

**PAKISTAN'S NATIONAL
CONSERVATION STRATEGY:
RENEWING COMMITMENT
TO ACTION**

Report of the Mid-Term Review

by

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ABOUT THIS REPORT

This report was prepared by the External Review Team (ERT) and is based on findings of the Team, including other results from the Pakistan National Conservation Strategy Mid-term Review (MTR). The main period of work took place during 1999-2000. Comments were received between July-November 2000. This final version was completed in November 2000.

CHAPTER 6. THE WAY FORWARD

General Guidelines for NCS-2

6.1 There is a strong support, and a considerable sense of urgency, for developing an approach to a revised NCS that will enhance performance for sustainable development within the context of new and emerging realities facing Pakistan. In this chapter we examine some of the key needs and characteristics for NCS-2. We do not make the case that an NCS-2 is the only way forward for dealing with the issues of environment and development. Indeed, NCS-2 should largely be a means to identify, bring together, and support the most promising ways forward. And there does appear to be some consensus inside and outside government on the need to shift gears if there is to be an effective strategy in place to cover ever-growing needs over the coming decade. This is also the view of the ERT.

6.2 Building on our discussions with stakeholders and other analyses, we propose that the NCS should set the *process for guiding change* concerning SD, with a much more deliberate effort to keep on top of international, national and local changes. It certainly should not be a prescriptive plan that assumes an adequate state of knowledge. Rather it should actively *promote* the integration of environmental sustainability, economic growth and poverty reduction. It should encourage *demand* for action, allow *experiment* in addressing these demands, require greater *accountability* for such flexibility, and ensure *transparency and availability* of the evolving knowledge base.

6.3 NCS-2 would include a strong *federal policy* for SD, focused on key development aims but without forgetting the non-anthropocentric purposes of nature conservation. It would include policy guidelines for provinces and sectors. It would bring together the institutional system for a continuous-improvement approach. Above all, it would set the *enabling framework* in which civil society, the private sector and local communities and all levels of government can work effectively towards sustainability objectives. In other words, a future NCS might *support* those provincial, district and sectoral initiatives which are aimed at integrating environment and development, help *information-sharing* among them where possible, and help to *monitor and learn* from them—thus spreading models of success. It should not attempt to force them into a single approach or bureaucracy. In addition, the NCS should play a primary role in those functions that can *only be addressed at the national level*—notably, national monitoring and performance of environmental standards, integration with economic and other national policies and international relations.

6.4 Thus the ‘big book of plans’ represented in the current NCS needs to become a simpler policy statement, plus associated principles and procedures to help people interpret it in local conditions, with an institutional system for SD comprising:

- enabling legislation, market-based instruments and incentives;
- greater democracy of information;
- a continuing national forum to learn and revise the approach;
- a stronger ‘core’ institution, or institutions—closer to mainstream development planning and fully in the centre of decision-making within and outside government;
- better links with local, provincial and international initiatives; and
- ties to major development reforms, including devolution.

Fundamental to future success is a transformation from well-meaning comprehensiveness to a set of focused, but cross-cutting objectives that can be understood, acted upon, and monitored.

6.5 There are six key themes that require attention in designing an appropriate way forward. These areas are: (1) vision, scope and content of the NCS; (2) goal-setting and participation; (3) drivers, actors and links for an effective NCS; (4) NCS activities and how they should be organized in the future; (5) management, monitoring and coordination; and (6) innovation and investment for sustainable development, including the role of donors. All of these themes in one way or another relate to improved governance in general, and specifically for environment and development. In turn, governance reform requires institutional change and strengthening plus capacity-building. While Pakistan faces many challenges at present, most are related to these issues. In this time of reform, there are significant opportunities to address them.

6.6 In Box 12 we provide an overview of many characteristics of the existing NCS and what might be desirable in NCS-2. This synthesis is based on many of the observations presented in previous chapters. It is a 'menu' to keep in mind for the design process and to stimulate discussion about NCS-2 needs. It is organized according to the six categories noted in the preceding paragraph. Each category is discussed briefly in the sections below.

Box 12. NCS Characteristics and Suggested Directions for NCS-2.

1. Vision, Scope and Content.

NCS	NCS-2
Based on the 'hopes and dreams' of the 1980 IUCN World Conservation Strategy and other international visions such as those of WWF and UNEP	Grounded in local realities
Many ideas for possible policies and projects	Provides a clear vision of environment, economy and poverty reduction linkages for SD
Comprehensive—self-contained	Strategic—recognizes other initiatives/strategies
Missing some key issues, e.g. clean water	Actively picks up issues as necessary
Complex and long-term—needs expert interpretation	Simpler—builds on what works locally and in short-term too.
Conservation 'for the poor'	Enhances capacity of the poor to cope with, utilize and conserve environment
Limited macroeconomic focus	Economically engaged and central, with incentive and market solutions incorporated
'Translated' international issues to Pakistan's situation	Deals with international opportunities and threats
Mix of national, provincial and local affairs	Same mix but with greater focus on local demand side
Innovation from outside Pakistan, and local institutions with international links	Seeks and builds on local innovation (and good traditional practice) in addition
English communications medium	Urdu + regional languages also
Static (an excellent mid-80s to early 90s 'milestone')	Continuous learning with up-to-date information

2. Goal-setting and Participation.

NCS	NCS-2
A plan <i>de novo</i>	Priority-setting with achievable goals
Many 'core areas' (14) and programs (68)	Several 'clusters' and fewer programs
'Conservation for development'	Poverty reduction and health/quality of life issues are related to sustainability of environment and natural resources and to cleaner technology goals
Considerable emphasis on biodiversity	Ensure National Biodiversity Action Plan is linked to other NCS objectives
Various experts consulted	The major policy communities participate
Consultation only if NGOs (IUCN) and donors involved	Consultation institutionalized and drives the NCS
Talking together and awareness building	Partnerships for action and implementation
Reducing space between government and stakeholders	Institutionalizing this space so that it is connected to

NCS	NCS-2
	policy shifts and implementation
Priorities set through a national steering committee that failed to continue meeting regularly over the years	Broader 'Forum' decides; with government and NGO capacity built to prepare projects
Used one-off data; but still huge gaps	Building and using regularly updated baseline information and key indicators
NCS is key database, even where information is out-of-date; limited access of information to public	NCS provides SD information strategy with pointers to dynamic information bases. It outlines public right to know based on SoE reporting, SDNPK and other Internet sources, etc.

3. Drivers, Actors and Links.

NCS	NCS-2
Strong constituency at NCS formulation stage	NCS constituency is revived, strengthened and continuously active
Centralized, but weak, drivers for implementation	Decentralized, but also stronger national coordination
'Everybody' is a target	Key policy communities are targeted
IUCN very active	More civil society and private sector activity, too
Planning and environment agencies at centre; sectoral ministries small role	Active backing of both central and sectoral ministries
Government PEP partners weak	PEP partners become strong facilitators for industry/community action; government PEP elements become more effective in regulatory and planning roles
PEPC exists but not functioning well	Renewed PEPC—active in policy, 'at centre' of SD
NCS pressed on provinces by federal government	NCS supports provincial players
Very limited linkages to provincial strategies	Learning/coordination forum; clear responsibilities local to federal consistent with devolution
Driven by intellectual push	Consumers and community/informal sector are drivers
Involved national leaders but interest waned	On-going involvement of key leaders and elected bodies

4. NCS and NCS-2 Activities.

NCS	NCS-2
Emphasis on projects	Emphasis on the main goals of Pakistan's development
'Projects' all prepared in first 2 years and increasingly out-of-date	Themes and projects develop through the process and performance monitored
Projects as added burdens, not linked to 'mainstream' development in effective fashion	Emphasis on achieving objectives and changing 'business as usual' behavior
Extremely wide-range of projects, many weakly linked to NCS influence	Concentrate projects on cross-cutting areas and collaboration
22 programs needed new regulations	A schedule/critical path of regulations updated regularly
31 needed economic instruments	Focus on applying economic incentives selectively but making them operational
Capacity-building treated as formal 'training'	Capacity-building as 'doing', with effective monitoring
Institutional development achieved but not operating well	Build on this success by evolving effective institutional landscape/ governance structure for SD
Awareness raising achieved with a literate few, often indirectly; very limited community level penetration	Education/awareness are overt priorities—more radio, video, Internet, and use of systematic approaches within education system and in various programs
Gender given limited attention, especially within government activities	Gender integration within all major NCS activities
1997 Act punitive, although EPAs applying it 'gently' and selectively	Emphasis on effective enforcement, economic incentives for industry-specific) NEQS/BACT, and on actual performance
Focus on government regulation and control	Also codes of practice, certification, watchdogs
Some voluntary industry/business discussions/trials	Facilitate and support enhanced sustainable action by big business and SMEs
Limited attention to urban area strategies and activities	Promote and facilitate urban strategies and activities
Little baseline information-gathering	Regular baseline on environment and development performance, innovation, and awareness levels

5. NCS Management, Coordination and Monitoring.

NCS	NCS-2
Active NCS process management 'frozen' at document stage within government	Implementation progresses and is updated through good process management inside and outside government

NCS	NCS-2
A number of weak, overlapping bodies and no effective accountability apparent—NCS Unit, EPA, Env. Sections of P&D	Clear responsibilities—a system with accountability
Coordination by ill-equipped, invisible NCS Unit, ignored by other units of government	Well-resourced and influential secretariat, enables implementation of Strategy
Powers of persuasion to implement	Clear responsibilities and powers
IUCN-P providing direction and push for action	IUCN concentrating on support: helping build links and capacities; maintains ability to press for improved performance; window to international concepts
SDPI opens space for policy dialogue	SDPI develops additional capacity to monitor performance, engage in constructive policy dialogue and link local to national and international action
PEP partnership established	PEP partnership reinforced to fully utilize strengths of each partner for NCS implementation
Institutional capacities presumed	Institutional capacities built
Unclear responsibilities for SD	Clear sustainable development governance system
Emphasis on coordination of institutions at the 'top'	Strengthen local institutions to forge coherence at 'top'
High 'walls' remain between hierarchical institutions	Incentives and activities to work together are developed
MTR occurred late in first phase of NCS	Monitoring strategy for all components, with regular review of entire Strategy, and an adaptive management/re-prioritization mechanism

6. Innovation and Investment.

NCS	NCS-2
Needs large outside investment	Mobilizes and redirects resources within the system
Focus on add-on costs	Saves money too; additional focus on self-financing
Limited cost-benefit analysis	Costs of inaction, and benefits of action are made clear
Private investment unaffected	Investment by private sector encouraged by appropriate incentives, enforcement of regulations, corporate-community partnerships, international market demands
Donors pick and choose from projects	Clear direction given to donors
Little effort to incorporate environment and SD into structural adjustment lending	SD criteria included in structural adjustment and economic policy reforms
Donor funds are poorly coordinated	Donor coordinating group established for NCS/environment/SD

Vision, Scope and Content

6.7 A major challenge faced by Pakistan today is to ensure that *short-term* decisions do not undermine *long-term* opportunities for improving welfare and needs for protecting and conserving the environment. The history of the country's political institutions clearly shows that these are geared to the short-term. Programs with a long-term horizon (such as the NCS and SAP) are difficult to sustain and implement, because they are costly, fraught with political interference, and do not produce quick, visible results for the more vocal and powerful constituencies and institutions. Overcoming this lack of institutional foresight is a key challenge for the NCS stakeholders. Developing a common vision of what comprises a more sustainable development path and making a difference in helping to move towards that vision requires a concerted effort and commitment of individuals, civil society, government, and the development community. This commitment was possible in 1989-1992. How can it be renewed?

6.8 We believe it will require at least three major "hooks." The *vision* must be consistent with mainstream needs, especially in relation to poverty reduction and national economic goals, and expressed in an understandable and convincing fashion. Second is the need for a narrowing of *scope* so that it is a credible undertaking. Failure of the current NCS to meet its very numerous and broad objectives has built a heavy barrier for future credibility when targets are set. Third, the *content* of the NCS needs

to be brought more into line with current approaches worldwide and in relation to what is possible (less far reaching than the desirable) for the coming decade in Pakistan.

6.9 It is important to make sure that content can be translated into short-term successes. For one of the most striking observations arising from interviews is the expectation for demonstrable results in 3, 6, 9 or 12 month periods. Given the turnover of staff within administrative structures, the general suspicion that few government-sponsored efforts are likely to achieve their objectives, and the unwillingness to invest personal or corporate time and money in ventures unlikely to have short-term payoffs, this expectation and need are understandable. Thus the longer-term NCS vision must be turned into a sequence of milestones, leading rapidly to well-communicated 'success stories' spread throughout the country and visible at very local levels. The best way for this to happen is to vastly increase the participation of people and communities and organizations in the effort so they truly feel a sense of ownership in the NCS and its short-term successes.

6.10 The new vision should provide a clear national to local perspective on sustainable development along the lines already suggested in this report. This entails a shift much closer to poverty reduction and economic opportunities for people, while not losing sight of the absolutely essential resource and environmental conservation needs of Pakistan. NCS-2 should build on local people's experience and other assets—what they have, not just what they lack. The scope of NCS-2 should address the *need for enhancing genuine domestic savings*, which will require poverty reduction and a reverse in the unsustainable development of both human and natural capital; *environmental improvements* that demonstrably improve human health; meeting *energy needs from clean sources*; and *coping with environmental risks and adaptation to climate change*. The overall vision and content should emphasize continuous learning and adaptation.

Goal-setting and Participation

6.11 Goals for NCS-2 must be achievable and there should not be too many of them. Thus the massive number of existing core areas and programs will need to be reduced, with priorities set. This is not an easy task, of course, since there is a good reason for each of the existing themes. Indeed, it would be easy to add at least half a dozen themes that have emerged in the years since the NCS was initiated. The best way to proceed may be to establish several clusters into which the existing and any newer themes might be consolidated. It is not the role of the ERT to suggest what these clusters should be, or what the new goals might be. We suggest that anything more than about five clusters will be extremely difficult to manage. Certainly the number of programs that would result should be on the order of 15 or less rather than the enormous number in the current strategy. Cross-cutting goals (e.g., SD finance and investment strategies, public-private sector partnerships, gender and environment objectives), with a strong mandate to mainstream these goals in all the sectors, might be more effective than a large number of sectoral goals.

6.12 This does not mean that all the existing NCS initiatives will cease to be of interest to Pakistan. For example, extensive work on salinization and irrigation drainage was underway well before the start of the NCS, and there is little evidence that the NCS has influenced it over the past decade. Why then should it have such a prominent place, including top billing in expenditures (see Chapter 5)? NCS-2 goals should be set around those themes where there is a direct intervention and accountability path for those responsible for its implementation. It will be possible to build linkages with this and other important themes, even if they are not directly part of NCS-2 (see the next section).

6.13 If participation is to be broadened in NCS-2, it will require much more awareness-building, information exchange, and a stronger perception of benefits accruing, to those who participate in the development and implementation of the strategy. The hoped-for result would be genuine ownership of the NCS throughout society and a much more widespread capacity to participate in both planning and implementation of activities. There appear to be three major routes: well-institutionalized consultation processes for both policy development and impact assessment (which in some cases could now proceed electronically, perhaps via SDNP); partnerships and “forums” for joint decisions on priority-setting and implementation; and robust, transparent information gathering and dissemination mechanisms.

6.14 Participation within government as well as outside government is a problem. Therefore, it is vital that NCS-2 be designed in a fashion that provides on-going incentives to stay involved. Otherwise, the same failure to maintain initial levels of commitment could recur. The best way to do so is to provide a benefit that could not be obtained except by the presence of the NCS. Secondly, there must be a signal that the NCS genuinely counts as a high priority at senior levels of government. And, thirdly, that failure to meet NCS goals will have serious consequences.

Drivers, Actors and Links

6.15 The drivers for NCS-2 action will come from several directions. The point we have tried to emphasize throughout the report is the need to identify and encourage real demand for NCS interventions. The NCS cannot be sustained if it still relies on intellectual, policy or project ‘pushes’ from the top. This may appear difficult, especially for the more visionary goals or approaches, if they are “ahead of the times.” But, as the evidence in Chapter 3 indicates, there is substantial demand. Some of it is internationally-driven, as the greening of trade demonstrates. Other elements are likely to be expressed indirectly, for example, climate drivers acting through severe meteorological events such as drought or extreme storms, creating demand for improved response mechanisms. Most of the drivers should come through demand for addressing local, on-the-ground needs, such as improved sanitation in the face of declining water quality and worsening solid waste problems. Indeed this has been happening in the context of the existing provincial and district strategies. The point is that it should not be necessary to resort to supply-driven approaches—ideas generated conceptually and then ‘sold’ to audiences. Fostering improved participation of people and communities in setting priorities will provide strong, decentralized drivers for NCS-2.

6.16 The key actors for NCS-2 should include all those involved over the past decade, but with adjustments in roles, plus many more organizations from civil society and the private sector, and from those units of government that should be playing a stronger role (e.g. finance and some sectoral units). At present there is no overall strategic institutional mapping of the actors and their projected future role. This should be developed—not as a theoretical exercise but as a practical tool for dialogue. What should take place is a careful targeting of key policy communities in particular, and support for their continuing input to the NCS.

6.17 At a national level PEPC is supposed to be a mechanism for bringing many of the key actors together. It has not worked very well and therefore should undergo a renewal that would facilitate the development of policies drawing upon agreement among the main actors. It needs a different composition, more representative of agencies such as Finance that play a key facilitating role in sustainable development.

Similarly, the PEP partners need to review how they could work more effectively together on achieving NCS objectives. PEP has been the subject of external review, but suggestions for improved performance appear to have been internalized much more by the two non-governmental partners than by those within government. We wish to stress that it is extremely important to maintain a mechanism like the PEP partnership for the purpose of NCS-2.

6.18 The involvement of political leaders was a hallmark of the NCS at various times over its development and initial years of implementation. This does not appear to have been effective in bringing about actual results in terms of environmental improvement or sustainable development. Undoubtedly it was valuable in the early years for awareness-building. The interest levels within legislative circles have always been uneven. In the current context of change and reform, it is difficult to know just how NCS-2 could best link to political processes. Three points should be kept in mind: (1) it is vital that senior levels of the current leadership be allies in the NCS-2 process; (2) the NCS-2 development process be linked to bodies that will be elected at local levels; and (3) the NCS-2 itself function in a fashion compatible with a democratic approach.

6.19 There is strong acknowledgment that NCS-2 must take into account the systems that have been set up at provincial and district level through strategies subsequent to the original NCS, to identify and address priorities there. The same approach would apply to 'sectoral' strategies linked to SD, such as the Biodiversity Action Plan, Forest Sector Master Plan and Social Action Plan. These are currently so separate that it is clear they represent different power bases. It would help everybody if they were better linked. Indeed, we have identified more than a dozen such strategies that are important building blocks for NCS implementation. And the NCS must build on models that produce results and change outcomes towards sustainable development, whether connected to the NCS, to other initiatives, or spontaneous activities driven by people and local organizations—the latter being especially important. Taking all these points together, it is obvious that a key part of NCS-2 should be a well-articulated and implementable linkage strategy. The purpose should be to provide a framework for synergistic and enabling interaction, while not compromising the managerial, financial and other capacities of the NCS.

NCS-2 Activities

6.20 Clearly if NCS-2 is to be perceived as part of the mainstream of development and decision-making through its activities, the activities must have a profile that make them hard to ignore and they must come to be viewed as high-performance, goal-achieving initiatives of direct value to the country. They should generate pride and interest within Pakistan—even if they require difficult changes in behaviour and do not represent "business as usual" solutions. Experience elsewhere with the theme of sustainable development is that it is a difficult notion to popularise. Even in the case of environmental protection, it can be a hard sell. Yet the declining conditions in Pakistan are such that demand for dramatically improved environmental, economic and social benefits is potentially very strong. The "Potential Success Stories" in Chapter 3 are examples of how opportunities have been taken up or created. Thus NCS-2 will have a head start if it is well-designed to respond to demand, and to take advantage of what appears to be working.

6.21 Here, however, we will not concentrate on the actual activities that might be undertaken. Rather, we focus on key characteristics of activities that should be kept in mind in the design of NCS-2. First is that, as a strategy, NCS-2 should provide the overall framework to enable activities. NCS-2 should place major emphasis on how the various activities will support the main development goals of Pakistan. And, on a

continuing basis, ensure that the NCS-2 objectives figure prominently and dynamically in these national development objectives. It should not be the detailed plan listing all projects and initiatives for the coming decade. It should set out the process and decision pathway for initiatives, and how performance can be monitored. But the actual themes and projects should develop in an adaptive fashion, taking into account the learning along the way.

6.22 The NCS-2 will need to take into account the progress already achieved in setting out environmental law and regulations, the NEQS, and the growing interest in environmental certification. But it should place a greater focus on the overall system of environmental protection that will be needed. Specifically, the NCS needs to provide guidance on the use of economic incentive approaches in the context of an overall regulatory framework. A major portion of activities stimulated through NCS-2 should involve the private sector, on a much more substantial basis than in the past. There should be a concerted effort to involve small and medium-sized enterprises along with big business.

6.23 Institutional development and capacity-building are two of the most significant areas to be continued in NCS-2. How this should be done, however, must be reconsidered. At a strategic level within NCS-2, there is a need for a set of guiding principles and performance criteria for each. As part of the capacity-building effort, gender integration stands out for particular attention. It should be a component of all major NCS activities, but it clearly will not happen without dedicated capacity-building initiatives that lead to an increased understanding not only of why it is important in the context of a national conservation strategy, but also on how gender matters can be addressed.

6.24 Awareness-building and information gathering and dissemination about sustainable development themes and performance need to be highlighted as priorities for NCS-2. Some of the needed initiatives are:

- A regularly issued state of environment report coupled with a national conference: using key and meaningful indicators developed in the provinces and by sector agencies (but ensuring some mutual recognition between indicator sets of different provinces). This would highlight recent innovations. An independent ‘watchdog’ (or report), perhaps built on the existing efforts of SDPI, might spur the government system to improve action and transparency.
- Regular “state of environmental stakeholders” surveys—market surveys of stakeholders’ levels of awareness, commitment and judgments of priority environmental issues.
- Resource accounting: compiling and assessing the “balance sheet” of environmental assets, with their subtractions and additions, in order to determine more accurately the genuine domestic savings of Pakistan, and relating this to the costs of inaction.
- Creating the economic argument for the environment in relation to key development aims (sustainable industrial growth, poverty alleviation, improved environmental health/quality of life).
- Macroeconomic scrutiny: assessing economic policy for its likely impacts on environmental assets (strategic environmental assessment).
- Information in a form that is accessible in local languages and relevant to issues of concern to the rural and urban poor, and information that could be used within a

variety of programs such as family planning, school curricula for awareness building.

All these information components need to be assembled and disseminated in a way that reflects a greater democracy of information. NCS started this process, but much, much more needs to be achieved in the years ahead.

Management, Coordination and Monitoring

6.25 The challenge is to evolve—and not impose a blueprint for—a *system of environmental governance*, and more broadly, for implementation of sustainable development. This should support a continued policy shift towards such concerns, and do so in a fashion consistent with the policy shift towards decentralization. The system should be proactive in relation to globalization issues such as those related to trade and to global environmental concerns.

6.26 But this system must not become a heavy, top-down bureaucracy that stifles progress in attempts at vertical (down to districts) and horizontal (cross-sector) integration. There will be some need for a national ‘body’ to oversee the whole progress of integrating environment and development. Perhaps a commission or steering group could serve, with thematic round tables that allow the various policy communities to come together, while attracting private sector actors who will be creating environmental investments. Such a commission and its secretariat would be strongly linked to the provinces and encourage the growth of strong local institutions, while (to a well-judged extent) working with international stakeholders. If the NCS is identified with anything, it would be with this *system of networked institutions—the “meta-institution” for SD and component processes*.

6.27 A strong NCS commission or “steering group” would require some permanence, and representation from government, civil society and the private sector. It would recognize the value of bringing together ‘champions of change.’ The commission would need a much stronger secretariat—in staff, funding, and above all flexibility and influence—than has been provided to date by the NCS Unit (which we have suggested should be disbanded). This is so that it can run the strategy as a *system of networked processes* rather than as the implementation of a fixed plan. A renewed PEPC might form the basis for a NCS commission, but that option requires careful examination, since PEPC is environmental in its focus and also has performed in a less than optimal fashion. Other countries have established national SD councils or other organizations (e.g. in Canada it is the National Round Table on Environment and Economy). It should be pointed out that performance of such bodies has not been stellar anywhere. And not through lack of effort. The problems of mainstreaming the subject matter and of keeping the attention of senior leaders are considerable.

6.28 The issues of management include the need for defining clear areas of responsibility and accountability, which was not well handled in the original NCS. This has been an important issue brought home in reviews of the PEP partnership and of the SPCS, for example. These reviews provide a useful basis for extrapolation to the future of NCS as a whole. What needs to be captured in the renewed strategy is a robust commitment to an accountability system, with appropriate attention to results-based management, periodic monitoring, adaptive management and periodic re-prioritization. The roles and responsibilities of the four PEP partners will continue to be central in NCS-2. These need to be agreed upon and every effort made to draw upon the strengths of each in a highly complementary fashion. There is then the question of whether the partnership should be expanded, so that a more balanced management structure is in place (placing greater emphasis on private sector and strong provincial

partners in particular.) While such an expansion likely makes a lot of sense, the original PEP partners also might be expected to play an on-going central role.

6.29 The coordination effort of NCS-2 will have to be defined in a fashion that does not suggest top-down control. Nevertheless, there are important functions that need to be considered. These include, as examples, the following:

International Issues

- *Environmental globalization.* Coordination of Pakistan's contribution to MEAs—negotiation, implementation, reporting; ensuring coherence and efficiency in relation to the (overlapping, duplicative) agreements and relating these to economic and livelihood agreements and initiatives. Also keeping track of Pakistan's position in relation to global environmental problems and services (notably climate change and carbon storage; biodiversity conservation).
- *Economic globalization.* Intelligence on environment and SD aspects of globalization, debate and policy formulation—with the aims of both protecting vulnerable groups in Pakistan (property rights and the condition of NRs) and realizing opportunities (trade niches, access to technology, investment guidelines). Improving abilities for scrutiny of foreign companies.
- *Regional issues.* Keeping track, and forging positions and good deals on, cross-boundary issues such as river basins, shared protected areas, transboundary pollution, marine pollution.

National Issues

- *Continued guidelines for provincial and sectoral policies for "mainstreaming" environment and SD in a briefer NCS document with clear policy and basic principles.* It would aim to help the sectoral/provincial processes of formulating policies, principles/criteria, standards, indicators and monitoring in a way that permits some national mutual recognition. It would offer 'tool kits' to help, for example, policy analysis, and the means to conduct strategic environmental assessments of development policies and programs, not just individual projects.
- *Promoting SD within macropolicy concerns.* These relate to economic matters such as structural adjustment loans, to poverty reduction, national environment and security issues, environmental risks and opportunities, and other major matters of national significance including gender integration.

Provincial, Urban and District Strategies

- *A support service for the provinces.* Notably, information, and developing leadership, with a major aim of ensuring that local (district and lower) institutions are able to 'drive' the whole strategy system from the bottom up.
- *A coordinating role with respect to identifying funding sources and for enabling the funding to be applied in a timely and effective fashion.*
- *A learning forum for conservation strategies nation-wide.* This can build on the IUCN strategies support panel and activities of other major NGOs such as WWF-Pakistan, sharing learning between all active players in strategies feeding information back to federal (and, where relevant) international levels. A

forum, above all, should share experience in a form that highlights mechanisms for successful local application.

6.30 One target of NCS-2 should be to have a fully functional management system in place within a few years of the renewed Strategy's inception. Much of the last decade's effort has been spent on crafting the individual pieces. There is a good understanding of where the strengths and weaknesses are. It is a matter now of creating a *system* based on these components that is consistent with the more general efforts to improve governance within Pakistan, and workable in relation to the problems of SD.

Innovation and Investment

6.31 The original NCS was highly innovative for its time. In NCS-2 there is a need to maintain this spirit of innovation, but in a fashion that understands how innovation will drive solutions for sustainable development. An example is the way in which the expanded use of CNG can address several environmental, health and economic issues simultaneously within Pakistan. Another is the innovation surrounding micro-credit systems, and how this experience can now be extended to conservation concerns. And, within regulatory systems, the innovations being introduced to provide greater use of economic incentives, along with lower cost voluntary action incorporated through ISO14001 and other certification programs. For SD to be a reality a continuing high level of innovation—whether for policy, information gathering and dissemination, technology or institutional relationships—will have to be fostered. NCS-2 should provide guidance and a road map for a strategy of SD innovation.

6.32 While the existing NCS did not purport to be an investment strategy, it certainly laid out explicit investment directions. However, our analysis revealed that most of the investment was focused on a few areas, and little was directed to the most innovative themes of the NCS, either from domestic or donor sources. This dilemma is likely to be compounded by the declining state of finances and donor “chill” currently affecting Pakistan. Perhaps this situation can be turned around with a focused NCS-2 that demonstrates what might be accomplished through specific, innovative directions, including greater attention to more or less self-financing initiatives.

6.33 The first issue is whether NCS-2 should be perceived as an investment strategy. The danger in setting out such an approach is that it will become a convenient aggregation of projects designed to attract the attention of donors in particular. We believe that this should not be the purpose of the NCS. As a strategy guiding the national SD effort, the NCS-2 should, of course, be realistic in relation to financial limitations, but this should be done through establishment of the *types* of investment and mechanisms needed rather than a list of specific, costed initiatives.

6.34 The second issue is how to link innovation and investment more directly. This might be done through reserving a substantial portion of funding for NCS-2 to be used in support of solutions that are not “business as usual” administration, or other routine expenditures. The emphasis would be on funding pilot initiatives, research on new technologies, policies, participatory processes, and other innovative efforts. The proposed sustainable development fund is a mechanism that would be especially relevant. Also, it will be valuable to focus on the considerable number of options available, including self-funding mechanisms, which may require start-up money or on-going partial support; dedicated taxes; a reduction in perverse subsidies (which generally work against innovation); and the costs of inaction or of funding “business as usual” approaches. These points need to be made in NCS-2 to demonstrate that a broader range of funding mechanisms could be developed.

6.35 Donor support for NCS-2 needs to be more coordinated and operate in a fashion that optimises use of overall scarce external resources. A SD donor coordinating group is needed, and should be considered as a proposal within NCS-2. This suggestion has been made before but so far has not been acted upon. It is important that government provides clear direction to donors, and that a capacity to develop good projects and proposals be in place. The need for linking donor support to innovation is essential, especially for sources such as the GEF and some foundation sources. The donor community increasingly has expressed its interest in local initiatives and in supporting Pakistan NGO activities. Both trends are valuable and need to be fostered in NCS-2.

Timing, Process and Product

6.36 As Tariq Banuri has noted: "Strategies have to be grounded in the politics, the policies, the programs, the practices, the paradigms, the performance measures, and the pathologies that preoccupy both the populace and the policy-makers." The NCS was designed for a particular time and has indeed helped to alter some of the paradigms and measures by which development in Pakistan ought to be measured. And, as noted in previous chapters, the times also have changed. Thus there are both new opportunities and constraints to be addressed in NCS-2. We believe the process of preparing for NCS-2 has informally begun through the extensive work of the MTR. It is important that the process now become formalized so that NCS-2 might be developed and accepted during 2001. It should not be stretched out over an extended time period such as characterized preparations for the original NCS.

6.37 The process should be designed to strengthen government ownership at the most senior levels and throughout the federal system; to produce effective partnerships especially with provincial government conservation strategies, NGOs and the private sector; to improve management and monitoring; and to reinforce demand-driven priority-setting. NCS-2 preparations could build awareness that it is a national strategy with implications for people throughout Pakistan. The media should play a role.

6.38 NCS-2 will certainly not end with production of a document, although some sort of short document is obviously required. NCS-2 should be an on-going, dynamic process that continuously engages the people and institutions of Pakistan. What is produced as the initial NCS-2 Strategy should be only about 50 pages in length, ideally. It should be produced in Urdu and English and perhaps other languages. A variety of other documents will flow from the Strategy document. And a website should be regularly updated to provide information on the process of development, and, later, on implementation. The NCS-2 should become the guiding strategy for sustainable development in Pakistan, and be adopted by the federal government at the highest levels as the basis for detailed planning and investment decisions.