

**Canadian International
Development Agency**

**Royal Netherlands
Embassy**

Pakistan Environment Program (PEP)

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

Monitoring Team:

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EXECUTIVE SUMMARY

Expected output results:

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

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

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

Themes and issues:

Policy issues:

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

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

Core themes

The future challenges in the water area require immediate up-gradation of the institutions capabilities and broadening the scope of such analysis with a clear national agenda.

Much of the policy support on industry will have to be targeted at the provincial level. Setting up a few select areas and developing the needed partnership for providing quality engagement of PEP will be a step in the right direction.

Advocacy

While considerable attention has been paid on highlighting some of the important environmental concerns to a segment of the civil society, greater attention will be needed in future to identify, document and make available “**World best practices**” suited to the Pakistani context.

In future only those activities that were undertaken specifically under a “PEP based environment bias” be documented under the activities and outputs matrix prepared for review by the monitoring missions.

Capacity Enhancement

IUCNP was involved in several internal organisational review exercises. It concerned the consistency of IUCNP’s programme coordination, the implementation of its intercessional plan, and its corporate communication strategy. Clarification is needed about the relevance of these exercises in PEP and also a cost-benefit analysis should be carried out for such exercises.

IUCNP coordinates and supports its PEP Partners in programme implementation. Assistance was given in putting up policy documents and in procuring equipment, where procedural bottlenecks were removed. Also integrated work plans and progress reporting was facilitated.

IUCNP has signed with each partner MoU’s, in which their roles and responsibilities are outlined. More clarity is however needed about IUCNP’s

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

Gender

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

Institutions:

NCS Unit

IUCNP must exert its coordination role and must help to improve NCS.8(t)-6.7(or2s7(othas co)-6)-6..5(kee1.1558 T

forward by proposing innovative strategic steps. This Unit could be involved in proving a new vision in the implementation of th8(o)7mi NCSinv

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

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

Performance Monitoring

It is proposed that at the time of finalizing the Performance Measurement Framework at least 2 outside observers with strong skills in performance and beneficiary monitoring be engaged for the workshop to provide critique of the indicators and the overall framework. Perhaps the single most important aspect will be to make the whole framework "pragmatic" as to what is doable with existing skills and what will have the most impact in improving the performance of the project during the remainder period.

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1. INTRODUCTION

1.1 OBJECTIVES 2ND MONITORING MISSION

The 1st PEP Monitoring Mission was conducted from October 20th to 31st 2003 of which activities

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

1.3 BACKGROUND INFORMATION

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

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

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

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

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

Table 1: PEP - CIDA

PEP (local expenditures)	July 1994 to June 2002	9 383 063
PEP (Technical Assistance – Cowater)	July 1999 to June 2002	5 063 874
PEP Extension	November 2002 to November 2005	4 238 063
Total CIDA Contribution		18 685 000

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

Table 2: PEP - RNE

PEP Capitalising on Capacities	February 2004 to February 2007	150 000 000
Total RNE Contribution		150 000 000

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

PEP Extension extended programmatic support to the following new units:

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

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

<i>Key Issues</i>	<i>Status</i>
i.e., CIDA and RNE	the Annual work plan (2004). Common formats have been developed for forecasting and expenditure reporting.

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

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

2.2 PROGRAMME OVERVIEW

2.2.1 Programme Core Themes

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

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

Moving to core themes:

Water

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

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

SDPI highlighted the issue of water quality by sensitizing journalists about the Hyderabadh ed004 ode7its ce011 Twd20.5dT

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

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

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

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

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

Training

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

Mobilisation external expertise

Specific expertise was needed on short notice. Short-te

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

Governmental Partners

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

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

SDPI

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

Government

The Resource Centre of NCS Unit is an attempt to provide an information technology supported resource centre which would be accessible by interested stakeholders in the public sector as well as civil society. It would also house research fellows, to be sponsored by the private sector. NCS Unit should identify indicators by which it will be able to measure the centre's performance.

Efforts also continued to improve the understanding of public sector partners' (NCS Unit and Environment Section) role and functions within the institutional framework of their respective ministries. Initiatives included collaborations with the Ministry of Education on environmental education, and essay and poster competitions among school children on Environment and Earth Days.

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

IUCNP's input into the World Parks Congress and support to the Asia Regional Conservation Forum contributed towards an expanded constituency and knowledge base for environment.

IUCNP have 23 members in Pakistan which constitute Pakistan National Committee of IUNC members. Six IUCN Commissions, based in Pakistan, have 87 members from Pakistan.

IUCNP work with many partners in the country. IUCN does not have an internal strategy on constituency. Without a strategy, IUCNP will ha

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

Table 4: Disbursements, NCS

PEP Partners	Dec 2002 - Dec 2003			Jan – June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CD\$	CD\$		CD\$	CD\$		PKR	PKR	
Staff	0	0	-	0	0	-	0	-	-
Operations	54 699	16 270	29.7	38 838	4 830	12.4	0	-	-
Activities	67 966	20 216	29.7	84 000	20 769	24.7	0	-	-
Equipment	10 176	3 027	29.7	0	5 179		0	-	-
			29.7			25.1			-

Disbursements are low. Many reasons can explain this situation:

- Ø Lack of commitment to deliver specific PEP activities: The NCS Unit may be to busy with

The Environmental Wing briefed the mission on the reallocation of tasks within the Ministry of Environment. No official communication on this decision has been issued, either to PEP or to IUCNP.

Initial work on institutional strengthening through developing systems and hiring some short-term staff has started.

A declamation contact was arranged among Islamabad's schools and colleges in connection with the World Environment Day celebrations.

The study to countercheck the reported discharge and emissions from selected industries under SMART has started.

An investigation into water contamination incidence at Hyderabad has been made.

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

Table 6: Disbursements, EPA

PEP Partners	Dec 2002 - Dec 2003			Jan – June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CD\$	CD\$		CD\$	CD\$		PKR	PKR	
Staff	0	0		0	0		2 100 000	0	0.0
Operations	0	0		0	0		200 000	0	0.0
Activities	0	0		0	0		390 000	0	0.0

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

The GoP Finance Division has not yet approved all the positions at the Environment Section on a permanent basis through its regular Revenue Budget. Finalization of service rules is under process. Environment Section is supported by PEP on the understanding that the government would take over the financial responsibility by the end of the project. The Federal Planning Commission has shown commitment towards the ES at the highest levels and is in the process of regularizing its entire staff. Some of their staff has been regularized as government employees to date; others are in the

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

2.2.2.6.1 Programme Coordination

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

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

David Sheppard (Head, IUCNP HQ Protected Areas Programme) and Kishore Rao (Head, Asia Regional Protected Areas Programme) came to Pakistan to facilitate a national consultation on "Protected Areas in Pakistan towards Effectiveness".

The IUCNP Programme Coordinator ad interim participated in the Regional Programme Coordinators meeting in January at Asia Regional Office.

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

Table 10: Disbursements, Programme Coordination Division

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CD\$	CD\$		CD\$	CD\$		PKR	PKR	
Staff	93 573	50 537	54.0	69 992	47 915	68.5	629 840	168 528	26.8
Operations	18 230	14 058	77.1	13 636	8 593	63.0	420 776	34 354	8.2
Activities	15 131	17 918	118.4	11 318	7 733	68.3	2 550 000	88 835	3.5

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

The Programme Coordination Division did not spend sufficient time on specific activities

development planning and processes in Pakistan. The Environmental Economics Programme's vision refers to a more efficient, equitable and sustainable management of ecosystem goods and services in Pakistan resulting from the integration of economic concerns and measures into conservation and development policy, planning and practice. The Environmental Law Programme focus is about implementation of laws for the conservation and the sustainable development of natural resources based on a strong legal foundation and infrastruc

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

2.2.2.6.4 Ecosystem Management Group

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

Table 13: Disbursements, Ecosystem Management Group

Program	Jan - June 2004											
	CIDA Budget			CIDA Exp			RNE Budget			RNE Exp		
	CD\$	CD\$	%	CD\$	CD\$	%	PKR	PKR	%	PKR	PKR	%
Staff	61 390	30 574	49.8	45 920	12 144	26.5	2 625 231	290 330	11.1			
Operations	13 673	5 759	42.1	10 228	3 149	30.8	842 876	123 094	14.6			
Activities	10 808	1 961	18.1	8 084	1 835	22.7	750 000	0	0.0			

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

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

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

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

Table 14: Disbursements, Policy & Constituency Development Division

PEP Partners	Dec 2002 - Dec 2003			Jan - June 2004					
	CIDA Budget	CIDA Exp	%	CIDA Budget	CIDA Exp	%	RNE Budget	RNE Exp	%
	CD\$	CD\$		CD\$	CD\$		PKR	PKR	
Staff	72 540	41 268	56.9	54 260	25 359	46.7	129 269	21 444	16.6
Operations	16 202	19 098	117.9	12 119	3 950	32.6	162 215	4 177	2.6
Activities	14 240	9 409	66.1	10 652	7 369	69.2	2 530 000	0	0.0

Expenditure for the two first quarters of Year 2004 is at 47.6% for CIDA funds and 1% for RNE funds. Some of the planned activities have been

Overall successful implementation of the various activities in yearly work plans: PEP Extension has been able to fulfil its contractual obligations. Most activities and components in work plans have or will be implemented. Capacities of the PEP Partners have been enhanced, especially IUCNP, SDPI and the Environment Section of the Federal Planning Commission. PEP has been able to build the

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
	and administrative assistance to other IUCNP projects enabled them to have better liaison with the Government of Pakistan and donors.	
Output 1.5. Improved and effective existing core capacities of the Environment Wing, MoE	Though mainly focusing on take-off, the Wing has tried to quicken the implementation by acquiring short-term technical assistance from a Dutch consultant. This will benefit the Wing in two ways: (1) enhancing hands-on capacity of the regular staff of the Wing and (2) developing a national plan of action on water related recommendations of WSSD.	X
Output 1.6. Improved and effective existing core capacities of the Pak EPA	The Pak EPA, having sufficient technical expertise to implement the programme, has moved forward to put a check on air pollution in Islamabad. The spade work for launching its mobile motor-vehicular emission testing laboratory has been initiated with procurement of vehicles and equipment. Necessary recruitments have also been planned as soon as lab is in place. It would result in a strengthened federal EPA, assisting the provincial counterparts in enhancing their capacity.	X

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
	ever effort at the district level, through a joint effort of IUCNP and the Environment Section.	

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
select primary schooling and tertiary institutes	Curriculum has been approached. The Bureau is looking forward to close	

Expected Output Results	Progress reported by PEP Partners as of June 2004	Score
<p>Output 5.1. Increased and diversified financial support for PEP related initiatives at large</p>	<p>Taraqqi, Pakistan Environment Digest, working papers, research papers, policy papers, policy briefs, monographs, books and other information material related to SDPI's research agenda. These research papers and news bulletins were also translated, published and disseminated in Urdu, Punjabi, Sindhi, Balochi and Pushto for wider outreach of SDPI's research agenda.</p> <p>Realising the shift of publication media from paper to electronic and digital forms, and the need to cater the users' needs SDPI's Resource Centre has started work on developing a virtual library. Initially the available electronic and digital resources, i.e., CD-ROM databases and full-text resources would be made accessible through a window on SDPI website.</p> <p>The programme results are being supplemented through seeking approval of two large environmental initiatives at an approximate cost of Rs. 235 million.</p> <p>The Pak EPA submitted proposals for (1) Clean Drinking Water Initiative, and (2) Capacity Building of Provincial EPAs. These proposals will be approved in the next meeting of CDWP.</p> <p>A higher priority was accorded to environmental project proposals by virtue of membership of the Environment Section at two key projbd.9(a)40E,e1tk-2n bein.9(e(rums8.7(11(CDWP)5.5(.4(</p>	

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

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

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

In the CIDA Project Organizational Chart, the Project Advisory Committee (PAC) is highlighted as

PEP management in Islamabad should oversee all PEP activities and should the have authority to make sure PEP activities are conducted as to the work plans.
Decision-making with respect to the components of the programme was not sufficiently

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

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

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

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

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

3.4 FINANCIAL SYSTEMS

3.4.1 Auditing

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

There is no mechanism in place for internal audit of the accounts of different PEP Partners. Recently, one of the partners has requested an increase in expenses incurred from January to June 2004 in the amount of more than \$85K due to miscoding of activities. With the project ending in November 2005, it is recommended that CIDA conducts a fourth audit in the coming months. The financial accounting systems need to be streamlined and regularized. All international travel should be clearly stated in the yearly work plan and approved by RNE and/or CIDA.

It may not be feasible to develop procedures to recruit international experts at this moment since the CIDA funding is ending in November 2005. This request should be further studied

Table 18: Programme Expenditure and Forecast (CIDA)

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

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

3.6 PERFORMANCE MONITORING FRAMEWORK

PEP management has prepared a performance measurement framework based on the LFA and recommendation of the 1st Monitoring Mission Report. The general indicators that need to be captured have already been identified in that

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

3.7 RISKS AND RISK MANAGEMENT

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

Risk management will now require a shift in approach from one of doing too much to doing more focused work with a high quality bias. The project has to be innovative in identifying and relating to emerging trends to ensure long term sustainability of the effort. It will require forward

APPENDIX A: PEOPLE CONSULTED

Ministry of Environment

Major (R) Tahir Iqbal, Federal Minister for Environment

Mr Javed Hassan Aly, Secretary, Ministry of Environment

Ms Shaher Bano Walajali, Deputy Secretary, NCS Unit

Mr Jawed Ali Khan, Director (PEPC)

Mr Abdul Hameed, Joint Secretary/ Director General (Environment)

Mr Zahir Shah Mohamand, Deputy Secretary, Environment Wing

Mr Rizwan Irshad, Technical Officer, Forestry Wing

Dr Muhammad Khurshid, Biodiversity Specialist, Mountain Areas Conservancy Project

Mr Ahmad Jan Malik, SO NCS, PEP Focal Point

Mr Irfan Anjum, Section Officer, Environment Wing

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

APPENDIX B: SCHEDULE FOR 2ND MONITORING MISSION



APPENDIX C: FINANCIAL DATA

Table 19: Budget Status as of June 30, 2004

PEP Partners	Dec 2002 - Dec 2003 ¹		Jan - Dec 2004 ²			
	CIDA Budget	CIDA Exp	CIDA Budget	CIDA Exp	RNE Budget	RNE Exp
	CD\$ C					

PEP Partners	Dec 2002 - Dec 2003 ¹		Jan - Dec 2004 ²			
	CIDA Budget	CIDA Exp	CIDA Budget	CIDA Exp	RNE Budget	RNE Exp
	CD\$	CD\$	CD\$	CD\$		PKR

Assessing the extent to which the cross-cutting themes of gender equality (GE), poverty and environment and knowledge management are effectively integrated, as well as the progress made in these areas.

Assessing overall project management, including the management systems and procedures for project implementation (including validity of the partner's performance measurement systems).

Assessing the potential for sustainability of project results. Monitoring sustainability shall require assessing stakeholder participation (e.g. extent to which stakeholders have been actively involved in project implementation, redesign, monitoring and evaluation), assessing the commitment of key stakeholders in assuming ownership of the project, and identifying any areas for capacity support within the partners and local organization that could enhance the attainment of project objectives.

Tracking the project's reach, critical assumptions, risks and risk mitigation strategies (planned and executed).

Assessing performance in terms of the relevance of results, sustainability, shared responsibility and accountability, appropriateness of design, resource allocation, and informed and timely action.

Assessing the reasonableness of the relationship between project costs and results.

Determining if the programme results contribute to poverty reduction and environmental sustainability.

Advising on how to improve project performance and project/partner sustainability.

Providing input and assistance, as required, in coordinating the mid-term and end-of-project evaluations (to be undertaken by an independent local consultant).

Undertaking other advisory or monitoring tasks as requested by RNE and CIDA (e.g. review reports and provide advice to CIDA; possibly undertake institutional analyses).

5. Time table PPMT

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

6. PPMT Reporting

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