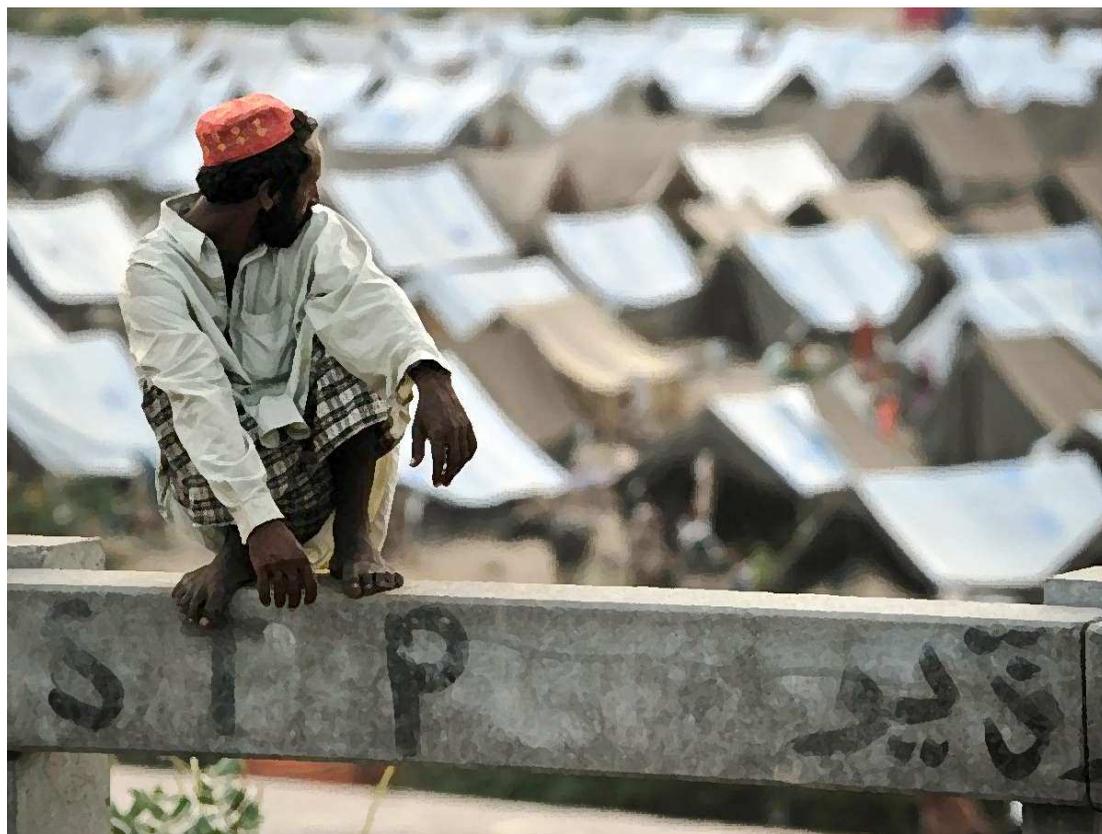


Volume 1, No. 1 & 2
December 2011- June 2012

A biannual bulletin from **PILER** tracing development and humanitarian assistance

Development Log



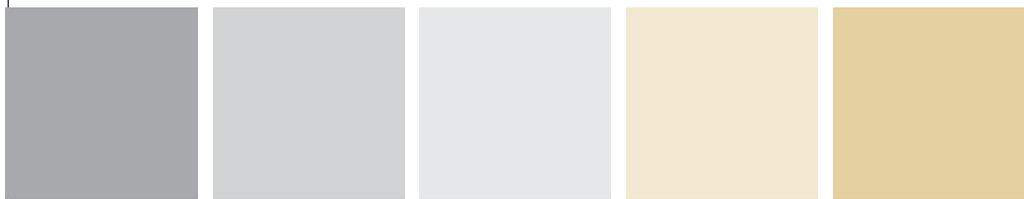
Pakistan Institute of Labour Education and Research (PILER)

The Pakistan Institute of Labour Education and Research (PILER), established in 1982, is a not-for-profit, citizen sector organization engaged in research, education, policy advocacy and networking in the areas of labour rights, social justice, human development, regional solidarity, and peace. PILER, as a resource centre, facilitates the labour movement in building a wider social consensus on core labour rights through advocacy and linkages with local, national, regional and global partners. PILER considers militarization, state conflicts and social intolerance as major barriers to realizing labour rights, and engages with peace movements at national, regional and global levels.

Rebuilding Lives and Livelihoods: Advocating for Structural Reforms

PILER initiated a programme 'Rebuilding Lives and Livelihoods...' following the 2010 floods that exposed a much compromised state of citizenship of a large majority of the country's population affected by the floods. The basic premise of the programme is drawn from the 'Citizens Charter' a common agenda crafted by the civil society of Pakistan. The Charter advocates for the re-establishment of state-society relations that, in its current fractured state, has resulted in an elite-centric development and resource distribution order, a disempowered state of citizenship and social relations devoid of trust and security. PILER believes that a new social contract between the state and the society is the only way forward for the state to deliver on its constitutional obligations regarding fundamental rights, governance and social justice, and for citizens to pursue their welfare through political activism and democratic engagement.

The programme is supported by the Tdh Germany, a children's aid agency concerned with development policy, and Medico International that has been campaigning for health to be recognised as a human right.



Editor Zeenia Shaukat

Assistant Editor Asif Shakeel

Design www.sprintdesign.com.pk

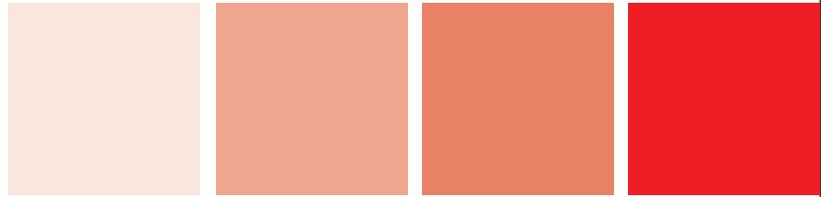
Published by Pakistan Institute of Labour
Education & Research (**PILER**)

Address: ST-001, Sector X,
Sub Sector V, Gulshan-e- Maymar,
Karachi - 75340
Tel: 9221-3635114 5-7
Fax: 9221-36350345

E-mail: piler@cyber.net.pk

Web: www.piler.org.pk

Contents



2 Editorial

4 Development Highlights

7 The 2010 Floods Response: A Profile
By Hira Habib

Review The Citizens Damage Compensation
Programme: Mind the Gap
12 *By Altaf Hussain*

Observation The PSDP Cut: Worth It?
17 *By Asif Shakeel*

View Point Beyond Assistance
19 Naseer Memon, an Interview

Feature Transparency Concerns: Humanitarian Aid
and Accountability
24 *By Asif Shakeel*

Editorial

Many of Pakistan's problems are traced back to a non-democratic character of a state that has sought to exclude people from the ambit of political sphere and barred any influence of common citizens on the policy-making regime. The absence of a consultative order - entailing information sharing and public participation - during the formation and execution of successive development programmes has obviously been a preferred choice of the policy-makers for its no-hassle benefits. However, even if public participation is facilitated, the non-experts may still have to grapple with the complexities attached with development initiatives that normally involve layers of processes and multiplicity of actors, not to mention extended time-frame, making it difficult to keep track of the roles and responsibilities of authorities and institutions that shape these programmes.

The biannual bulletin *Development Log* is an attempt at putting information related to foreign aid and assistance in perspective. By way of analysis, discussion, reviews, and experts' views, the bulletin seeks to present an understanding of the complex world of humanitarian and development assistance flows.

Pursuing a consultative order or seeking transparency and accountability becomes even more challenging in situations of humanitarian emergencies when the need for aid and assistance, whether in the form of cash, in-kind, or a soft loan, is urgent in nature and there is little room for bargaining on the counts of quality or quantity of service. In the aftermath of the 2010 floods, Pakistan received the largest ever humanitarian response from a section of international donors to assist the 20mn affectees of the natural disaster. The UN's appeal for \$1.9bn for early recovery too was followed by a 69% response. This humanitarian assistance contributed much to addressing the immediate needs of a large number of population affected and displaced by the floods. However, the typical nature of humanitarian assistance hardly allows any opportunity for the affected communities to determine the form and content of delivery. And this is where questions regarding effectiveness of humanitarian aid and assistance arise.

There are a host of institutional accountability arrangements worked out by traditional donor bodies to make development and humanitarian aid and assistance transactions more transparent and accessible for accountability. The Paris Declaration, the Development Assistance Database System and the International Aid Transparency Initiatives feature as some. However, making sense of the available information is critical to building a perspective on the factors that shape the final outcome of a project/programme. This is especially important for Pakistan where dependence on foreign assistance and aid, whether for humanitarian emergencies or for regular development programmes, influences the political, economic and social agenda of the policy-makers.

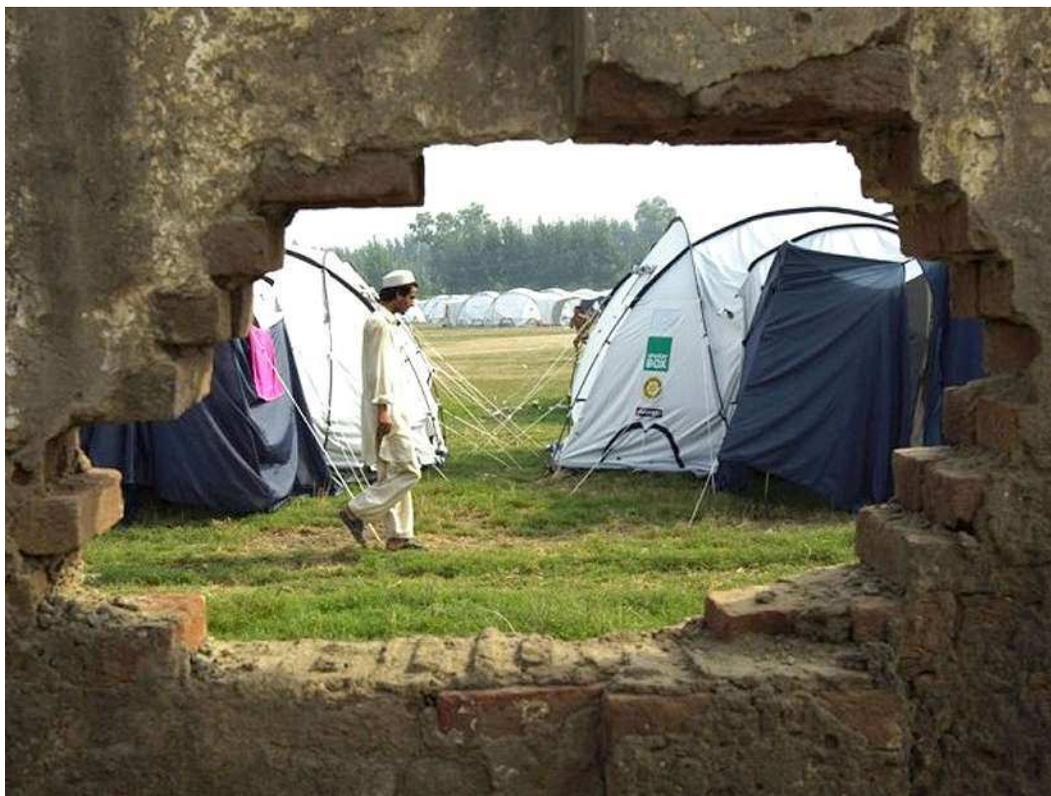
The biannual bulletin **Development Log** is an attempt at putting information related to foreign aid and assistance in perspective. By way of analysis, discussion, reviews, and experts' views, the bulletin seeks to present an understanding of the complex world of humanitarian and development assistance flows. Additionally, it explores avenues for enhanced public participation in the initiatives undertaken by the government as well as the growing force of the non-governmental private sector in the area. The publication is being managed by the Pakistan Institute of Labour Education and Research (PILER), that in partnership with Terre des Hommes and Medico International has initiated a three year advocacy and research initiative to highlight the core issues that undermine basic citizenship rights in Pakistan, a state of affairs that was especially evident after the 2010 floods. PILER believes that for effective relief and rehabilitation of the population hit by the floods in the last two years, the issues of compromised citizenship rights, undelivered constitutional rights, the growing state-society divide, under and ill-planned development and skewed distribution of resources must be addressed in-depth. The role of all actors - government, bureaucracy, politicians, policy-makers, development institutions and donor agencies - in this regard needs to be debated.

We believe that the all development initiatives and humanitarian actions, especially those following the 2010 floods need to be open before public for scrutiny and review so that there is more informed participation by a broader group of actors in the efforts that eventually shape the future of the common man and direct state's economic and social policy actions. Most importantly such an information product can also contribute to the empowering of communities to have a say in the direction of aid inflow and projects undertaken thereby.

This is the first of the biannual issue being presented. It has been consolidated to cover the editions of December 2011 and June 2012. The next issue will be produced every six months.

Zeenia Shaukat
(Editor)

Development Highlights



The 2010 and 2011 floods forced people to live in makeshift camps out under the open sky for many months.

• Provinces draw contingency plans

Following the poor response to the natural disasters of 2010 and 2011, the provincial governments rushed into preparing a contingency plan in the wake of the floods forecast by the Met Department in June this year. While the provincial governments of Khyber Pakhtunkhwa and Sindh had approved the contingency plans, there is no information on the whereabouts of the same in Punjab and Balochistan.

The provincial spokesperson of the Khyber Pakhtunkhwa government told media that Rs 1.25 billion have been allocated for the

assistance of more than 192,000 families while another 10 million rupees have been issued to the Provincial Disaster Management Authority (PDMA) for disaster preparedness. An emergency control cell has also been established at the PDMA at the cost of Rs 35 million with assistance from Japan, EU and the UNDP. According to the spokesperson, the cell has been established with the purpose of coordinating with all the government bodies, DCOs and the rescue services.

The Sindh government on the other hand, has sent its contingency plan to the district officers of the province instructing them to complete all necessary arrangements besides establishing a district level control room. It was told that the

A number of reports about the foreign aid flow suggest that the appeal by the UN for assistance for flood affectees following the floods of 2011 met a lukewarm response. According to the UN Office for the Coordination of Humanitarian Affairs (UNOCHA), its 'Early Recovery Programme' could not be initiated due to lack of funds.

provincial Finance Department has already allocated Rs 200 million for the rescue and relief operations in case of any natural calamity. A total of ten districts were marked as vulnerable due to the LBOD and other infrastructure related challenges.

• UN complains of slow funding response

A number of reports about the foreign aid flow suggest that the appeal by the UN for assistance for flood affectees following the floods of 2011 met a lukewarm response. According to the UN Office for the Coordination of Humanitarian Affairs (UNOCHA), its 'Early Recovery Programme' could not be initiated due to lack of funds. The UNOCHA had sought US\$ 440 million for the programme which largely remained unmet. It must be mentioned here that the Early Recovery Programme was launched only after the UN Rapid Response Plan Floods 2011 managed to generate 48 per cent of US\$ 356 million sought.

• Inadequate funds hindering rehabilitation

Following emergency relief work undertaken after the 2011 floods, four agencies involved in humanitarian relief in Sindh warned of closure

of their respective programmes owing to shortage of funds. Save the Children, one of the four agencies, was able to raise only 35 percent of the global appeal it filed, while Care International had to use its own resources to support its efforts in the face of a 91 percent funding gap. A news report quoted the agencies as admitting their inability to reach out to more than 10 percent of the affected population due to shortage of funds. According to the estimates given in the report, any interruption in these relief programmes would put two million adults, three million children and more than 160,000 expectant mothers at risk. The funding deficit also threatened to affect the agricultural support needed by the people as more than 67 percent of the province's agricultural land had been affected by the floods.

• Quality of relief items questioned

To compensate for the loss to farmers in the flood hit areas in 2011, the government decided to distribute agricultural inputs among the affected community. However, soon after the distribution of seeds and fertilizers, the representatives of the Sindh Chamber of Agriculture accused the government of providing poor quality inputs. They alleged that though the government had purchased seeds and fertilizers from established producers, they were



Katcha houses failed to withstand the pressure of aggressive water flows, leaving a large number of the rural population, mostly housed in mud structures, shelter-less.

provided with adulterated inputs. The affected farmers demanded monetary compensation for their loss.

- **Repair work awaits government action**

Following calls for urgent repair and cleaning of the Left Bank Outfall Drain (LBOD) after the 2011 floods in Sindh, the Sindh Irrigation Department publicly committed that the restoration work would be completed before the arrival of the next monsoon season. According to details, the Government of Sindh divided the restoration project into two phases. The first phase includes the work of critical nature to be completed before the monsoon rains expected mid-year. The provincial government had earlier released Rs. 1.5 billion for the rehabilitation of the damaged portions of the LBOD. According to the Sindh

government, the repair work had already commenced in some cities but was likely to pick pace after April. Though the authorities claimed that the major portion of work would be completed before the monsoon but the farmers community in adjoining areas expressed reservations. According to them, being the most important stakeholders, they should have been consulted before finalizing the project but that was never done.

At the same time, several newspaper reports pointed towards the dilapidated condition of a part of National Highway and a number of links as well as internal roads which have been lying in the same condition since the floods struck the province last year. Apart from formal announcements, the government also floated tenders inviting bids for the repair work. However, the follow up awaits government action.

The 2010 Floods Response: A Profile

By Hira Habib

The funding response to the 2010 floods points to important directions



Relief goods were distributed through helicopters after the 2010 floods cut off many parts of the affected areas from the rest of the country.

The year 2010 was the year of climate changed natural disasters. According to statistics, 344 out of the 373 recorded disasters (92.2 percent) on earth in 2010 were climatological or hydro-meteorological disasters. The 182 floods reported in 2010 affected almost 180 million people and killed more than 8,100 around the world.¹

Pakistan, with \$2.1bn, was the second largest recipient of humanitarian assistance in 2010 following Haiti which received US\$ 3.1bn to respond to the earthquake in the country.² The United Nations launched the Pakistan Initial Floods Emergency Response Plan (PIFERP) on August 11, 2010, seeking approximately \$460

Pakistan, with \$2.1bn, was the second largest recipient of humanitarian assistance in 2010 following Haiti which received US\$ 3.1bn to respond to the earthquake in the country.

million to address the immediate relief needs of the flood-affectedees. The PIFERP was outlined as a “tool for structuring a coordinated humanitarian response for the first three months of the Pakistan floods emergency”. This plan covered 12 humanitarian clusters including water and sanitation, health, shelter, agriculture, food, community restoration, protection, education, nutrition, logistics, coordination, and camp management. In November 2010, a revised plan was issued by the U.N seeking \$1.9 billion for the same sectors, to be disbursed from August 2010 to August 2011.

It is pertinent to note that the UN was also engaged in relief assistance to the displaced persons following military operations in Swat and South Waziristan in 2009 and 2010. The US\$ 459mn sought under the PIFERP was in addition to the US\$ 544mn Pakistan Humanitarian Response Plan that was being pursued by the UN for the persons displaced due to conflict in Swat.³ The PIFERP was later revised to US\$ 1.9bn following fresh needs assessments exercise. The revised PIFERP was the UN’s largest ever appeal, as pointed out in a Humanitarian Index Report. The Plan aimed to support the Government of Pakistan in addressing the relief and early recovery needs of the flood-affected families for a period of twelve months. By the end of the first year, the UN request for US\$ 1.9bn received a 69 percent funding response totaling to US\$ 1.3bn including pledges of US\$ 91mn.⁴

The UN followed the cluster system for assistance in the 2010 floods. This system was adopted in 2005 following an independent Humanitarian Response Review of the global humanitarian

system. The system concerns establishment of ‘clusters’ consisting of groupings of UN agencies, non-governmental organizations (NGOs) and other international organizations around a sector or a service provided during a humanitarian crisis. As explained above, twelve humanitarian clusters were pursued for implementation of relief activities.

The UN has been following the One UN system in Pakistan based on four principles: one leader, one budget, one program, and one office. As a supporter of this system, Pakistan was selected as one of the countries to pilot the ‘delivering as one’ approach in 2007. The One UN approach also had an impact on the direction of humanitarian assistance to Pakistan through the UN. Pakistan’s participation in the One UN system positioned Pakistan as a peaceful developing country calling for the international community to support her state institutions. This meant that the international community never outlined Pakistan as a possible country vulnerable to political crisis in need of humanitarian operations. The result was an inadequately planned humanitarian response to the 2009 displaced persons crisis and the 2010 floods.

Even though the UN was already involved in relief activities prior to the 2010 floods, for the first time in Pakistan, it used the Emergency Response Fund (ERF) mechanism. Managed by the Humanitarian Coordinator and administered by the Office for the Coordination of Humanitarian Affairs (OCHA), the ERF is a funding tool, allowing donors to contribute money to a centralised pot. The Humanitarian Coordinator was responsible for transferring



Women struggled hard for access to relief and rehabilitation as cultural and social practices marginalize this section of the population in daily life.

these funds to organisations that submitted project proposals centered around relief and recovery.

The ERF earned a good deal of criticism for slow reaction, absence of adequate staff to process the proposals and abundance of hierarchical layers that impeded effective response. Observers noted the same problems - misuse of the system to allocate funds, time consuming and unproductive meetings - that marred its effective functioning in earlier crisis, kept emerging during the 2010 floods. An Inter-Agency Real-Time Evaluation report noted that "clusters were operating independently from contextual realities and to a large extent, also to the phases of the operation."

In 2010, Pakistan's traditional bilateral partners were United States providing 56.3% of the total assistance to Pakistan, Japan (11.7%), and Germany (5.5%) along with the UK, Saudi

Arabia and the UAE.⁵ The United States, Japan, UK, Australia, the European Commission and Saudi Arabia featured in the list of the top humanitarian assistance partners in 2010 with the US contributing 33.4 percent and the rest participating within the range of 12 to 5 percent of the total funding.⁶ A briefing paper by Marion Pe'chayre for the Tufts University draws attention to the point that some three quarters of the funds allocated for the floods came from countries involved in the war in Afghanistan, a reminder that "there is a high level of dependency among international humanitarian actors on institutional donors directly or indirectly involved in conflict and a regional stabilisation strategy".⁷ The PIFERP donations have been the largest ever humanitarian response for such key donors as the United Kingdom (UK), the Department for International Development (DFID), the European Commission and the Office of U.S. and the Foreign Disaster Assistance (ODFDA).



Some three quarters of the relief assistance came from the countries involved in the Afghan war, including the US, Japan and the UK.

However, this does not take away from the contribution of the non-traditional humanitarian donors such as Saudi Arabia, China, Turkey and India that responded to the UN appeal as well as on a bilateral basis. As listed in a House of Commons report on Pakistan's floods, India supplied US\$ 20 mn (to the UN System), Azerbaijan with US\$ 1 mn, Botswana with US\$ 0.1 mn and Kazakhstan with US\$ 0.1 mn. India initially offered US\$ 5 mn through bilateral assistance but the Government of Pakistan declined the help.⁸

Even though the volume of funding that poured in was adequate to meet the needs assessed by the humanitarian agencies it should be noted that it was still relatively lower than earlier emergencies. An Oxfam report points out that only US\$ 3.2 for every affected person within the first ten days after the appeal was reported.⁹ This stands in stark contrast to US\$ 495 for the 2010 Haiti earthquake and \$70 for the 2005 Pakistan Kashmir earthquake.

Funding priorities:

It is natural for humanitarian agencies to address

the immediate concerns of the affected population in the relief phase. A major part of the ERF went into shelter, and water and sanitation according to an OCHA report on the Pakistan Emergency Response Fund (Progress Report August 2010-August 2011). Thirteen percent of the funding was allocated to health while food aid and education received less than 10 percent funding each. Community restoration, agriculture and nutrition etc. too featured low on the funding priority list of the ERF. The PIFERP budget of US\$ 1.9 bn was broken down almost equally between emergency relief and early recovery even as the emergency relief, early recovery and reconstruction phases run in parallel.

The multilateral financial institutions also worked alongside the Government of Pakistan on disaster response. The Government of Pakistan commissioned the World Bank and the Asian Development Bank to conduct a Damage Needs Assessment, the results of which can form the basis of reconstruction. The report approximated the total losses at US\$10 bn and reconstruction cost at between US\$7 bn and US\$9 bn. This is around US\$ 500 dollar per person affected.

In terms of relief and restoration, the government of Pakistan relied mainly on donors and the private sector to respond to the needs of the affectees. Restoration of housing and agriculture was largely left to the private sector. As the repair bill for public sector assets (schools, roads, energy and water infrastructure) stood at around US\$3 bn, the Government indicated that it would provide for this through the Public Sector Development Programme in the course of the next three to five years.¹⁰

Nearly all substantial donors of Pakistan channel their funding through their preferred developmental or humanitarian agencies. The floods assistance was no different. The US being the largest development and humanitarian donor to Pakistan extended humanitarian and early recovery assistance through the USAID. The European Commission channeled its funds through ECHO, Australia through AusAid and Canada through CIDA.

An Evaluation of the Pakistan Emergency Response Fund notes that the ERF's emphasis on the non-governmental sector for implementing the relief and recovery agenda is prominent. The 2010 floods propelled a major boost to the NGO sector that was prioritized over the UN agencies as implementation partner for relief and recovery work. Ninety five percent of the funds were split between the international NGOs and the national NGOs with the former receiving 56 percent and the latter 39 percent. The remaining 5 percent funds went to the UN agencies.

The response of the 2011 floods was no different in its direction, composition and priorities to the response of the disaster a year earlier. However, the scale was much smaller at US\$ 356mn (with only 44 percent response at US\$159mn)¹¹ as the floods impacted the Southern province of Sindh most adversely.

In many ways, there were important developments that characterise the 2010 floods response by the international donor agencies and the bilateral partners. The lead role of the non-governmental sector in service delivery led to debates on the extent to which this sector needs to engage in service delivery and the impact of civil society's active participation in disaster response on state's role as a provider of people's welfare. The role of the traditional associates of Pakistan also came in the spotlight with Pakistan's close friend China offering over one percent of the total assistance while the US contributing the bulk of overall assistance despite fragile relations between the two countries. India that is seen as a traditional rival, too offered US\$5 million through bilateral assistance that was eventually declined by the government. This move was criticized much as the government's reluctance to break out of its hostile posture was uncalled for at an hour when the nation was most distressed. The UN's extended role in humanitarian assistance and the quality of service delivery also came into focus. These and related factors call for an in depth study to trace their influence on the policy and the implementation order pursued.

¹ Elizabeth Ferris and Daniel Petz, "The Year of Living Dangerously", Brookings Institute, April 2011

² Global Humanitarian Assistance at <http://www.globalhumanitarianassistance.org/countryprofile/pakistan>

³ Humanitarian Implementation Plan (Hip) Pakistan, Year: 2012 at <http://ec.europa.eu/echo/files/funding/decisions/2012/HIPs/pakistan.pdf>

⁴ Emergency: Pakistan Floods 2010 at <http://fts.unocha.org/pageloader.aspx?page=emerg-emergencyDetails&emergID=15913>

⁵ Susan B. Epstein, K. Alan Kronstadt, "Pakistan: U.S. Foreign Assistance", April 10, 2012

⁶ "The humanitarian response to the Pakistan floods: Seventh report of session 2010-12", Volume 1, Great Britain Parliament: House of Commons: International Development Committee

⁷ Marion Pe'chayre, "Humanitarian Action in Pakistan 2005-2010: Challenges, Principles, and Politics", The Feinstein International Center, 2011

⁸ "The humanitarian response to the Pakistan floods: Seventh report of session 2010-12", Volume 1, Great Britain Parliament: House of Commons: International Development Committee

⁹ "Six months into the floods: Resetting Pakistan's priorities through reconstruction", Oxfam Briefing Paper, 144; 2011

¹⁰ "The humanitarian response to the Pakistan floods: Seventh report of session 2010-12", Volume 1, Great Britain Parliament: House of Commons: International Development Committee

¹¹ Emergency: Pakistan Floods 2011 at <http://fts.unocha.org/pageloader.aspx?page=emerg-emergencyDetails&emergID=16116>

Review

The Citizens Damage Compensation Programme: Mind the Gap

By Altaf Hussain

The stakes in a smooth, efficient and transparent operation of the Citizens Damage Compensation Programme adopted after the 2010 floods are high, as governance is not the only concern about the programme



Affectedes queue up outside NADRA office to collect their copies of the Watan Card.

In the aftermath of the 2010 floods, the government of Pakistan launched a Citizens Damage Compensation Programme to provide immediate relief to the most severely affected among the 20 million people. It was initially proposed that each family that resided in a flood affected area would get a total compensation of Rs 100,000 disbursed in two installments; Rs. 20,000 followed by Rs. 80,000 in the next phase. The cash was to be disbursed through the issuance of Watan Cards (ATM cards). The amount was later on reduced to Rs 40,000 with two installments of PKR 20,000 each (overall compensation stands at Rs 60,000).

This was the third time in less than a decade that Pakistan was disbursing cash payment as a disaster response. Pakistan's prior experience in cash transfers relates both to natural disasters as well as internal conflict. Following the October 2005 earthquake, an amount of \$300 per household was disbursed to more than 275,000 households (1.4 million people), through the Livelihoods Support Cash Grants. After the 2009 displaced persons crisis, cash disbursements were made to 397,000 families.

The Watan Card was initially aimed at 1.61 million families with cash grants of Rs 20,000 disbursed in the first six months of the floods. The second installment with the revised criteria reduced the coverage to 1 million households and the overall amount too was reduced to Rs 60,000.

The criteria in the first phase of the cash disbursement covered any citizen of Pakistan registered with the National Database and Registration Authority (NADRA) as a head of a family residing in one of the Government notified flood affected areas, as recorded on the Computerised National Identity Card (CNIC).

After a gap of one year, the second tranche of the Watan Card was released and apart from the original amount (at Rs 100,000), the criteria too was revised restricting it to the households

whose houses suffered damages during the floods. Widows and disabled heads of households were included whether their houses were damaged or not. It is important to note that the revised criteria covered households and not families explaining that households potentially comprise more than a family.

Though the Watan cards ensured disbursement of cash in a systematic way, the programme received criticism for a number of reasons. For the issuance of the Watan card, one needed to have a CNIC which many of the affectees did not possess as they had either lost theirs during the displacement rush or they never made it. However, arrangements were made by the NADRA to issue ID cards on emergency basis. This, however, added to the miseries of the flood affectees who had to go through the additional exercise of acquiring a CNIC.

The reduction in the amount being disbursed, cutting it by Rs 40,000, may also cause unrest among the eligible affectees. The revision in the eligibility criteria too has created confusion as people accuse the government of being unfair and discriminatory despite repeated assurances by the authorities of the usefulness of the new criteria.

Issues regarding disbursement concerned unorganized and chaotic procedures. Being out of the ambit of formal financial services including banking coverage, the affectees, mostly from the rural areas, struggled with cash withdrawals, many a time falling prey to fraudsters who in return for offer for help, would take away substantial amount of cash disbursement as fee. Local media reported several cases in which the administration and the police department only aggravated the situation through violent measures like baton charge during protests over the non-issuance of the cards.

Recipients have also accused the NADRA and the local authorities of resorting to favoritism and forgery in their database in order to issue



Following the October 2005 earthquake, an amount of \$300 per household was disbursed to more than 275,000 households (1.4 million people), through the Livelihoods Support Cash Grants. After the 2009 displaced persons crisis, cash disbursements were made to 397,000 families.

the payment to those who paid a bribe or belonged to the ruling political parties.

Criteria issues:

The first phase of the watan cards disbursement was criticized much for excluding widowed women as the system did not accept 'female head of families'. The Phase II's focus on the head of the household rather than the head of the family too may end up excluding women as men are traditionally heads of households, and divorced and widowed women tend to move back into their father's or brother's household with their family.

This gap, to some extent, was addressed by additional targeting or complementary approach, covering female (and disabled) headed families, as defined on their CNIC, living in the flood-affected areas. This implies that a female head of the family living in a male-headed household (father's or brother's home), will also benefit directly. It has been estimated that 150,000 female (and disabled) headed families will benefit from this provision.¹

Gap between the two disbursements:

While transparent distribution of the compensation payment is a key element in ensuring rehabilitation of the flood affectees, equally important is the impact of this cash transfer program on the affected population. The purpose of cash transfers and other social protection instruments, when used in disasters, is to protect the basic consumption of the affected population and to help preserve and recover assets and human capital. The Watan Cards Compensation Programme was also launched to enable the affectees to move smoothly towards early recovery (addressing basic needs such as food, health and shelter) and also support economic activity (by way of consumption).²

However, it is difficult to see how the Watan Cards would be used for any tangible investment such as restoration or rebuilding of shelter. The prolonged interval between the two phases, and the low level of installments being distributed in the face of an ever-rising inflation and cost of living dilutes any possibility of these funds being utilized for purposes other than

meeting immediate needs by the affectees. Unlike the cash disbursement after the 2005 earthquake when Livelihoods Support Committees were set up to help as a forum for beneficiaries to discuss the best ways to use their cash transfers, no exercise was undertaken to influence the spending of the compensation payment through the Watan Cards.

Tracing Funding:

The Phase 1 of the Watan Cards distribution was co-financed by the Federal and Provincial Governments, whereas the Phase 2 was joined by the World Bank, DFID, USAID and the Government of Italy. The composition of the funding is presented in Box 1:

Phase 1

Emergency Response

Cash transfers of 20,000 rupees to over 1.6m families and over 8 mn people.

Total Cost: approx \$400 mn

Funding source:

Entirely from the GoP federal and provincial sources, except for a small reported Chinese contribution.

Phase 2

Ongoing Recovery

Cash transfers of two installments of 20,000 rupees each to 1.2m households and 7.8m people

Total Cost: \$580 mn

Funding:

World Bank - \$125 mn IDA credit

USAID - \$190 mn grant

DFID - £65 or US\$ 100 mn grant

Italy - soft loan of €57 mn.

GoP Federal Budget - \$100 mn from the 2011/12 budget³

Total cost (Phase 1 and Phase 2): \$580 mn

The GoP is expected to cover around 50% of the total cost as well as the repayment of the soft credit lines provided by World Bank International Development Association (IDA) and Italian Government.

Box 1

Taking a brief look at the arrangements undertaken by contributing agencies for the disbursement of the assistance is important to understand the respective roles and positions of a wide array of actors in the exercise. The World Bank's IDA lends money on concessional terms charging little or no interest and repayments are stretched over 25 to 40 years, including a 5 to 10 year grace period. The DFID Pakistan has enlisted the International Organisation on Migration and the International Rescue Committee to support community based communication, an independent help line and

citizen advice services for the second phase of the Watan Cards disbursement. Likewise the USAID supports the Transparency International to assist the general public for reporting fraud and corruption-related grievances during the disbursement exercise. While the US used the Kerry Lugar Funding for the compensation of the affectees, the DFID used the World Bank's Trust Fund to channel procurement, arguing that this mode of payment reduces transaction cost for DFID and GoP both and helps DFID and the World Bank strengthen the wider social protection approach of the Government.



The Disbursement Challenges:

The disbursement of the compensation payment also drew public attention because of the absence of any profiling of the affectees on the ground and the use of electronic mode of payment. The NADRA was roped in as a main agency documenting the details of the affectees and distributing the cards. Income support is ideally coordinated and delivered by the regular safety net or social security programmes that have better experience in handling cash transfers.⁴ However, despite a constitutional provision (Article 38 (c)) binding the state of Pakistan to provide social security to all citizens "by compulsory social insurance or other means", the coverage of social security in the country is very limited. The low level of coverage translates into poor documentation of citizens eligible for different social security programmes. This is usually a challenge that emerges after every calamity when a good amount of time is spent on documenting/registering those eligible for cash transfers or other benefits.

The mode of payment, through ATMs was advocated as a more effective solution in terms of minimising leakages and cutting out of rent-seeking forces. The World Bank has lately been using bank support for disbursement of funding as seen in Turkey, (earthquake, 1999), Sri Lanka (Tsunami, 2004) and Pakistan (earthquake, 2005; bank support covered 30% of households in the effected area)⁵. However, a low level of coverage of the financial sector - only 14% of the rural population is banked whereas 67% of the total population resides in the rural areas mostly hit by the floods⁶ - did give way to difficulties in comprehension and accessibility of an unfamiliar financial transaction system. As pointed out earlier, this opened the space for fraudsters to gain from the situation.

The Citizens Damage Compensation Programme has been a subject of focus more for its design, implementation and coverage. There is need to understand the role that the participating agencies, including the government of Pakistan, has played in the determination of the various aspects of the programme. Pakistan, due to the multiple challenges of climate change, internal conflict and government's own development direction, is repeatedly faced with situations where cash compensation becomes a compulsory part of any disaster response by the government. Streamlining of such exercises by way of documentation/ profiling of targeted citizens as well as establishing a proper social security regime could be marked as one important step to ensure speedy delivery of relief in cases of future emergencies.

1 "Citizens' Damage Compensation Programme Phase II: Flood compensation cash transfers", DFID, Business Case, July 2011

2 "2010 Floods Emergency Cash Transfer Program: Lessons From Pakistan", World Bank Presentation, 2012

3 "Citizens' Damage Compensation Programme Phase II: Flood compensation cash transfers", DFID, Business Case, July 2011

4 Rasmus Heltberg, World Bank, "The World Bank's experience with cash support in some recent natural disasters", Humanitarian Exchange Magazine, Issue 40, October 2008

5 Ibid

6 Financial Inclusion Programme, the State Bank of Pakistan at <http://www.sbp.org.pk/MFD/FIP/index.htm#why>

Observation

The PSDP Cut: Worth It?

By Asif Shakeel

There is need for more openness and clarity on the post 2010 floods reconstruction efforts being undertaken by the state

In order to deal with the gaps in response from donors after the floods and heavy rains in 2010 and 2011, the Government of Pakistan decided to adjust the budgetary allocations to meet the needs of the flood affectees. For this purpose, a heavy cut in Public Sector Development Programme (PSDP) to the tune of Rs 100bn was made besides the imposition of a flood surcharge of 15% on income tax for the second quarter of fiscal year 2010-11.

The size of the federal government's component in 2010-11 PSDP stood at Rs 280 billion while for the provincial part, it was Rs 424 billion. In the wake of the devastating floods and slow response to the disaster by the international community, the government decided to slash the PSDP size. The budget for Balochistan, Gilgit Baltistan and Azad Kashmir remained unaffected while Sindh, Punjab and Khyber Pakhtunkhwa faced a reduction of Rs 158 billion in the federal PSDP. This decision affected 83 projects including some important plans of Diamer-Bhasha Dam, the National Highways in Khyber Pakhtunkhwa, southern Punjab and rural Sindh, and priority projects of water resources which included construction of small and medium dams, canals and the Right Bank Outfall Drain (RBOD).



Similarly payment of dues to the employees of different public sector organizations was hampered. The education sector emerged as one of the worst affectees as after the reduction it was to get only Rs 9.6 billion against a commitment of Rs 31.6 billion resulting in 'Education for All' and the teachers training programmes being affected.

The decision of imposing a 15 % flood surcharge for the second quarter of the financial year 2011 had only affected the salaried class which

faced at source deduction of taxes. A total of Rs 258 billion was diverted from the PSDP to the rehabilitation and reconstruction phase while another Rs 21 billion were expected to be generated through the flood surcharge. A leading national daily reported that the FBR had collected Rs 7.2 billion through the flood surcharge since its imposition on March 15, 2011.

The Damage Needs Assessment (DNA) report of the World Bank and the Asian Development Bank estimated the loss to economy at US\$ 10 billion while the cost for reconstruction and rehabilitation was estimated between US\$ 6 and US\$ 9 billion.¹ The cost of damaged public infrastructure stood at Rs 3bn.²

The government in its flood reconstruction plan 2010 claimed that the funds generated through the mentioned measures would be used for paying compensation to the affected families under the Citizens' Damage Compensation Scheme which required Rs 161 billion (Rs 100,000 per household to 1.61 million affected households). The government decided to disburse the compensation through a system of Watan (Debit) Cards. It was also decided to release the funds in two installments. The first tranche of Rs 20,000 was given through the Watan Card while the remaining Rs 80,000 had to be transferred in the second phase. The phase was followed by a much delayed disbursement (along with revised eligibility criteria and reduced compensation amount) that was extended a year after the first tranche. In the first phase, NADRA, managing the distribution operation, disbursed a total of Rs 34 billion among 1.483 million flood affectees.³

While the media statements by the government created the impression that the diverted budget

was being used for the compensation project, the Flood Reconstruction and Rehabilitation Plan 2010, published by the Planning Commission of Pakistan, on the other hand looks at the development budget for financing the entire reconstruction phase at Rs 323 billion. The reconstruction phase which includes construction of soft and physical infrastructure was supposed to be completed in three to four years time, while Pakistan has already moved two years past the floods 2010. The Annual Flood Report 2010 published by the Pakistan Federal Flood Commission says that after the completion of the reconstruction work at select points on an immediate basis, the commission asked the provinces to submit medium term projects to be completed before June 2011 while in the third phase, it had asked provinces to submit long-term projects which could be allotted a time period of two to three years for completion. By the end of January 2012, only paper work had been completed in some cases while the same was in progress for most of the projects. Despite all efforts, no document indicating progress on the planned projects could be found.

As mentioned in the beginning of this article, Rs 258 billion were generated by the government and if both statements are to be believed, the government has spent Rs 27.7 billion on compensation through the Watan cards while there isn't much clarity in the budget documents regarding the spending on the infrastructure-related projects. The quality of the reconstruction work is also an important area of concern for the public. For this purpose, more openness in terms of the sharing of details of the reconstruction process needs to be emphasized to bring in the much needed elements of transparency, consultation and a democratic exchange in the reconstruction.

1 "Pakistan Floods 2010: Preliminary Damage and Needs Assessment", Preliminary Damage and Needs Assessment, by the Asian Development Bank and the World Bank
2 "The humanitarian response to the Pakistan floods: Seventh report of session 2010-12", Volume 1, Great Britain Parliament: House of Commons: International Development Committee
3 Rs 28.6bn distributed among flood-affected people thru Watan Cards, Business Recorder, 20 February 2011

Viewpoint



Beyond Assistance

An Interview with Naseer Memon

“With sluggish international response to the last floods in 2010 and 2011, Pakistan needs to re-appropriate resources more prudently to meet contingency challenges”
— Naseer Memon

Naseer Memon is a development professional and a writer on environmental and development issues. He has been associated with the non-governmental sector for around two decades. He has worked with leading organizations such as the UNICEF, UNDP, WWF Pakistan and LEAD Pakistan. He is a regular writer contributing columns to Dawn, The News and Daily Kawish on development issues and has authored six books in Sindhi, one in Urdu and two in English. Memon is a Civil Engineer by qualification and has also lectured extensively on Water Resource Management. He is also member of the Executive Committee of Pakistan National Council of the IUNC Pakistan.

Following the 2010 floods, Naseer Memon has been following and writing regularly on key developments pertaining to the response undertaken for the flood affectees. PILER spoke to him and compiled his views on issues related to disaster response as well as the role of state and assistance from civil society.

In terms of impact, the 2010 floods turned out to be the biggest natural disaster in the history of Pakistan even though the country has faced floods of much bigger scale. Many factors including climate change, ill-planned and non-consultative development direction, and massive deforestation over the years stand responsible for the catastrophe that affected twenty million people. The floods also raised the need for a clear plan for disaster response and resource management as the failure of related institutions to deliver a timely and effective response compounded the troubles of the affected population.

State and disaster response:

Even before the official disaster management authority (NDMA) was established in 2005, the Revenue Department always had a role in relief operations in Pakistan and their responsibility has been very clearly defined. Despite a decent emergency response framework we witnessed miserable failure on the part of the disaster management structures after the 2010 floods.

In 2010, Sindh due to its tail-end location, had been warned about the floods 10-12 days in advance but the scale was highly underestimated by the flood management bodies. This was subsequently reflected in the extent of devastation in Sindh, which still grapples to recover from the resultant social and economic losses.

The district disaster management authorities were practically non-existent at the time of the 2010 floods and one is still not sure if they are any better prepared today. The district disaster management structures exist only on paper. Similarly the Provincial Disaster Management Authority the PDMA's are anemic institutions. The PDMA's have small teams that are supplemented by the involvement of civil servants, local bodies departments, irrigation department and revenue department all contributing to disaster response. However, none of these authorities hold any degree of expertise on disaster management with professional excellence. The significance of these institutes cannot be emphasized enough since these form immediate line of response at the local level in case of disasters.

Civil society's role and direction:

Firstly, it is important to clarify that civil society goes much beyond the narrow category of the non-governmental organisations. It includes trade unions, political parties, media, voluntary groups, and actors and forces outside the state and the commercial interest structures.

Despite serious deficiencies in governance as well as gaps in mitigation and preparedness, it is pertinent to note that disaster of the magnitude we witnessed in the last two years cannot be addressed by the civil society alone. In 2010, there were 20 million people affected, while a large part of the country was submerged in water. Even if the private or the non-governmental sector makes great efforts, it might not be able to address anything beyond a fraction of what is required. In case of civil society's participation in disaster response in the past two years, it was witnessed that the sector limits its role mostly as a service provider. In my opinion, humanitarian assistance and service delivery should comprise only 15-20 % of the operations of the civil society, as the purpose should be to provide a model for the state to replicate rather than replace the state in this area.

Instead of engaging in service delivery, which is actually the responsibility of the state, civil society should have a greater role in public interest advocacy. There exists a broad range of issues related to disasters that need to be focused on in the pre rather than post disaster(s) period. Research and advocacy may be undertaken on a number of concerned areas such as encroachments in the natural flow path of water, rise of public and private infrastructure projects that are devoid of any consideration for climate change, the controversial Left Bank Outfall Drain, gaps in environmental impact assessment, and the necessity for conducting climatic and disaster risk assessments for future engineering projects. Advocacy too has several layers as there is a need for social and political



Despite serious deficiencies in governance as well as gaps in mitigation and preparedness, it is pertinent to note that disaster of the magnitude we witnessed in the last two years cannot be addressed by the civil society alone.



mobilization on fundamental issues. Another important point pertains to the manner in which the advocacy agenda is taken forward. In South Asia it has been generally observed that the mode of advocacy is similar to agitation which is a part of advocacy but does not represent it entirely. Unless we do advocacy on right issues at the right time, the government will keep abdicating its responsibilities.

The future of foreign assistance:

Apart from the scale of disasters, constraints regarding resources and structures facilitating response need to be given a serious consideration. The global economy is shrinking; it is not possible for the international bodies to keep providing funds for assistance to Pakistan. Donor's response shows a downward trend in recent disasters. So far, Pakistan has had European Commission, US, Japan, UK and Norway as major donors. During the 2010 floods, the UN appealed for US\$1.9 billion from

the world community but only US\$ 1.3 billion were provided by the donors. Denmark contributed US\$23 million but Portugal with bigger GDP contributed nothing. France donated US\$ 4.2 million, nine times less than Sweden's donation while having six times larger GDP. According to an analysis by an international aid agency, Oxfam GB, only US\$ 1.30 has been committed per person by international donors in the first 10 days of the UN appeal following the 2011 floods; compared to this, US\$ 3.20 was committed in the same period during the 2010 floods. The corresponding figures for 2005 earthquake were US\$ 70 and for Haiti's earthquake, US\$ 495 per person were pledged. This trend clearly indicates that the donor response does not commensurate with the scale of disaster. Except number of deaths, all other accounts of damages in the recent floods have been far greater than Haiti's earthquake. The sluggish response by humanitarian assistance community caused severe stress on relief activities after the 2011 floods. Major shortfall obstructs the critical areas of food security (86 percent), drinking water (83 percent), and shelter (49 percent). As a result of that, three quarters of the total affected households in Sindh and Balochistan did not receive any shelter assistance. A delayed appeal by the government, the economic slowdown in the Eurozone and the US, lack of efficiency and transparency on the part of the government, and a lukewarm coverage by international media are key reasons for the poor response by the humanitarian aid community to Pakistan's floods. The government underestimated the scale of the disaster and the appeal for international assistance was launched only after millions were rendered shelter-less.

The impact of the economic meltdown in Europe and the US is adversely affecting the international aid cycle. The US, after losing US\$ 550 billion in Afghanistan war, is facing worst unemployment in recent decades. Fourteen million unemployed Americans are a major cause of concern for the country. After losing credit

“

The general public in Pakistan continues to express frustration over the lack of assistance from international allies for the purpose of flood relief. However, there has been little focus on resource availability within the country. In year 2011, Pakistanis spent US\$1,100 million on sacrificial animals for Eid ul Azha. Compared to that, the relief and rehabilitation of the flood affectees required only US\$375 million, as estimated by the UN.

”

rating one step down, the US law makers are bent upon axing international aid. Deep cuts in food and medicine for Africa and disaster relief aid are being seriously contemplated. The US foreign assistance has declined from two percent of the country's federal budget in the '70s and the '80s to less than one percent in 2011. The House Appropriation Committee has proposed cutting assistance to Iraq, Afghanistan and Pakistan. Similarly, major countries in European Union are reeling under debt crisis. The gross domestic debt in the Eurozone is now 85 percent of its GDP. The budget deficit in Britain has reached 10.4 percent and in the US, it is 8.9 percent. Unemployment among the 16-24 years age group in the UK has reached 14 percent during the last three years. A 10 percent cut in

government spending is already on the cards. In this scenario, international aid is likely to be more sluggish in the event of any future disasters. Countries like Pakistan would do better to re-appropriate their own resources more prudently to meet contingency needs. With an alarming rise in the frequency of disasters, Pakistan needs to contemplate a long-term master plan for disaster risk reduction. A fraction of the huge sums of money required for relief and rehabilitation operations can help making better pre-disaster arrangements.

Resource mobilisation from internal sources:

The general public in Pakistan continues to express frustration over the lack of assistance from international allies for the purpose of flood relief. However, there has been little focus on resource availability within the country. In year 2011, Pakistanis spent US\$1,100 million on sacrificial animals for Eid ul Azha. Compared to that, the relief and rehabilitation of the flood affectees required only US\$375 million, as estimated by the UN. Pakistan's society's obsession with religion and sensitivity towards religious matters is certainly not contributing positively to the cause of self-help. There is a need to sensitize people on the significance of raising resources from internal sources rather than counting on foreign agencies for assistance. A society's attitude towards its own responsibility has a major bearing on humanitarian response to any national crisis. And there is very little time for advocacy on this due to the shrinking space for democratic debate that is being progressively taken over by the growing strength of the extremist forces.

Accountability of civil society organisations:

There are several issues within the civil society as well. Firstly, civil society in Pakistan really has to go a long way to deliver on the development and social agenda as it is still very nascent.

Pakistan has been ruled by the military for forty years and for the rest of the time the country has been governed under pseudo democracy. The successive military rules did not allow civil society to get toe-hold in the system. In times of democracy, the space for engaging the state was only available if the civil society assisted the government and the state in achieving its stated objectives but not for raising burning questions. Therefore, the role of the civil society needs to be debated too.

Secondly, the growing tendency among the civil society organizations/groups to turn into family enterprises needs to be checked. The trend of charging donors for personal use of organisation's resources has also been observed. The 'administrators' of a number of organizations have benefitted immensely by way of their involvement in humanitarian assistance as there is a great scope for non-transparent dealings.

Finally, there are issues with the working paradigm of the donors too. The NGOs sector of Pakistan has been unable to establish its independence and freedom as civil society and continues to follow a mad race of delivering projects, running a corporate model, and concentrating over log-frame deliverables. It never raises pertinent questions regarding the donor's priorities and strategies. And this tendency shall continue till we remain stuck in service delivery. The service delivery gap in Pakistan is so huge that the civil society shall never be able to bridge it.

If the civil society wishes to bring any meaningful change, it needs to ponder over its own role. We don't find time even to reflect upon strategic questions concerning the sector and the direction it is moving into. These are important questions and if we don't talk about it, others will.

*Discussion summarised by
Farhat Fatima and Nayyar Siddiqui*

Feature

Transparency Concerns: Humanitarian Aid and Accountability

By Asif Shakeel

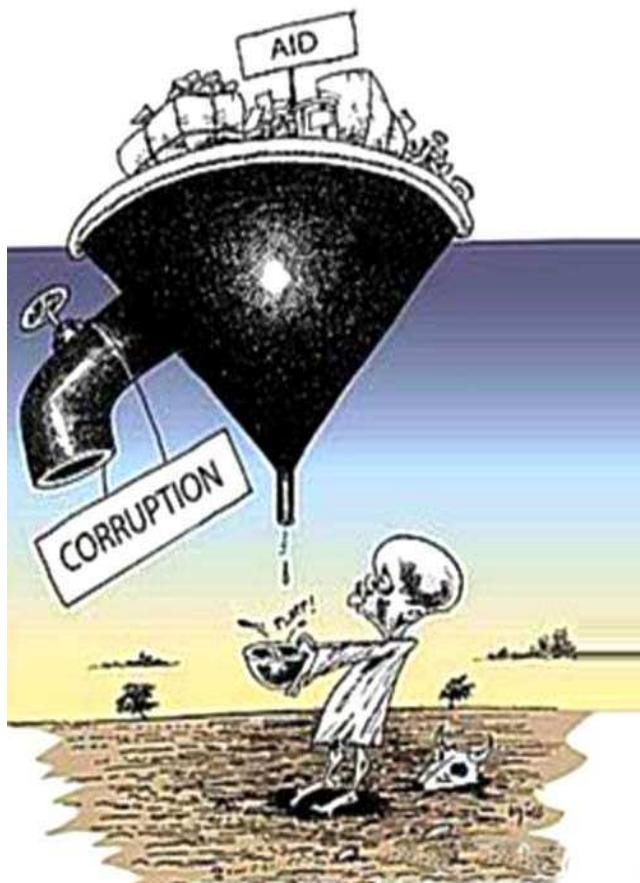
The legitimacy and credibility of humanitarian agencies depend on a consultative, transparent, effective and accessible apparatus for delivery of relief and assistance

The debate about transparency in aid is a complex one for the range of actors, factors and processes involved in the exercise. In a keynote address on aid transparency in Africa, Thelma Awori, Ex-Regional Director at UNDP Africa, observes that the scale and complexity of systems, methods of operation and number of the engaged institutions and organizations make aid as "one of the largest industries of our global economy".¹

Despite the complications of processes and the multiplicity of players involved, the importance of transparency and openness in assistance transactions between countries and organizations cannot be downplayed. Any debate about aid effectiveness concerns the direct and indirect impact of assistance on the 'beneficiaries'. However, the concept of transparency that seeks openness about policy intentions, formulations and implementation implies empowering the recipient community to influence the assistance

delivery exercise. As pointed out by experts, budget is the single most important policy document of governments, where policy objectives are reconciled and implemented in concrete terms.² Budget transparency, as the full disclosure of all relevant fiscal information in a timely and systematic manner, may contribute, to some extent, in plugging the deficits of the assistance system that has often been criticized for the absence of the political voice of the recipients.

Transparency, corruption and effectiveness are key concerns around any debate that seeks to link donor bodies with recipients. All these items have an impact on the legitimacy and credibility of development and humanitarian agencies involved in delivering assistance. A number of mechanisms have been developed to address the gaps in these areas to make assistance more accessible for accountability.



It has been suggested that humanitarian agencies or NGOs involved in assistance and service delivery exercises must widen the scope of risk assessment to consider whether their programmes are vulnerable to corruption, such as theft or misappropriation of funds, real or perceived inequities in the distribution of aid and sexual abuse and exploitation of beneficiaries by agency or partner staff.

Corruption and humanitarian assistance:

Looking in depth at the issue of corruption in humanitarian operations, it emerges as a part of operational challenges around the aid exercise. It has been suggested that humanitarian agencies or NGOs involved in assistance and service delivery exercises must widen the scope of risk assessment to consider whether their programmes are vulnerable to corruption, such as theft or misappropriation of funds, real or perceived inequities in the distribution of aid and sexual abuse and exploitation of beneficiaries by agency or partner staff.³

Corruption is broadly defined and categorized as: a) 'Contextual' corruption, linked to the

environment surrounding the intervention (corrupt regimes, governments, police forces); b) 'Systemic' corruption, referring to the humanitarian system, with its multiple, interacting and interdependent actors; c) 'Intra-organisational', linked to the constraints inherent within each NGO (human resources, active prevention strategies against corruption risks, verification procedures). It is understandable that while humanitarian agencies/organisations have little control over contextual corruption, they have adequate space to address and prevent corruption within their own organizations.

It has also been observed that the growth and direction of the international humanitarian

'industry' in recent years, including the exponential growth in the number of NGOs, has been a contributing factor in expanding spaces of corruption. In 2010, it was estimated that humanitarian spending reached almost US\$17 billion, the same year when Pakistan was struck by floods. One American NGO, the World Vision International, has a budget crossing US\$2.6 bn. The scale of resources and the volume of activity involved is likely to create space for non-transparent practices in the absence of extra vigilance on the part of the agencies concerned.⁴

Best practices and institutional arrangements:

To address corruption and promote transparency, the aid/humanitarian community follows a number of stated best practices and joint agreements and agendas. Over the years, a range of standards concerning the need to reform the allocation and management of foreign aid identified by instruments and processes such as the Rome Declaration, Commission for Africa, IMF and World Bank, Paris Declaration, UNDP, UN Millennium Project, apart from independent researches have led to the development of five best practices dimension. Easterly and Pfitze (2008) have identified these as: agency transparency, minimal overhead costs, fragmentation of aid, delivery to more effective channels, and allocation to less corrupt, more democratically free, poor countries. Transparency relates to the ability to gather information such as that on employment numbers, budgetary data, and overhead costs. Specialization is the flow and extent of aid divided among many donors, many countries, and many sectors. Selectivity concerns aid delivery to the poorest countries while avoiding corrupt dictators. Ineffective channels measures the share of aid that is tied, given as food aid or as technical assistance. Overhead cost refers to an agency's costs relative to aid disbursements.

Transparency initiatives and challenges:

The International Aid Transparency Initiatives (IATI), which has drafted proposal for effective implementation of the Accra Agenda for Action, has suggested establishing portal consisting information about donors' contribution in a particular sector. This would enable the information seekers to directly access the data they need to evaluate aid delivery. In addition to this, the development of accounting and financial management system has also been proposed as that will provide direct access to donor data provided by IATI.

At the same time field notes and studies conducted to gauge transparency in aid delivery paint a disappointing picture. For instance, an exercise by the OECD in this regard noted that the data shared by donors with the OECD's Development Assistance Committee (DAC) or with the researchers was of very poor quality; in fact it provided a sheer proof of poor practices (See: *Rhetoric vs Reality: The Best and Worst of Aid Agency Practices*, New York University, 2011). The Pilot Aid Transparency Index 2011 ranked some of the largest and most established donors as 'poor' in terms of performance regarding filing of data. These include Japan, France, Canada, Germany, Ireland and three of the largest US agencies - USAID, PEPFAR and State. According to the report, these donors/agencies performed poorly on publishing evaluation reports and audits. The report draws conclusion that very few donors disclose detailed activity level information. Donors also shy away from publishing such data, even when available.

Apart from the Transparency International's practical guide 'Preventing Corruption in Humanitarian Operations' (2010), the Humanitarian Accountability Partnership is also a standard seeking to promote accountability to people affected by humanitarian crises. The HAP Principles include humanity, impartiality, neutrality, independence, participation, transparency and complementarity. HAP's engagement in Pakistan started after the 2005 earthquake and at the time of the floods 2010, there were nine HAP Members, involved in the flood response. The Abbottabad-based Sungi Development Foundation is also a member Board of HAP.

In terms of development aid, the five core principles of the Paris Declaration and the Accra Agenda for Action - ownership, alignment, harmonization, results, and mutual accountability - have gained acceptance across the development community, influencing aid practice. Pakistan, being a signatory to the Paris Declaration, is committed to adhere to its principles as are its bilateral partners such as Japan, Canada, Saudi Arabia, UK and the USA, as well as international agencies including the World Bank, OECD, and PEC Fund for International Development, among others. The Paris Declaration seeks aid recipients to forge their national development strategies with their parliaments and electorates; for donors to support these strategies and work to streamline their efforts in-country; for development policies to be directed to achieving clear goals and for progress towards these goals to be monitored; and for donors and recipients alike to be jointly responsible for achieving these goals. The Accra Agenda for Action, a follow up procedure, takes stock of progress and sets the agenda for accelerated advancement towards the Paris goals.

Aid Transparency and Pakistan:

The challenges of transparency, accountability and effectiveness were adequately experienced

Aid monitoring in Pakistan:

The Government of Pakistan has developed a 'Foreign Assistance Policy Framework' which would help in ensuring the effective use of foreign assistance besides improving the level of transparency in aid utilization. The new policy will bind donors to keep the government informed of their donations as it will be recorded in the national budget for the purpose of effective monitoring. The policy will also ensure maximum channelization of aid through Government of Pakistan.

Following the footsteps of international community, the Government of Pakistan, with the support of the UNDP, followed an aid management system for the purpose of monitoring and maintaining a database of aid flow. It is named as the 'Development Assistance Database (DAD)'. The DAD helps in coordinating assistance through its capability to record complete data of the resources received and the sectors assisted. It also creates space for openness by tracking aid from the point of origin to the executing agency. DAD assists both donors and governments in planning for the future as it also analyzes demand and supply gaps. It also indicates bottlenecks in aid flow and has the capacity to monitor outcomes of the aid received in different sectors. Like any other management system, it works on the model of Paris Declaration and hence relies solely on the information provided by the donor. This could be a little restricting as well as many donors do not feel obliged to report to the DAD regularly which makes it difficult to track the assistance flows.

The challenges of transparency, accountability and effectiveness were adequately experienced during the 2010 floods when the disconnect reflected in service delivery initiatives created an uneasy situation for recipients of humanitarian assistance as much as it led to a negative image of the humanitarian agencies involved.

during the 2010 floods when the disconnect reflected in service delivery initiatives created an uneasy situation for recipients of humanitarian assistance as much as it led to a negative image of the humanitarian agencies involved. A 2011 report, 'Report of the HAP Deployment to Pakistan', notes cases in Sindh, after the floods, where the affected community that received hygiene services from the OCHA, highlighted gaps in quality of services and complained of a non-consultative attitude of the assistance agencies. They protested that privacy and safety was not cared for while building latrine services resulting in women feeling insecure in accessing the washing facilities. In delivery of water supply too, there was no information shared on the duration of the services available, or whether the water in the tank was for drinking or washing purposes, or the efficient use of water. Similarly, during an intensive interaction with PILER in Charsadda on the topic of response to the 2010 floods, the local NGOs involved in humanitarian assistance in Khyber Pakhtunkhwa complained that the international relief agencies worked in a very non regulated manner. They said that relief agencies' exercise of distribution of items did not reflect any on-ground need assessment

of the requirements of the affected communities. "Same items were distributed more than once and most of the free items were of little use to people who would sell them off in the markets." They also complained that little effort was made to boost the local economy during the relief assistance exercise as most non-governmental organizations and humanitarian agencies 'imported' human resource and items for distribution from places outside Khyber Pakhtunkhwa contributing little to provide jobs and boost local economies.

While these factors do not suggest corruption in the practices of the humanitarian agencies, they certainly indicate the need for a more consultative and inclusive relief delivery exercise if the local population is to be assisted in a meaningful manner to battle the impact of a natural disaster. The legitimacy and credibility of humanitarian agencies depend on a consultative, transparent, effective and accessible apparatus for delivery of relief and assistance. An absence of related mechanisms leave a question mark over the commitment of the actors involved to the democratic and ethical principles of humanitarian engagement.

¹ Keynote Address On Aid Transparency In Africa by Thelma Awori, Dakar, June 12, 2001

² OECD Best Practices for Budget Transparency at <http://www.oecd.org/governance/budgetingandpublicexpenditures/1905258.pdf>

³ "Corruption in the NGO world: what it is and how to tackle it", Jérôme Larchè, Humanitarian Exchange Magazine, October 2011 at <http://www.odihpn.org/humanitarian-exchange-magazine/issue-52/corruption-in-the-ngo-world-what-it-is-and-how-to-tackle-it>

⁴ Ibid



Image from a medical camp set up by PILER in Badin following the 2011 floods. The successive floods in Pakistan in the last two years brought forth major emergency response challenges requiring massive resource mobilisation from the state, and local and international humanitarian agencies. The floods also raised pertinent questions about the state of governance and citizenship rights in Pakistan.



Pakistan Institute of Labour Education & Research (PILER)
ST-001, Sector X, Sub Sector V, Gulshan-e-Maymar,
Karachi - 75340, Pakistan.
Tel: 9221-36351145-7
Fax: 9221-36350345

www.piler.org.pk

