following table describes fund allocations from CIDA and RNE.

Table 16: Fund Allocation

	<i>PEP Partners</i>	<i>Allocation CIDA Budget % of budget</i>	<i>Estimated usage of CIDA Budget as Nov 2005</i>	<i>Allocation RNE Budget % of budget</i>	<i>Total Allocations December 2003 to February 2007</i>
1.0	GENDER	0.6%	100.0%	-	0.3%
2.0	MoE				
2.1	NCS Unit	8.7%	28.0%	0.0%	4.6%
2.2	Environment Wing	0.0%	-	8.5%	4.0%
2.3	Pak EPA	0.0%	-	8.5%	4.0%
3.0	ES, P&DD	5.0%	99.1%	0.0%	2.7%
4.0	SDPI	29.2%	89.1%	7.8%	19.1%
5.0	IUCNP				
5.1	PC	7.3%	94.8%	10.9%	9.0%
5.2	SEE	10.9%	101.6%	10.3%	10.6%
5.3	EKM	9.5%	99.8%	11.5%	10.4%
5.4	EM	4.9%	97.8%	11.0%	7.8%
5.5	PCD	5.9%	86.4%	7.8%	6.8%
5.6	IPO	11.7%	89.2%	7.8%	9.9%
5.7	SPO	0.0%	-	3.8%	1.8%
5.8	Equipment	0.0%	-	4.0%	1.9%
5.9	Administration	0.0%	-	2.4%	1.1%
	IUCNP Sub-Total	50.3%	95.2%	69.5%	59.3%
6.0	MANAGEMENT	6.2%	100.0%	5.7%	6.0%
	GRAND TOTAL	100.0%	88.1%	100.0%	100.0%

The following Table provides disbursements as of June 2004.

Table 17: Disbursements, PEP

PEP Partners		Dec 2002 - Dec 2003 ¹			Jan - Dec 2004 ²					
		CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
		CDS	CDS		CDS	CDS		PKR	PKR	
1.0	GENDER	10 068	0		7 530	241		0	0	-
2.0	MoE									
2.1	<i>NCS Unit</i>	132 841	39 513	29.7%	122 838	30 778	25.1%	0	0	
2.2	<i>Environment Wing</i>	0	0	-	0	0	-	4 380 000	0	0.0%
2.3	<i>Pak EPA</i>	0	0	-	0	0	-	5 790 000	0	0.0%
3.0	ES, P&DD	77 248	72 927	94.4%	71 306	35 275	49.5%	0	0	-
4.0	SDPI	446 278	443 985	99.5%	411 949	125 318	30.4%	3 795 760	904 113	23.8%
5.0	IUCNP									
5.1	<i>PC</i>	126 934	82 513	65.0%	94 946	64 241	67.7%	3 600 616	291 717	8.1%
5.2	<i>SEE</i>	194 847	110 600	56.8%	128 423	62 339	48.5%	1 790 000	286 512	16.0%
5.3	<i>EKM</i>	166 143	146 360	88.1%	124 277	69 595	56.0%	3 584 532	529 769	14.8%
5.4	<i>EM</i>	85 871	38 294	44.6%	64 232	17 128	26.7%	4 218 107	413 424	9.8%
5.5	<i>PCD</i>	102 982	69 775	67.8%	77 031	36 678	47.6%	2 821 484	25 621	0.9%
5.6	<i>IPO</i>	204 430	145 100	71.0%	152 916	65 574	42.9%	1 984 429	332 711	16.8%
5.7	<i>SPO</i>	0	0	-	0	0	-	1 075 000	545 000	50.7%
5.8	<i>Equipment</i>	0	0	-	0	0	-	3 000 000	0	0.0%
5.9	<i>Admin.</i>	0	0	-	0	0	-	1 188 360	564 446	47.5%
	<i>IUCNP Sub-Total</i>	881 207	592 642	67.3%	641 826	315 555	49.2%	23 262 529	2 989 200	12.8%
6.0	MANAGEMENT	107 002	109 264	102.1%	80 050	40 138	50.1%	2 483 440	258 811	10.4%
							-			
	GRAND TOTAL	1 654 644	1 258 331	76.0%	1 335 499	547 305	41.0%	39 711 729	4 152 124	10.5%

The following table updates programme expenditure and forecast of CIDA funding until November 2005.

Table 18: Programme Expenditure and Forecast (CIDA)

	<i>PEP Partners</i>	<i>CIDA Budget (in \$Can)</i>	<i>CIDA Exp as June 04</i>	<i>Mid-tem Exp %</i>	<i>Estimate July-Dec 04</i>	<i>Estimate Jan-Nov 05</i>	<i>Balance as of Nov 05</i>
1.0	GENDER	24 504	241	1.0	3 500	20 763	0
2.0	MoE						
2.1	NCS Unit	370 459	70 291	19.0	11 979	21 478	266 711
2.2	Environment Wing	0	0	-	-	-	-
2.3	Pak EPA	0	0	-	-	-	-
3.0	ES, P&DD	213 919	108 202	50.6	34 355	69 399	1 963
4.0	SDPI	1 235 847	569 303	46.1	204 318	327 147	135 079
5.0	IUCNP						
5.1	PC	308 834	146 754	47.5	42 920	103 114	16 046
5.2	SEE	462 079	172 939	37.4	91 044	205 366	(7 270)
5.3	EKM	404 344	215 955	53.4	57 535	129 988	866
5.4	EM	208 985	55 422	26.5	48 130	100 828	4 605
5.5	PCD	250 629	106 453	42.5	36 760	73 267	34 149
5.6	IPO	497 524	210 674	42.4	73 700	159 533	53 617
5.7	SPO	0	0	-	-	-	-
5.8	Equipment	0	0	-	-	-	-
5.9	Administration	0	0	-	-	-	-
	IUCNP Sub-Total	2 132 396	908 197	42.6	350 089	772 096	102 014
6.0	MANAGEMENT	260 938	149 402	57.3	40 000	71 536	0
	GRAND TOTAL	4 238 063	1 805 636	42.6	644 241	1 282 419	505 767

These projections were based on the following:

- Assessment of the expenditure by each units to date;
- Work plan projections.

IUCNP expects a balance of unspent funds from CIDA as of November 2005 to be approximately \$505,767.

NCS Unit has not been able to utilize the funds in the most effective/efficient manner. RNE has selected different units of the MoE (Environment Wing and EPA). As for ES, it didn't requested funds from RNE in February 2004 when fund allocations were discussed.

Recommendations: Funding

- Redistribution of CIDA funds among the 4 institutions is not necessary at this time since none of the units will be using all CIDA allocations by the end of November 2005.
- PEP Extension has been successful in achieving capacity building objectives in order for PEP Partners to play an effective role in the management of Pakistan's natural environment. The capacity of the PEP Partners have been enhanced, especially IUCNP, SDPI and the Environment Section of the Federal Planning Commission. PEP has been able to build the capacity of these partner organizations to a credible level. The capacity of the NCS Unit to deliver specific PEP funded activities still needs to be strengthened. Although CIDA's involvement in PEP is ending in November 2005, RNE's support will continue until February 2007. RNE will continue to fund various units of IUCNP, SDPI and different units of the MoE (Environment Wing and EPA). Adding additional CIDA funds to this program is not recommended since sufficient funds from RNE have been allocated to the programme until February 2007. However, RNE has not envisaged budget allocations for the Environment Section and the NCS Unit. The Environment Section will

have achieved its capacity building goals and objectives by November 2005; however, the NCS Unit may need additional support until February 2007. RNE will have to decide if it will redistribute its funding in order to keep all the PEP Partners in the program once CIDA engagement terminates in 2005.

- Currently, the environment sector is not a priority for CIDA in Pakistan. A stand-alone project does not add much to CIDA's programming. Given that PEP has secured funding until February 2007, it is not recommended to extend CIDA's involvement beyond November 2005. Extending CIDA allocation of \$505,767 for a 14 months period till February 2007 would not add more to the programme. IUCNP HQ management fees would consume close to 18% of this amount.

3.6 PERFORMANCE MONITORING FRAMEWORK

PEP management has prepared a performance measurement framework based on the LFA and recommendation of the 1st Monitoring Mission Report. The general indicators that need to be captured have already been identified in that report; these are (validity, reliability, sensitivity, simplicity, utility and affordability). In addition to these indicators it is important to ensure a clear conceptual understanding of the "conditions that will prevail" when the indicators proposed have been met- these must be spelled out *a priori*.

All mission members reviewed the document and also participated in a two hour meeting to discuss the framework. The following observations were made and need to be incorporated in the revised monitoring framework:

- The present framework tends to be too general and mostly value laden.
- There is a need to provide quantification of the outputs i.e. how many seminars, numbers trained, what percent will use the knowledge when they go back to their respective jobs— follow-up and feedback mechanism.
- The types of data that must be collected to verify the indicators must be established as a base line—mere reliance on reports and policy documents does not provide information to appraise the status of the outcome.
- The mission strongly felt the need for 1-2 days workshop, in which all the partners would simplify the monitoring framework and the senior managers of the program would participate to ensure the types of information that is "valuable, cost effective and decision-making oriented"—only those aspects of outcomes must be monitored that enter the decision making or evaluation stream. Monitoring for the sake of monitoring is an unproductive exercise.
- The reporting of the indicators must be done based on "need to know basis"—that is provide a steady stream of monitoring reports to concerned quarters on monthly, quarterly or annual basis. A good web page that provides this information and is available on an instantaneous basis could help better improve the monitoring and evaluation structure.
- Perhaps those partners with a distinct comparative advantage need to be involved in monitoring with a transparent data collection and reporting period.

Recommendation: Performance Monitoring

- It is proposed that at the time of finalizing the Performance Measurement Framework at least 2 outside observers with strong skills in performance and beneficiary monitoring be engaged for the workshop to provide critique of the indicators and the overall framework. Perhaps the single most important aspect will be to make the whole framework "pragmatic" as to what is doable with existing skills and what will have the most impact in improving the performance of the project during the remainder period.
- The finalized program should be circulated amongst all the partner staff dealing with management and a stricter code be developed to share information on periodic basis.

The mission monitors also felt, that before putting the monitoring tools into practice, this to be shared with all the mission members. The local monitor for PEP would be available as an observer if invited.

3.7 RISKS AND RISK MANAGEMENT

The project has completed almost 8 years and with a remainder period of 3 years under the proposed RNE extension. In light of previous project performance and achievements, the following risks and risk management strategies are perceived for the remaining period of the project in five areas:

- Project goals and objectives may not be achieved:

While this is a far fetched risk it is important to ensure that all partners strive to re-look carefully at the past performance of the project and ensure areas where success has been rather limited. With over 55% of funds are used on salaries, there is little room for shifting of resources, however, it is important that each PEP Partner re-look its structure to ascertain where it would like to accelerate performance so that project goals and objectives are realistically met. Review of spending vs. activities/outputs raises serious doubts that the project will meet its stated objectives.

- Staff retention and Quality control:

There is a significant risk as documented by various partners of retaining quality staff. It was noted frequent staff transfers especially in the MoE Environment Wing and even in IUCNP. PEP must devise a strategy for seeking high quality short term input into the planning and evaluation of its outputs and supplement its staffing deficiencies by selective sub-contracting of work that is unlikely to be completed within the stipulated time frame.

- Sustainability of the effort and resources:

While the recent RNE continued support has enabled the project to meet its funding requirements, there is a need to start an immediate campaign to diversify the funding resource for long term sustainability of the core project activities after the life of the project. To ensure continuity of the program activities after termination of the project after completion of the extension period, PEP program managers must seek diversification in their portfolios otherwise the last two years of the project will become a period of “wait and see” plagued by uncertainty about the future of project activities. There is great risk that this may lead to reduced staff productivity and also negatively impact staff morale.

- Coordination Roles:

There is a feeling amongst some PEP Partners that resource sharing is skewed in favour of IUCNP that leads to a rather casual approach to activity completion. This is manifested in the activity matrix where there are considerable blanks. PEP management needs to ensure that those with greater access to resource also take up more effective coordination role and provide leadership where resources are rather limited. By the same token, there may be an opportunity to shift some of the activities to areas where a certain organization has developed a comparative advantage. The sole purpose for management must be to ensure that all project outputs will be completed on time and will be quality based.

- Quality:

There is a quality risk aspect to the whole project. Management must ensure that each activity receives an adequate quality review- at times very cursory input is shown as a major input consequently implying that the output had been completed. This trend must be discouraged and more focused attention be given to undertake those planned activities that will contribute significantly to the output and that output is closely linked to the desired outcome relevant to the goal and objectives of the project.

PEP had anticipated risks in the areas of political instability; GoP's commitment to Environment may or may not be maintained and possible functional and administrative problems under the devolution plan. Most of these anticipated risks have been of a mild nature and have been braved well by PEP Partners. The government continues to show concern to the environment issues which is heightened by the new initiatives in agricultural development- i.e. possibility of large scale infrastructure projects to address the water shortage issue. Environmental aspects of new development challenges pose developing long term capacity to address the existing and upcoming challenges in a professional manner. The degree of risks the project faces will continue but overall thrust drivers are in place provided a poverty reduction bias is incorporated along with the environmental dimensions. Matters of accelerating the rather stagnant economic growth rate will require using environmental analysis as a means to screen fungible projects and not as a blocking mechanism that fails to show alternative development paths.

Recommendation: Risk Management

- Risk management will now require a shift in approach from one of doing too much to doing more focused work with a high quality bias. The project has to be innovative in identifying and relating to emerging trends to ensure long term sustainability of the effort. It will require forward looking leadership and a vision. Developing such a vision statement should receive priority as part of the risk management strategy.

4. PROGRAMME MONITORING

4.1 JOINT CIDA-RNE MONITORING

In 2003, CIDA and RNE had decided to set up joint monitoring of the PEP Extension. A joint Programme Performance Monitoring Team (PPMT) was appointed to maintain transparency and accountability vis-à-vis PEP deliverables. It is proposed that further joint monitoring can the best take place in accordance with 6/monthly missions, as was proposed by RNE. This means that 3 monitoring missions will be carried out until December 2006. The monitoring ToR, as requested by RNE, is provided in Appendix D.

Recommendation: Programme Monitoring

- Since CIDA funding terminates in November 2005, it is proposed that the Canadian Monitor join the RNE monitors for the next 2 missions planned for April and October 2005.
- RNE Monitors will conduct the last monitoring mission in 2006 as the RNE support to PEP will end in January 2007.
- Communication & liaison between PEP Partners and the monitors in between their missions should be improved.

APPENDIX A: PEOPLE CONSULTED

Ministry of Environment

Major (R) Tahir Iqbal, Federal Minister for Environment
Mr Javed Hassan Aly, Secretary, Ministry of Environment
Ms Shaher Bano Walajali, Deputy Secretary, NCS Unit
Mr Jawed Ali Khan, Director (PEPC)
Mr Abdul Hameed, Joint Secretary/ Director General (Environment)
Mr Zahir Shah Mohamand, Deputy Secretary, Environment Wing
Mr Rizwan Irshad, Technical Officer, Forestry Wing
Dr Muhammad Khurshid, Biodiversity Specialist, Mountain Areas Conservancy Project
Mr Ahmad Jan Malik, SO NCS, PEP Focal Point
Mr Irfan Anjum, Section Officer, Environment Wing
Mr Kalimullah Shirazi, Deputy Secretary, Ministry of Environment

Federal Planning Commission

Mr Malik Mohammad Saeed Khan, Member Planning Commission
Mr Abdul Waheed, Chief, Environment Section
Dr Aurangzeb Khan, Environment Assessment Specialist
Mr Hamid Marwat, Natural Resources Management Specialist
Mr Imran Saqib Khalid, Capacity Building & Training Specialist

Pak-EPA

Mr Asif Shuja Khan, Director General
Mr Zia-Ul-Islam, Director

Government of Sindh

Mr Muhammad Noman Segal, Environment Advisor to Chief Minister
Mr Zulfiqar Ali Shah, Assistant Chief, Environment
Mr Shams Memon, Secretary, Environment and Alternate Energy
Mr Shafiq Khoso, DG, EPA
Mr Mhhmood Ahmad Khan, Secretary Forest & Wildlife Department

SDPI

Dr Saba Gul Khattak, Executive Director
Ms Fatimah Asif, Director Finance
Mr Tahir Ahmed, Assistant Manager Accounts
Ms Sara Siddiq, PEP Coordinator
Mr Brig Yasin, Senior Training Coordinator
Mr Sajid Kazmi, Advocacy Coordinator
Ms Shereen Rehmat, Assistant Advocacy Officer
Mr Mohsin Babbar, Assistant Advocacy Officer/Project Officer
Dr A.H. Nayyar, Visiting Research Fellow, Renewable Energy
Ms Shah Farukh, Coordinator, Resource Centre
Dr Karin A Siegmann, Research Fellow, Gender and Globalisation
Dr Shafqat Shahzad, Research Fellow, Heath
Ms Shahbaz Bokhari, Coordinator, Survey
Dr Qasim Shah, Research Associate, Sustainable Livelihoods
Dr Kiram Habib, Research Associate, Gender

IUCNP HQ

Ms Rumana Imam, Manager, Human Resources
Mr Syed Sarmad Hasan, Director Finance

Mr Albert R. Heatherly, Director Administration
Mr Ateeq Ahmed, Manager Finance
Ms Dhunmai Cowasjee, Head, Programme Coordination
Ms Anmeh Saikh, Coordinator Project Development
Mr Arif Pervaiz, Senior Coordinator Policy
Mr Hasan Akhtar Rizvi, Head Knowledge Management Group
Mr Usman Iftikhar, Head Environment Economics
Mr Ahmed Saeed, Head Environment Assessment
Mr Mahmood Akhtar Cheema, Head Constituency and Special Assignment
Ms Huma Ikramullah, Coordinator Environment Law Program
Ms Zohra Rehmat Ali, Coordinator Education
Ms Safia Shafiq, Coordinator EAS

IUCNP Islamabad

Mr Gul Najam Jamy, Head, Islamabad Office
Mr Hamid Sarfraz, Deputy Manager, PEP
Ms Fatimah Ihsan, Gender Coordinator, PEP
Mr Shahzad Arif, Coordinator, Monitoring and Evaluation
Mr Kashif Sheikh, Biodiversity Programme

IUCNP Sindh Office

Mr Ali Raza Rizvi, Head Sindh Programme
Mr Nasir Ali Panhwar, Coordinator Constituency Sindh Programme
Ms Sana Raza, Assistant Coordinator Sindh Programme
Ms Shahana Jamil, Assistant Coordinator Sindh Programme

Royal Netherlands Embassy

Mr Niels Veenis, First Secretary Development Corporation
Ms Yasmin Jawed, Senior Programme Officer
CIDA/CHC
Mr Rolando Bahamondes, Counselor (Development)
Mr Dave Anderson, Security Manager

CIDA-PSU

Ms Attiya Hidayat, CIDA Fund Manager/Programme Officer
Mr Athar Ali Khan, Financial Manager – PSU

SUNGI

Dr Imtiaz Alvi, Executive Director

APPENDIX B: SCHEDULE FOR 2ND MONITORING MISSION

Date	Day	Time (hrs)	Institution	Program
30 Aug	Monday	0915 – 0930	CHC	Briefing by CHC (Security)
		1030 – 1130	RNE	Briefing by RNE
		1200 – 1300	CIDA-PSU	Meeting with CIDA-PSU
30 Aug	Monday	1400 – 1500	IUCNP	Internal meeting by Monitoring Team
30 Aug	Monday	1500 – 1700	IUCNP-Islamabad Office	Meeting with PEP management
31 Aug	Tuesday	0915 – 1030	IUCNP-Islamabad Office	Briefing to all PEP Partners
31 Aug	Tuesday	1030 – 1330	IUCNP-Islamabad Office	Progress Review of IUCNP- Islamabad Programme Office Presentation on gender equality work under PEP
31 Aug	Tuesday	1430 – 1700	IUCNP-Islamabad Office	Progress Review of IUCNP- Ecosystem Management Group
1 Sep	Wednesday	0900 – 1030	Ministry of Environment	General presentation on MoE, including: NCS Unit; Environment Wing and Pak EPA
1 Sep	Wednesday	1100 – 1200	Ministry of Environment	Courtesy call to Secretary, MoE
1 Sep	Wednesday	1200 – 1330	Ministry of Environment	Progress Review of NCS Unit, MoE
1 Sep	Wednesday	1430 – 1600	Ministry of Environment	Progress Review of Environment Wing, MoE
2 Sep	Thursday	0900 – 1300	Pakistan EPA	Progress Review of Pakistan EPA, MoE Visit/demonstration of mobile motor vehicle emission testing lab.
2 Sep	Thursday	1600 – 1700	Ministry of Environment	Discussion on procurement and disbursements with NCS Unit, MoE
3 Sep	Friday	0900 – 1700	SDPI	Progress Review of Sustainable Development Policy Institute (SDPI)
3 Sep	Friday	1000 – 1100	P&D Division	Courtesy call to Member, Planning Commission
4 Sep	Saturday	0900 – 1600	Environment Section, P&DD	Progress Review of Environment Section, P&D Division
5 Sep	Sunday	1730 – 2200	Travel to Karachi	
6 Sep	Monday	0900 – 1300	IUCNP Country Office	General meeting with IUCNP IUCNP Pakistan Programme Review
6 Sep	Monday	1400 – 1530	IUCNP Country Office	Progress Review of IUCNP-Programme Coordination
6 Sep	Monday	1530 – 1700	IUCNP Country Office	Progress Review of IUCNP-Policy & Constituency Development
7 Sep	Tuesday	0900 – 1000	IUCNP Country Office	Environment Section, P&DD Government of Sindh
7 Sep	Tuesday	1030 – 1230	EPA Sindh	EPA Sindh
7 Sep	Tuesday	1400 – 1600	IUCNP Country Office	Progress Review of IUCNP-Society, Economy and Environment Group
7 Sep	Tuesday	1400 – 1800	IUCNP Country Office	Progress Review of IUCNP-Education, Communication & Knowledge Management Group
8 Sep	Wednesday	0930 – 1100	IUCNP Country Office	Progress Review of IUCNP-Sindh Programme Office
8 Sep	Wednesday	1115 – 1630	IUCNP Country Office	Meeting with IUCNP-Finance, HR & Administration Units
8 Sep	Wednesday	1700 – 2200	Travel to Islamabad	
9 Sep	Thursday	0900 – 1500	IUCNP-Islamabad Office	Discussion on PEP Performance Monitoring Framework (PMF) Discussion on finances, disbursements, budgeting and contracting
9 Sep	Thursday	1500 – 1700	IUCNP-Islamabad Office	Preparation of debriefing for RNE, CHC, PSU and PEP Partners
10 Sep	Friday	0900-1030	IUCNP-Islamabad Office	PSU Debriefing for PEP Partners
10 Sep	Friday	1100-1300	RNE	Debriefing for CHC, RNE & CIDA-
11 Sep	Saturday	0900-1200	Hotel Marriot	Attended MoE NCS Resource Center Workshop

APPENDIX C: FINANCIAL DATA

Table 19: Budget Status as of June 30, 2004

PEP Partners		Dec 2002 - Dec 2003 ¹		Jan - Dec 2004 ²			
		CIDA Budget	CIDA Exp	CIDA Budget	CIDA Exp	RNE Budget	RNE Exp
		CDS	CDS	CDS	CDS	PKR	PKR
1.0	GENDER INTEGRATION	10 068	0	7 530	241	0	0
2.0	MINISTRY OF ENVIRONMENT						
2.1	NCS Unit						
	Staff	0	0	0	0	0	0
	Operations	54 699	16 270	38 838	4 830	0	0
	Activities	67 966	20 216	84 000	20 769	0	0
	Equipment	10 176	3 027	0	5 179	0	0
	Sub Total	132 841	39 513	122 838	30 778	0	0
2.2	Environment Wing						
	Staff	0	0	0	0	1 115 000	0
	Operations	0	0	0	0	1 000 000	0
	Activities	0	0	0	0	1 320 000	0
	Equipment	0	0	0	0	945 000	0
	Sub Total	0	0	0	0	4 380 000	0
2.3	Pak EPA						
	Staff	0	0	0	0	2 100 000	0
	Operations	0	0	0	0	200 000	0
	Activities	0	0	0	0	390 000	0
	Equipment	0	0	0	0	3 100 000	0
	Sub Total	0	0	0	0	5 790 000	0
3.0	ENVIRONMENT SECTION, P&DD						
	Staff	28 733	27 126	19 606	24 839	0	0
	Operations	22 158	20 918	2 000	6 819	0	0
	Activities	26 052	24 595	49 700	2 697	0	0
	Equipment	305	288	0	920	0	0
	Sub Total	77 248	72 927	71 306	35 275	0	0
4.0	SDPI						
	Staff	107 063	106 513	292 449	55 723	563 910	234 963
	Operations	207 862	206 794	100 000	64 101	580 040	241 683
	Activities	131 353	130 678	19 500	5 494	1 700 310	31 009
	Equipment	0	0	0	0	951 500	396 458
	Sub Total	446 278	443 985	411 949	125 318	3 795 760	904 113
5.0	IUCNP						
5.1	Programme Coordination Division						
	Staff	93 573	50 537	69 992	47 915	629 840	168 528
	Operations	18 230	14 058	13 636	8 593	420 776	34 354
	Activities	15 131	17 918	11 318	7 733	2 550 000	88 835
	Sub-total	126 934	82 513	94 946	64 241	3 600 616	291 717
5.2	Society, Economy & Environment Group						
	Staff	116 258	64 880	80 640	48 548	700 000	206 820
	Operations	22 789	23 734	17 046	10 297	340 000	49 692
	Activities	55 800	21 986	30 737	3 494	750 000	30 000

PEP Partners		Dec 2002 - Dec 2003 ¹		Jan - Dec 2004 ²			
		CIDA Budget	CIDA Exp	CIDA Budget	CIDA Exp	RNE Budget	RNE Exp
		CDS	CDS	CDS	CDS	PKR	PKR
	Sub-total	194 847	110 600	128 423	62 339	1 790 000	286 512
5.3	Education & Knowledge Management Group						
	Staff	113 096	89 913	84 597	52 266	1 872 371	394 470
	Operations	29 779	35 928	22 275	12 146	582 161	97 271
	Activities	23 268	20 519	17 405	5 183	1 130 000	38 028
	Sub-total	166 143	146 360	124 277	69 595	3 584 532	529 769
5.4	Ecosystem Management Group						
	Staff	61 390	30 574	45 920	12 144	2 625 231	290 330
	Operations	13 673	5 759	10 228	3 149	842 876	123 094
	Activities	10 808	1 961	8 084	1 835	750 000	0
	Sub-total	85 871	38 294	64 232	17 128	4 218 107	413 424
5.5	Policy & Constituency Development Division						
	Staff	72 540	41 268	54 260	25 359	129 269	21 444
	Operations	16 202	19 098	12 119	3 950	162 215	4 177
	Activities	14 240	9 409	10 652	7 369	2 530 000	0
	Sub-total	102 982	69 775	77 031	36 678	2 821 484	25 621
5.6	Islamabad Programme Office						
	Staff	153 795	90 591	115 040	40 727	1 091 353	238 382
	Operations	40 209	33 500	30 077	19 521	393 076	94 329
	Activities	10 426	21 009	7 799	5 326	500 000	0
	Sub-total	204 430	145 100	152 916	65 574	1 984 429	332 711
5.7	Sindh Programme Office						
	Staff	0	0	0	0	500 000	420 000
	Operations	0	0	0	0	150 000	125 000
	Activities	0	0	0	0	425 000	0
	Sub-total	0	0	0	0	1 075 000	545 000
5.8	Equipment	0	0	0	0	3 000 000	0
5.9	Administration and Finance						
	Staff	0	0	0	0	694 440	354 474
	Operations	0	0	0	0	493 920	209 972
	Sub-total	0	0	0	0	1 188 360	564 446
	IUCNP Sub-Total (5.1-5.9)	881 207	592 642	641 826	315 555	23 262 529	2 989 200
6.0	MANAGEMENT	107 002	109 264	80 050	40 138	2 483 440	258 811
	GRAND TOTAL	1 654 644	1 258 331	1 335 499	547 305	39 711 729	4 152 124

¹ Till December 2003, CIDA budget for the NCS Unit, Environment Section of P&DD and SDPI was in single budget line without any division for staff, operations and activities. The activity level costing was done for 2004 onward as it was never required by CIDA. Thus, the amounts mentioned under these categories are just proportional to the expenditure.

² RNE funding started in February 2004.

APPENDIX D: ToRs, MONITORING

TERMS OF REFERENCE PROGRAMME PERFORMANCE MONITORING TEAM CIDA/RNE FUNDED PAKISTAN ENVIRONMENT PROGRAMME (PEP)

1. Background / Context

The Pakistan Environment Programme (PEP), initiated in July 1994, has been under implementation for the past nine years. Funded by CIDA with IUCNP - The World Conservation Union in Pakistan as the executing agency, PEP is being implemented by four institutions. These include two Federal government institutions: the NCS Unit in the Ministry of Environment and the Environment Section in the Planning and Development Division; and two civil society institutions namely IUCNP and the Sustainable Development Policy Institute, all working in partnership.

PEP has supported the twin purposes of (a) capacity building of the partner organisations themselves as the key institutions for sustaining the environment agenda in Pakistan, and (b) capacity building for the environment in the country at large, through the activities of the four PEP Partners. A Canadian Partner Organisation has been responsible for providing the expatriate technical assistance and support to PEP. The programme was originally designed for a five-year period with the provision of a one-year extension. Subsequently, through 6 amendments the project was allowed budget-neutral extensions until November 29, 2002.

A three-year PEP extension proposal was prepared for submission to CIDA and other donors. CIDA approved PEP Extension Phase for a further three years period from December 5, 2002 to November 29, 2005. In consultation with CIDA, an extended PEP extension proposal was prepared for joint funding from CIDA and RNE and a copy was submitted to the Royal Netherlands Embassy on August 7, 2002. Per March 6, 2003 the CIDA funded PEP Extension was launched; another proposal, Capitalising on Capacities, A Proposal for Extension of the Pakistan Environment Programme 2003–2006, was submitted to the RNE on April 2, 2003.

CIDA and the Royal Netherlands Embassy have decided to set up joint monitoring of the PEP extension. For this a joint Programme Performance Monitoring Team (PPMT) was to be appointed for helping PEP Partners to maintain transparency and accountability vis-à-vis PEP deliverables.

2. Objectives of joint CIDA-RNE Programme Performance Monitoring

- Putting in place of a monitoring system will be put in place that is transparent, cost-effective and oriented to assess the programme's long-term effects.
- Incorporating in the monitoring system at least the following Project Cycle Management (PCM) elements: periodic work planning, progress reporting, and documentation on learning and sharing within and beyond PEP.
- Enhancing the monitoring and evaluation capacity of the PEP Partners.

3. Required monitoring inputs from PEP Partners to PPMT

- Results of annual work planning and review exercises to be carried out by the four PEP Partners and by IUCNP, as the PEP Manager in consultation with CIDA, RNE, PEP Partners and PEP management, and the monitoring team.
- Outcomes of an internal PEP MTR for assessing the need for mid-course correction for the remaining part of the programme.

4. Approach to be followed by PPMT

The Monitoring team will carry out at least the following activities:

- Assessing progress made towards the achievement of results at the outcome and output levels and providing advice on issues that might affect the project's expected results.

- Assessing the extent to which the cross-cutting themes of gender equality (GE), poverty and environment and knowledge management are effectively integrated, as well as the progress made in these areas.
- Assessing overall project management, including the management systems and procedures for project implementation (including validity of the partner's performance measurement systems).
- Assessing the potential for sustainability of project results. Monitoring sustainability shall require assessing stakeholder participation (e.g. extent to which stakeholders have been actively involved in project implementation, redesign, monitoring and evaluation), assessing the commitment of key stakeholders in assuming ownership of the project, and identifying any areas for capacity support within the partners and local organization that could enhance the attainment of project objectives.
- Tracking the project's reach, critical assumptions, risks and risk mitigation strategies (planned and executed).
- Assessing performance in terms of the relevance of results, sustainability, shared responsibility and accountability, appropriateness of design, resource allocation, and informed and timely action.
- Assessing the reasonableness of the relationship between project costs and results.
- Determining if the programme results contribute to poverty reduction and environmental sustainability.
- Advising on how to improve project performance and project/partner sustainability.
- Providing input and assistance, as required, in coordinating the mid-term and end-of-project evaluations (to be undertaken by an independent local consultant).
- Undertaking other advisory or monitoring tasks as requested by RNE and CIDA (e.g. review reports and provide advice to CIDA; possibly undertake institutional analyses).

5. Time table PPMT

For the year 2005 the PPMT should carry out in-country programme monitoring mission in correspondence with the issuing of the PEP's Semi-Annual Reports. Hence the mission should place during the months of April and October of the year 2005. The last monitoring mission should be carried in 2006, depending on the timing of the report of the internal PEP MTR.

6. PPMT Reporting

Per mission a monitoring report will be submitted to RNE and CIDA. Each report should:

- Attend to assess project performance and progress achieved with respect to developmental and operational results.
- Track assumptions and risks.
- Identify any changes in the overall environment for project implementation.
- Document lessons learned.
- Report on sustainability of results and the integration of gender equality and other cross-cutting themes.
- Identify areas where improvement is recommended.

The date of submission of draft monitoring reports should be after the completion of each annual monitoring exercise and should be determined in consultation with RNE and CIDA.