

**Government of North West Frontier Province
IUCN-The World Conservation Union
Swiss Agency for Development and Cooperation**

**Mid-Term Review
of
Programme Support for Northern Pakistan
PSNP**

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For SDC : for sake of best time management, please concentrate on chapters 1, 4 and 5

ANNEXURES

Annex 1: SPCS IV MTR

Abbreviations

ACS	Abbottabad Conservation Strategy
ACS	Additional Chief Secretary
AKRSP	Aga Khan Rural Support Programme
CCS	Chitral Conservation Strategy
CIP	Community Infrastructure Project
CSO	Civil Society Organisation
DCO	District Co-ordination Officer
DEPC	District Environmental Protection Committee
DLFSD	District Level Fund for Sustainable Development
DLG	De Laas Gul (local CSO)
DPOs	District Planning Officers
EA	Environmental Assessment
EDO	Executive District Officer
EIA	Environmental Impact Assessment
EIROP	Essential Institutional Reforms Operationlisation Program
EPA	Environmental Protection Agency
FRC	Frontier Resource Centre
FSD	Fund for Sustainable Development
GoNWFP	Government of North-West Frontier Province
IUCNP	IUCN-The World Conservation Union, Pakistan
LEAD	Leadership for Environment And Development
LG&RDD	Local Government and Rural Development Department
LGO	Local Government Ordinance
MoU	Memorandum of Understanding
NARIMS	National Reconstruction Information Management System
NAs	Northern Areas
NCS	National Conservation Strategy
NGOs	Non-Governmental Organisations
NWFP	North-West Frontier Province
P&DD	Planning & Development Department
PC-I	Planning Commission Performa 1
PEPA	Pakistan Environmental Protection Act
PHP	Project for Horticultural Promotion
PRB	Project Review Board
PSDC	Provincial Sustainable Development Council
PSNP	Programme Support for Northern Pakistan
RBM	Result Based Management
RTs	Roundtables
SD	Sustainable Development
SDC	Swiss Agency for Development and Co-operation
SDNP	Sustainable Development Networking Programme
SMART	Self Monitoring And Reporting Template
SMEDA	Small and Medium Enterprise Development Authority
SMG	Senior Management Group (IUCNP)
SNI	Sarhad NGO Ittehad
SPCS I, II, III or IV	Sarhad Provincial Conservation Strategy Support Project – Phase I, II, III or IV
SRSP	Sarhad Rural Support Programme
SSDG	Sarhad Sustainable Development Gateway
TNA	Training Needs Assessment
WKMS	Web-based Knowledge Management System
WSP	Water and Sanitation Program (World Bank)

1. Introduction

This is the second report from the Mid-term Review team covering the SDC-funded Programme Support for Northern Pakistan (PSNP) which complements the first report on SPCS IV. To summarise, PSNP has two major components, the first with an external focus (support to sustainable development in Northern Pakistan in general) and the second with an internal focus (support to IUCN Pakistan's institutional capacity).

The report is structured so as to cover individual issues in each section. Section 2 is on the support to sustainable development in Northern Pakistan, Section 3 on support to IUCN Pakistan's institutional capacity, Section 4 on financing the IUCN programme in the North. Section 5 is on the future and proposes some strategic options for the IUCN Pakistan programme in the North.

As the two projects SPCS IV and PSNP are closely interlinked, this report should be read in the light of the SPCS IV mid-term review report as well. Given that many of recommendations are recorded in the SPCS IV report, and to maximise the use of this report, we have tried not to repeat our recommendations and to limit the number to be carried out.

PSNP was designed to assist IUCN develop an integrated programme supported by different donors. The programme was to cover all of IUCN's activities in the north, that is in the NWFP and the Northern Areas, to ensure coherence between the activities of different projects, as well as with key non-IUCNP development initiatives. PSNP was also envisaged to help mainstream conservation in the NWFP, by complementing SPCS IV, the last phase of project support for the SPCS in the NWFP. Through PSNP, IUCN was to maintain its dialogue with the key SPCS partners – and the most important, the Provincial Government through the Planning and Development Department – but at the same time go beyond the traditional stakeholders and cover other partners such as the polity, ulema and the armed forces.

However, the events and the aftermath of September 11th 2001 and the drastic restructuring of the P&DD in anticipation of the Government's Devolution Plan and the Local Government Ordinance 2001 dented the basic assumptions about the role of GoNWFP in SPCS IV. Added to that, IUCN's two major projects, ERNP and SDNP, that were to work closely with PSNP, changed in their direction. IUCN's participation in ERNP was put on hold subject to the conclusion of ongoing discussions between IUCN and the European Union on a new Grant Agreement. IUCN and the EU did reach an agreement, but it was April 2003 before IUCN was able to re-establish its presence in the field again. The SDNP project came to an end and part has been incorporated into the new Education, Communication and Knowledge Management Group where it will be handling the challenges of utilising IT for SD and of developing the knowledge base of the organisation.

Finally the change in the international agenda and an increase in the number of people living below the poverty line has had a major influence on donor portfolios in Pakistan. ODA has shifted towards poverty reduction, good governance and security, while environmental issues have moved down or off priority lists.

These changes in context inevitably had a knock-on effect on PSNP, especially in the initial months in setting up the provincial-level dialogue. In the changed scenario, IUCN had to adapt to circumstances and could not move ahead with an integrated approach in the North.

However one element is emerging: the importance of the district strategy for sustainable development. Thanks to the devolution process and to the stipulation that each district develop a 'vision' for itself, IUCN was well paced to assist select district governments in the NWFP in this process, drawing on the lessons learned from its work in the Abbottabad and Chitral districts.

The results were that it was relatively difficult to see the PSNP **but as a complement to SPCS IV**. The PSNP became a **transition** phase meant to complement the SPCS IV project work and the IUCN programme for the North of Pakistan, as initially foreseen, is taking longer to emerge. While work on many different fronts with many partners was visible, it hard for the MTR team to extricate a clear guiding vision for that work. In section 5, we propose some options.

2. Assessment of progress made

2.1 Institutional Strengthening

PSNP is on track in the different activities listed under the institutional strengthening component, even though major efforts were needed following the reorganisation of the government at the provincial level post the devolution plan. One task foreseen in work plan was the organisation of the mid-term review of the Sarhad Provincial Conservation Strategy itself. The GoNWFP and IUCN Pakistan have used lessons learned from the National Conservation Strategy MTR to develop this particular review. An SPCS MTR Steering Committee has been notified, an SPCS Coordinator from both the government and IUCN side been nominated, a 3-member external review team appointed and the review process finalised. The exercise started in mid of 2003 and will continue till the end of the year.

Feedback suggests that the SPCS MTR should have started earlier, in 2002, as its in-depth and evaluative approach to the SPCS would have assisted in focusing the exit phase of the SPCS IV project. It is unfortunate that preoccupations with getting SPCS IV established should have drawn attention away from this exercise. Since the final report and recommendations will be completed by the end of 2003 and be approved within the first quarter of 2004, PSNP will have very little time to advocate for the implementation of the main suggestions.

However provided that the MTR is forward looking and covers the devolution process at the district level, its recommendations will be very useful in integrating environment into development planning at the district level. It will be also be interesting to see if the assumption that SPCS is a valid and applicable planning instrument at the district level is true and under what conditions.

Recommendation:

The MTR team recommends that the SPCS MTR should revisit the underlying assumption that the SPCS is the planning instrument for sustainable development at the provincial level. Lessons learnt from the overall SPCS MTR will be of crucial importance for understanding the role of national and sub-national conservation strategies as overall sustainable development mechanisms and to adapt the approach at the district level.

Beside organising the SPCS MTR, the main focus of PSNP has been on forestry, agriculture and land use planning support.

A draft National Forest Policy, developed after a consultative process and currently being debated at the Federal Government level, is expected to lay the foundation of a more comprehensive and integrated management of forests in Pakistan, which would be in compliance with international commitments under various conventions and treaties.

The support to the Agriculture Department for conceptualising the outline of a Sustainable Agriculture Policy resulted in deepening the sense of ownership and preparedness in the department to undertake the actual exercise. The process is expected to result in a broad framework of engagement in agriculture for the public sector as well as provide an enabling environment for civil society.

The development of a PC-I for a province-wide Land Use Planning and Zoning Project, has already resulted in the relocation of its institutional home to the Local Government and Rural Development Department, where as per Rules of Business, it actually belongs. The resultant framework, would lead to a more sustainable use of land resources in the province

Feedback from government shows a great deal of satisfaction in the work accomplished. Some stakeholders did mention that IUCN's technical capacity was not always readily available and that it should refrain from overextending its resources.

Recommendation:

The MTR team recommends that IUCN only focus on the sectors or areas where it can really deliver value added knowledge, systems or processes and establish strong partnerships in or outside Pakistan on issues which are outside its original or current core business and programme.

2.2 Core Competencies

To complement support being provided under SPCS IV, assistance has been provided to the EPA to enhance the effectiveness of their legal and technical instruments, such as Environmental Protection Orders, for ensuring compliance with PEPA 97 by the local industry. This is building on the experiences of EPAs in the other provinces, who have had their EPOs challenged by the offending industry and rejected.

Also, after some advocacy, the large-scale Malakand Rural Development Project has agreed to work with IUCNP to develop their staff capacity in environmental assessment and to operationalise the environmental guidelines and checklists being developed under SPCS IV.

To support capacity and skills enhancement of select partners, the programme continued to build on the earlier work carried out by various IUCN initiatives in Northern Pakistan. Technical inputs and support were provided to the Bureau of Curriculum, Abbottabad for the development of environmental education curriculum for Class 9-10 and 11-12, building on similar type of work by the NACS Support Project with the Northern Areas Education Department. In order to create openings to replicate and expand environmental education in teacher education, the team organised two orientation workshops for Provincial Institute of Teachers' Education and Institute of Education and Research responsible for staff development of elementary and secondary education respectively.

IUCN, in its role as knowledge promoter, has also been encouraging discussion and debate on emerging and important global issues that have significant consequences for Pakistan. Discussions have been held on WSSD, poverty and WTO and TRIPs. The latter, carried out in

partnership with the Agriculture Department contributed towards the establishment of a WTO Cell in the department.

It appears most of the capacity building work has been carried out with the government departments and less with CSOs. However, given the uneven capacity of CSOs in the NWFP, it may be better to focus efforts on this sector.

Discussion and debate on select emerging environmental issues such as: WTO, drought, nexus between poverty and environment, poverty and sustainable livelihoods, adopting the landscape approach in mountain areas, rehabilitating key forest, water, and dryland ecosystems, and forward and backward linkage between uplands and lowlands have been appreciated. The model of bringing in external partners on specific important issue seems to be a good use of IUCN's networking function.

Recommendations:

Reduce the number of intervention and increase focus on strategic umbrella civil society organisations or projects to strengthen their environmental knowledge base and skills level with a special reference to their select programmes and activities.

Increase assistance to the three districts of Abbottabad, Chitral and D. I. Khan, targeting new knowledge and capacity building at major and influential stakeholders for each district (CSOs, private sector, academia and district government).

2.3 Mobilising Finances

PSNP has helped foster linkages between many small-scale civil society organisations and the relevant organisations – the Pakistan Poverty Alleviation Fund, UNDP Small Grants Programme, Japanese Grassroots Assistance Programme, National Environment Action Plan Support Programme, and the Trust for Voluntary Organisations. Since most of the CSO partners are small and under-resourced, PSNP has also offered technical support to them. As a result, partners have developed a number of environment-related proposals; some of them have matured for funding and others are being negotiated.

Since many of the CSOs felt this was useful work, IUCN needs to share its experiences with the larger umbrella CSOs in the NWFP and the NAs and encourage them to take over this work. The fundraising activity implies training in several fields such as project formulation, budget development, log frame analysis matrices and institutional building. As such training is not part of its core business, IUCN should slowly phase out of this activity as it does not have the staff strength to deal with a large number of stakeholders with differing demands.

Given the focus on PRSP, education and health, IUCN should build strategic alliances with the other CSOs/projects to influence donor priorities and major public/private sector initiatives towards sustainable development by highlighting the link between environment and poverty, social sectors, decentralisation reforms and so on. For the medium term, IUCN's efforts should be to keep the sustainable development/conservation agenda high by linking natural resource related work with poverty reduction strategies and plans.

PSNP has done some groundwork to explore ways to reorient existing financial mechanisms. It has conducted an environmental responsibility survey of leading providers of financial services, has identified innovative mechanisms for mobilising funds for sustainable development and advocated with one financial institution, The Bank of Khyber, to green its loan portfolio and

possibly, issue green credit cards. It is difficult however to identify if the move by the Bank is being done for charity purposes or is based on a real understanding of the importance of putting more emphasis on sustainable investment. The MTR is not convinced that these efforts will have a large impact in the Province.

Recommendations:

IUCN should assess its resource mobilisation support to small-scale CSOs, and phase out by June 2004, while encouraging other strategic partners either from the civil society or from the private sector to pick up this important work.

IUCN should ‘close the communication loop’ with its stakeholders. It should analyse its learning through its work and share it with partners in an effort to pass on the learning and to indicate that it is moving out of this sector of work.

IUCN should focus on building strategic alliances with larger scale CSOs, to advocate that funds for natural resource related work by communities is accessible through the Pakistan Poverty Alleviation Fund.

IUCN should reorganise its strategy in targeting the private sector in terms of key players in the province not only as charitable funding partners but in order to influence their pattern of behaviour towards more sustainability in investments and business management as a whole.

IUCN should try and demonstrate SD principles at the district level through a funding mechanism that emulates the way district budgets are developed and used.

2.4 Knowledge Management

There has been some interesting work on developing the learning, remembering and reorientation skills of IUCN and its partners. Some of the major initiatives include: support to the publication of *Moving the Frontier: The Story of the Sarhad Provincial Conservation Strategy*, a review of the development of the Sarhad Provincial Conservation Strategy and the challenges faced during this process; help in formulation of a generic sub-national Biodiversity Action Plan that could be used in other countries and study on lessons learnt and replicable practices from successful NRM projects in Northern Pakistan. The latter is interesting in that it is the first collation of experiences of NRM projects in the Sarhad and NAs. IUCN plans to disseminate these widely as a means to learning from past experiences: why they were successful and what were the obstacles along the way.

The objective of PSNP was to replicate experiences not only from within IUCN but from without also. Interesting activities on integrated natural resources management have taken place in northern Pakistan; other organisations have been successful in alleviating poverty through integrated rural development. These experiences could be shared through the IUCN’s wider information channels and networks.

Recommendation:

IUCN should develop a strong communication strategy targeted at key stakeholders to disseminate not only its programme and its learning through the SPCS IV work but the experience of others in complementary fields as well.

2.5 Decentralised Planning

Drawing on IUCN's experiences in Abbottabad and Chitral, it was decided to replicate the process in a shorter time period in one or two districts. Two districts (D. I. Khan and Nowshera) were short-listed and the commitment secured from the Zilla council of D. I. Khan for the process. Two other organisations working in the district, SDC-IC and The World Bank's Water & Sanitation Program, have been contacted to support and backstop the process. In the second district, Nowshera, the district government has been approached for formulating their integrated vision as part of their regular annual development planning cycle and there is considerable interest.

At the provincial level, the Local Government and Rural Development Department is responsible for back stopping the districts in their efforts to develop a 'vision'. They need to be involved in the process in D. I. Khan and Nowshera, to build their capacity to support the other districts in the NWFP in developing their visions. This activity should include a monitoring process that would allow the lessons learned to be quickly translated into on-going work.

The IUCN programmes in Balochistan and Sindh have also benefited from the lessons learned by Sarhad programme for district visioning and strategy work in their respective areas. Balochistan used the Sarhad district selection criteria to develop their own and may follow the district visioning process. Since the NAs are at a different stage of evolution, the district level work does not apply to them as yet.

The district level work will require additional efforts to develop a replicable and sustainable development planning model that integrates consultative processes with hard, scientific data. This policy and strategic work must be counterbalanced with concrete examples of NRM practices and solutions that enhance productivity in the rural areas. A few practical answers to common governance problems would not only promote the SPCS message in the districts but any new planning tool (PRSPs) as well.

Monitoring tools for measuring the change in key environment and social trends must be put in place at the district level to avoid falling in the same unrealised expectations as at the provincial level.

Recommendations:

Develop guidelines for undertaking DCSs, while involving the provincial Local Government and Rural Development Department, the institutional home for the 'visioning' exercise. These guidelines should include a simple and shared 'performance management' monitoring indicators process.

Lessons from the district level strategy work should also be shared with the departments involved in PRSP work so that they can build on these experiences.

Before the end of this phase, IUCN should assist the districts to develop concrete, precise and focused examples of integrated management practices that resolves common governance problems at the grassroots level.

2.6 Networking, Catalysing and Awareness

PSNP has endeavoured to provide support to key civil society partners in policy research and awareness raising initiatives to create a positive impact on decision making for sustainable development. In this regard, it has provided support, at different levels, to relevant forums and institutions like the Sarhad Conservation Network, Pakistan Environment Protection Foundation, LEAD Pakistan, Sarhad EPA, NRDF and the Peshawar Press Club.

Numerous actions were realised, publication of leaflets undertaken and distributed. However the MTR team did not perceive a structured approach to the different levels of intervention (macro, meso, micro) nor a differentiation of approach between awareness and 'catalytic' work. Taking into account the limited means available, a selective approach towards strategic players should be designed to maximise impact and efficiency.

Recommendations:

IUCN should improve its outreach to strategic players within academia, private sector, the press and the government to influence the 'bigger' trends (PRSP, governance).

IUCN should focus on completing the environmental education work targeted at primary schooling and find new partners to pursue this work.

IUCN should focus on those academic institutions or organisations that can produce baseline data for sustainability indicators.

3. IUCN Pakistan

The scope and mandate of PSNP has been taken to include IUCN Pakistan's national forest programme based in the Sarhad Office and the portfolio managed by the IUCN Pakistan Northern Areas Programme office in Gilgit.

3.1 IUCN Institutional Strengthening

Over the years, IUCN Pakistan has developed human resource, financial and administrative systems and processes that could service a larger and more mature organisation. The next evolution was taken in September 2001, of decentralising select programme, financial and human resource responsibilities to the other offices, including the Sarhad Office; this was following a Programme and Management Review in April 2001. Both the SPCS Manager and Office Head became part of the Senior Management Group in IUCN, which decides on policy and advocacy aspects of the Country Programme. Equally, the Sarhad Office is represented in the group developing a strategic direction for the IUCN Pakistan Programme.

As part of the forums set up to discuss programme issues, the Northern Pakistan Managers' Forum has met three times to discuss common problems and brainstorm on solutions among the different projects in Northern Pakistan. It brings together managers from SPCS IV, PSNP, ACS, CCS, the Northern Areas Office, and the two MACP offices in Chitral and Gilgit.

Feedback from partners and MTR team's own experience suggests that the office in the NWFP is operating well. Harmonisation and coherence between the two programmes in the north and with the national Programme is taking shape through various mechanisms.

Regular contact is maintained with the public sector partners and discussions have taken place with the political leadership. However, in the MTR team's estimation, the dialogue with the most senior levels of government in the NWFP has not been as sufficient as possible or as close. This has had its consequences in that IUCN will have to invest heavily in convincing the provincial government that it has a role to play in the new trends shaping current work, that is, in poverty alleviation, good governance and the social sectors. The frequent change at the highest level within the public sector makes it imperative that mutual confidence at this level between GoNWFP and IUCN is maintained through constant dialogue.

Recommendations:

IUCN should consider if its integration and harmonisation processes have to be done on national level and if specific efforts integrating the teams operating in the North only, are necessary¹.

IUCN should take the necessary steps to improve the quality of the dialogue with the most senior levels of government in the NWFP.

3.2 IUCN Forest Programme

IUCN Pakistan has also based its national forest programme in the Sarhad Office. Together with SPCS IV, the forest programme worked on formulating various rules for the NWFP Forest Ordinance 2002, reviewing NWFP's Forest Vision 2025 and strengthening the NWFP Forestry RT. Other activities carried out by the programme include two case studies on community management of forests (one each in the NWFP and NAs), and technical input to several government initiatives in the forestry sector e.g. input into a funding proposal on a Northern Areas Natural Resources Inventory and into a funding proposal on Pilot Project on Restoration of Private Forest in NAs. The forest programme has also developed a national forest programme framework that includes a portfolio of 10 projects concepts for marketing to donors.

The one-person forest programme has suffered from changing staff. The first head had to move to the Gilgit as Head, Northern Areas Programme Office and the second, back to his previous position as the Field Manager, Dir-Kohistan Project, Environmental Rehabilitation in NWFP and Punjab. Several rounds of interviews have yet to yield a suitable candidate for the position.

Recommendation:

Ensure that the forest and agriculture policy work is completed and handed over to the respective government departments by June 2004.

Develop new proposal jointly with partners who will be in a position to implement these proposals. MTR would not recommend IUCN to build up additional capacity in its offices to implement forest projects.

3.3 IUCN Developing Core Competencies

IUCN Pakistan views its staff as its most important asset and has tried to commit funds towards training and skill development. Under PSNP, a comprehensive training needs assessment of staff in Northern Pakistan was carried out. Following this, staff has been offered training in project development/management and technical skills. Also, a secondment from the Sarhad Office to the

¹ ***see as well chapt.4.***

Country Office and Islamabad Office was used to build PSNP capacity in environmental economics and poverty-environment linkages and tapping learning through the NCS-MTR.

Recommendation:

IUCN should rethink its capacity development plan to focus on skills needed in the future programme. IUCN should analyse what training is absolute necessary to carry out in house and what can be outsourced to close partners or to the private sector or university.

3.4 IUCN Knowledge Management

IUCN has explored knowledge management through two different avenues: forums bringing together staff and information technology. In the former area the Strategies Support Panel (SSP), a forum for discussing conservation strategies and their further evolution, was revived and after intensive debate, recommended that the proposed Northern Areas Conservation Strategy and the Abbottabad Conservation Strategy be restructured into strategies for sustainable development. The panel also recommended that the experience of the two NWFP district strategies be used to develop the process towards a 'vision' for D. I. Khan and the two districts IUCNP is going to work in, in Balochistan.

This revival of SSP and the debate it has engendered, especially the cross-fertilisation of experiences and lessons between SPCS and Northern Areas has been a significant achievement of the project in terms of capitalisation of experiences between different programmes in Northern Pakistan.

The second avenue towards IUCN Pakistan becoming a genuine 'learning' organisation was exploring how IT could be used for 'knowledge management'. As a start a paper on 'learning and feedback systems for PSNP and IUCNP' was developed as a first step towards a web-based Knowledge Management System. The latter will feature a best practices database, executive information system and soft copies of all project related work.

However what ever system is built, IUCN must ensure that the information can be shared with its members and partners. It should include some learning from its international network.

Recommendation:

IUCN needs to capture learning from IUCN and non-IUCN initiatives, internalise and disseminate.

IUCN as a membership organisation should build its learning system in such a way that it reinforce learning within its members and close partners as well.

3.5 Gender and IUCN

IUCN Pakistan has adopted the IUCN global gender policy in the country and as part of the efforts to mainstream gender work within the programme, an assessment of gender training needs for IUCNP staff in Northern Pakistan was conducted. This was followed by a gender orientation workshop for all staff including participants from MACP and the Islamabad Programme Office. The Sarhad Office staff was also trained in developing gender checklists, in gender budgeting and in developing project indicators.

While this is positive, on the negative side, there is a lack of women staff within the IUCN Pakistan Sarhad Programme Office team and close partners.

Recommendation:

IUCN must try for a better gender balance within its staff to gain credibility in promoting gender issues. Practical steps as well as concrete and active measures have to be taken to change the ratio within the Peshawar office team.

3.6 IUCN management, monitoring and support mechanism

IUCN partners feel that the principle of subsidiarity is not being sufficiently applied within IUCN. The Sarhad Programme Office reporting system to the Country Office in terms of the global programme, budget, membership issues should be carefully examined so that wherever autonomy is possible, it should be given. Tensions exist between the necessity to have a global IUCN programme which can be recognized at the global level and the local needs and reality.

Both the SPCS IV and the PSNP are being documented through reports, notes to file, matrices, and numerous documents. As an example, more than 20 files plus detailed PowerPoint presentations were prepared for the MTR team; a three-member team did not have the capacity to plough its way through this important documentation. The new knowledge management tool might be of some help in solving this problem.

A steering committee was established and has been meeting twice since the beginning of this phase. The MTR estimates that at a beginning of a new phase such as the PSNP, regular strategic meeting should be maintained between PSNP direction, IUCNP and SDC.

Recommendation:

The MTR team calls for simplification, autonomy and subsidiarity principles to be applied within the overall IUCN structures and delegation of power, as greater efficiency in the use of resources might result from it.

IUCN should study how documenting processes can be optimised.

IUCN should ensure that regular strategic meetings are organised.

4. Financing the programme

The MTR Terms of Reference required the team to assess IUCN's capacity to meet the requirements of co-financing programme implementation.

In the dialogue with IUCN and based on internal IUCN documents and minutes of the PSNP Steering Committee meetings, the different aspects of programme co-financing were addressed several times. The topic came up for clarification on several occasions, with points of view being offered by both sides, IUCNP and SDC. The major issue was how to understand 'co-financing of the programme' and how project contributions can be perceived as contribution towards the general aim of the overall programme in the NWFP and in the Northern Areas.

The MTR addresses this point through three separate analyses:

- an assessment of IUCN's capacity to strengthen and expand the financial resource base for sustainable development in Northern Pakistan in general. On this aspect, please revert in chapter 2.3 of this report for a detailed assessment;
- an assessment of IUCN's capacity to strengthen **its own** financial resource base (4.1); and
- an assessment of the northern programme concept (4.2).

4.1 Financing the IUCNP Northern Programme

The PSNP framework required IUCNP to mobilise complementary support from sources other than SDC to meet the programme expenses. Clear quantitative objectives were stipulated in the initial document.

The Mission found different interpretations on this particular issue. According to the IUCN-SDC contract, IUCN would raise additional funding to complement the SDC funding either through project or programme funding. In December 2002/January 2003, the matter seemed to have been resolved by an arrangement to meet the co-funding requirements of PSNP through other project monies working towards the same objectives.

According to IUCN a final arrangement on this particular issue was reached at a May 30, 2003 meeting between IUCNP and SDC where a detailed explanation was proposed on how co-financing can be understood. The results were that activities funded through a series of projects financed by other donors could be considered as co-financing of PSNP and would meet SDC requirements. A detailed cost distribution was worked out to allocate funding from different donors to the 6 main PSNP objectives amounting to 36'122 USD for 2003.

MTR considered that this funding arrangement was to be seen as a short term solution valid up to the end of the contract (June 2004). According to MTR's understanding the expectations from SDC were oriented toward programme funding in the long term and *that a donor consortium for Northern Pakistan be established as an overall agenda for their investments in Northern Pakistan.*²

MTR estimates that IUCN has undertaken efforts in three fields:

- harmonization of PSNP in the North with the overall IUCN Programme, including improvement of internal coordination;
- allocation in PSNP work plans costs to be funded through other sources of income such as PEP or IUCN Asia funds; and
- fund raising for new projects in the North.

However in the MTR estimation, IUCNP has still to develop a comprehensive long term financial base to balance the SDC contribution. IUCNP has been able to secure project funding for activities aimed towards the overall goal for improve sustainability in the North. IUCNP will most probably meet the obligation in terms of volume of funding but will not meet the aim of developing an integrated northern programme.

Recommendation:

MTR estimates that IUCN has been able to identify sufficient project funding for the general aim of the PSNP until the end of the present contract (June 2004).

IUCN should revisit the concept of having an integrated programme in the North.

² See P. 17 Appendix II programme document (July 2001 – June 2004)

4.2 The IUCNP Programme in the North

IUCN has presented how complementary and mutually interlinked are its different programmes and projects in the northern part of Pakistan.

The MTR Mission has been able to identify that exchanges of experiences and group discussions have taken place at the manager level, and synergies have started to happen between different projects.

The Northern Areas Programme has both contributed to and benefited from the work being conducted in the NWFP. The NAs has been part of the forums created for Northern Pakistan and PSNP: the PSNP Steering Committee, the NPMF and the PSNP workplanning process. Staff was seconded to support the land use planning initiative in the NWFP and there was an exchange of forest professionals between the two areas. 'Modular' training, that is training over a period of time, through LEAD-P was offered to key partners in both areas and to staff from both offices. Concepts and background papers have been exchanged frequently, for example on innovative financial mechanisms and on the knowledge management system.

However, having been exposed to these different elements, the MTR did not get the impression of a coherent integrated Programme in the north. The NWFP programme is mainly concentrated on SPCS activity and the Northern Areas programme is composed of two projects, one on the Northern Areas Strategy for Sustainable Development process and the other on NA component of the Mountain Areas Conservancy Project.

In addition the government set-up is quite different in the two areas. In the NWFP, the provincial authorities are based in Peshawar and in the Northern Areas, authority is shared between Gilgit and the relevant Federal Authority in Islamabad. This represents the reality that IUCN has to work with and is one of reasons why the two regions are managed by two separate IUCN teams: one in Peshawar and one in Gilgit. The two areas of work in the North are quite complex and diverse, and the authorities and local population have strong individual identities. The partners operating in the North and in NWFP are not the same and have different approaches.

In addition the donor community (CIDA, NORAD) is not in favour of additional specific meetings on a sub-regional basis such as an artificial "Northern Programme". Taking into account the numerous meetings the donors have to attend, they would favour coordination on a national level. In addition the donor community would favour project funding and do find it difficult at this stage to allocate institutional programme / core contribution to an environmental organisation such as IUCN. The context in Pakistan has changed and key issues are now no longer environmental concerns or sustainable development but good governance, devolution of power, security and poverty alleviation. IUCN can contribute towards these themes but on project basis.

Finally IUCN has decided to launch a new global IUCN intersessional programme and has requested each national and regional office to contribute to it. IUCNP is in the process of redesigning its national programme which should be ready for donor presentation early October 2003. It was not foreseen within the national programme that there would be a sub-regional programme such as a Northern programme covering the NWFP and the Northern Area, neither in terms of structure nor in terms of programming.

Recommendation:

The MTR team recommends that IUCN revisit the validity of a Northern Programme in the light of the new IUCN Pakistan programming phase and in the light of its structural

arrangement. The programme if there is any, in the North should make sense in terms of coherence of objectives, structure and financial viability.

5. Vision for IUCN Pakistan in the NWFP and Northern Areas

The general situation in the NWFP is challenging in economic terms, as well as politically and socially. The environmental situation continues to deteriorate and while the concept of sustainable development is understood by many, concrete application of its principles need to be more visible. New concerns such as poverty alleviation are emerging and coming to the forefront and political tensions and pressure at the international level need careful management by the government. IUCN has done important work in assisting the GoNWFP move towards holistic integrated development planning. However, adapting to the new context and trends has to be undertaken.

IUCN has several strengths to meet this challenge:

- Unusual ability to engage with government on policy issues
- Strong relationship with stakeholders
- High quality, professional team including support staff
- Understanding of international issues
- Openness and transparency in operations
- Organisation of high standards

The key element is confidence building at the highest level in the Province. At this stage, the MTR has the impression that the dialogue has been concentrating on institutional mechanisms, on policy issues, on knowledge but not enough on the overall affairs at the provincial level.

The MTR team has the impression that IUCN is engaged in very many fields, providing advice to many departments on policy and field issues besides engaging with CSOs, the private sector academia and the press. Active on all fronts, IUCN is trying to answer to too many partners, with too many expectations.

The devolution of power has created new and additional expectations, demanding concrete and visible translations of sustainable development concepts. The validity of policy needs to be demonstrated in the field and impacts have to be seen. The IUCN-initiated grassroots consultation process has now to return back to the district with new ideas, thus closing the loop, but the next stage of implementation has still to be undertaken. Whilst the concept of sustainable development remains totally valid, it needs to be adapted in the context of PRSP and the devolution of power.

In order to be in a position to meet these challenges, IUCN needs to articulate its 'vision' for the next 4 years. A clear strategic and limited focus has to be chosen in order to measure effects and impacts. In this vision, the link between poverty and environment must be clearly spelled out.

IUCN has to reflect and decide on several issues such as:

1. **Leave the responsibility of the SPCS in the hands of the government.** The government is in the driving seat in terms of planning and development. IUCN can assist and should continue to do so in terms of policy advice and training, on request.
2. **Regain the capacity of being able to conduct dialogues at the highest level in the provincial government.** This is still possible given IUCN's reputation for value added and good quality work.

3. **Concentrate on a few specific issues, if possible, at different levels.** IUCN has the ability to work at many different levels - national, provincial and district. It must balance its policy work with implementation or demonstration projects, developing concrete solutions to common governance problems, so that the practical application of policies developed during these last 10 years, particularly at the district level, can be seen.
4. **IUCN has to form limited and strategic strong alliances** in the province and on the national level to improve its effectiveness, particularly in fields outside its traditional strength such as economics and trade. IUCN should not build this capacity within itself.
5. **IUCN must reduce its size to become a robust and agile organisation.** IUCN must have the means to outsource tasks or services, wherever possible, to multiple partners, NGOs or the private sector available in Pakistan or in the region.

Several specific steps have to be carried out at the provincial and district levels.

IUCN needs to focus on policy work in selected areas at the national and provincial level. At the provincial level, its main partners would remain the P&DD and LG&RD. The focus would be on training and on developing monitoring indicators, taking into account the limited resources within P&DD. The training component should be integrated, if possible, in a training scheme run by the government.

At the district level, IUCN should assist in the implementation of the district strategies and work with its partners to **demonstrate** that local level governance can improve the environment and the wellbeing of the people concerned.

A monitoring instrument adapted for these different levels has to be established and data regularly produced for it.

There are risks to this strategy. As the IUCN programme loses the SPCS project and becomes smaller, its voice on policy may become less pronounced. After 12 years of work on the SPCS, the shift to a programme that is more district and field oriented may face difficulties, particularly as expertise in poverty reduction work is limited. As an institution, IUCN has worked mainly with government and less so with the CSO sector. The shift towards more balance among stakeholders would have to be done carefully.

Recommendations:

IUCN has to take the opportunity of the closure of the SPCS support projects to redesign its programme in NWFP and in the Northern Areas adapting it to the current context and to the expectations at the district level.

IUCN has to take the necessary steps to reinforce the quality of its dialogue at the highest level within the GoNWFP, including the ACS, to examine the major issues and needs at this level.

IUCN's focus should be balanced between the provincial and district level and between policy work and field level assistance at the district level.

IUCN should be instrumental in assisting the provincial authorities decide what elements of policies can be decentralised to the district level and what should be kept at the provincial or national level.

At the provincial level, it should continue to advise on a limited number of key policy instruments, particularly in the areas of forests, water and drylands. This programme will have to integrate the PRSP components. The focus should be on the P&DD and on LG&RDD.

On the CSO front, strategic alliances with a number of umbrella CSOs should be built up; the same would apply to large projects and the private sector.

By the end of SPCS IV and PSNP, IUCN should establish a strong partnership with one or two key actors active in poverty alleviation to avoid building up additional capacity within its own structure.

At the district level, the focus should be on implementation of the vision of the district councils in Chitral, Abbottabad and D.I.Khan, possibly through approaches such as landscape management and on key areas such as water, forests, or drylands depending on the specific situation of each district. This district work could form the backbone of a programme around which the different activities could be concentrated at the district level whilst maintaining and improving the quality of dialogue at the provincial level

IUCN thanks to its well established policy level dialog and through a well identified partnership at the grassroots level, could reinforce policies and programmes (top down approach) with local synergies and initiatives (bottom-up approach). The MTR estimates that IUCNP needs help to orient its programme in the right direction. To reach the poor in rural areas and incorporate poverty in the programme, IUCN could seek SDC expertise in terms of an analytical framework and a concrete approach. IUCN should not become a social welfare oriented organisation but should integrate and adapt its environmental expertise in such a way that its actual academic reflection on environment and poverty is enriched by field work. IUCN by having a balance between work at policy level and in the field will be in a position to make a difference in NWFP and in Northern Areas.

The mission recommends that **SDC** assists IUCN in the planning phase of the new programme in the NWFP and in the Northern areas. The integration of poverty issues in the new program in the Sarhad and Northern Areas might be done either by the provision of regular expertise in the design of the new programme or, if funds permit, by seconding a senior expert on poverty/environment related issues for a 2 year period, or both. If acceptable, the design of the programme should start in October 2003.

The mission recommends that the SDC consider assisting the GoNWFP for another 3 years through 1) an SPCS position within P&DD to ensure coordination of the remaining SPCS mechanisms and 2) training and internship programmes.

The Mission also recommends that SDC assists IUCN to link more closely with multilaterals such as the World Bank and ADB to integrate principles of sustainable development into their assistance programmes to Pakistan. Monitoring of this point would be a good indicator.

MTR recommends that SDC opens the dialogue for an institution-building programme contribution to IUCN at the national level. The design and objectives of this programme should be clearly differentiated from programme contribution in the district or provincial levels.

Berne, 3 October 2003.