



6th September 2022

TP2022/0906/1A

Honorable Shahbaz Shariff
Prime Minister of Pakistan
PM House,
Islamabad

Subject: Recommendations on Transparency and Accountability in the utilization of Relief, Reconstruction and Rehabilitation Funds in the wake of Floods in Pakistan

Dear Sir,

Pakistan has been enduring severe monsoon weather since June 2022. As of 30 August, 2022 rainfall in the country is equivalent to 2.9 times the national 30-year average. This has caused widespread flooding and landslides, with severe repercussions for human lives, property and infrastructure. To date, out of total 160 districts, 72 districts across Pakistan have been declared 'calamity hit' by the Government of Pakistan.

For relief efforts in the wake of massive floods, Pakistan besides its own resources, relies on the support from the international community. As of 30th August 2022, international partners have pledged to provide \$500 million to Pakistan, while more than US \$ 10billion aid is required for the rehabilitation of the flood victims and reconstruction of their houses and damaged infrastructure (schools, roads, bridges and etc.).

Transparency International Pakistan during the last 16 years has organized three **International Workshops** on preventing corruption in humanitarian aid.

In the year 2006 (earthquake of October 2005), 2010 (Floods of 2010) and 2017 (launch of synthesis report) in which various international speakers from donor countries and international financial institutions (IFIs) addressed the workshop, based on which various recommendations were made.

The only way to prevent injustice and ensure availability of donations, transparency is needed to be maintained at all levels of handling international funds for flood victims.

Transparency International Pakistan requests the Prime Minister to consider the following recommendations prepared by TI Pakistan based on the workshop held in 2006 (earthquake of October 2005), 2010 (Floods of 2010) with the World Bank, ADB, USAID, IFIs and the UN agencies, which are necessary to maintain aid integrity, prevent corruption, satisfy donor agencies/countries/individuals/organizations, and will act as Confidence Building Measures (CBM) for transparent utilization of humanitarian assistance, received as flood donations.

Recommendation No. 1: Involvement of affected communities, including women and vulnerable and marginalized social groups, in decision relating to relief and reconstruction at all stages of the process lies at the heart of affective and transparent aid strategies.

- The economic capacity and expertise of affected communities as well as local technology and materials should be used wherever possible in delivering relief and reconstruction to reduce cost, ensure appropriate solutions, and assist in economic recovery.
- Where ever feasible, existing rural community support programmes should be used in relation to land and property allocation decisions, the rebuilding of community infrastructure and the restoration of livelihoods.



Recommendation No. 2: Ensuring full transparency in aid flows, allocation, procurement and distribution process, and the national tracking system accessible to everyone are vital.

Only access to information on financial flows is, by itself, not enough to improve the transparency and effectiveness of aid flows. The actual outputs of funds used must also be monitored. Donors and government institutions and other implementing agencies, including NGOs, should strive to be accountable to the intended beneficiaries of reconstruction assistance by, undertaking regular community satisfaction surveys. Following actions are required to ensure a robust system of accounting and oversight.

- The national tracking system shall be prepared by National Disaster Management Authority (NDMA) or Economic Affairs Division (EAD) which will contain all information from all stakeholders in order to contribute to co-coordinating, monitoring and managing the overall rebuilding effort.
- The national tracking system should show the funding mechanism, preferably on budget, and the contribution of multi- donor funds set up for the disaster and the actual amount of funds used must be monitored.
- The system should contain information comprehensive enough to respond to government and donor exigencies yet simple enough to be accessible by affected communities.
- International organizations and donors should support the development and maintenance of the tracking system.

Recommendation No. 3: Ensuring appropriate mechanisms and capacity to capture complaints and enforce anti-corruption measures is also of vital importance.

- Accessible grievance procedures, including corruption reporting channels and protection for whistleblowers and witnesses, should be provided in the context of relief and reconstruction efforts.
- Grievance procedures should cover private and public sector employees, the media, and the general public.
- A Complaint Hotline shall be established under PM Citizen Portal where complaints can be reported on a toll-free telephone number, web, email, and fax or by mail, and handled effectively and the use of social media, SMS and other technology should be encouraged.
- Aid beneficiaries should also be provided access to complaints mechanisms in humanitarian organizations, opening up effective new methods of project evaluation and corruption detection.

Recommendation No. 4: Effective internal control and external auditing (including real time and field audits) should be complemented by community-led approaches, such as people's audits, that reinforce accountability towards affected people.

- Non-transparent or closed/discretionary procurement systems can lead to the diversion of resources away from intended beneficiaries through corruption or non-competitive processes.
- Effective internal control and external auditing (including real time and field audits) should be complemented by community-led approaches, such as people's audits, that Reinforce accountability towards affected people.



- Donors and government and other implementing agencies, including NGOs, should ensure that affected communities are provided with accessible and important information about relief and reconstruction efforts as well as about the relief and compensation benefits they are entitled to. Appropriate formats and local languages should be used to ensure ease of access by such communities.
- All flood funds, therefore, must be spent under the Public Procurement Rules 2004, which has in-built transparency and self-accountability and access to information system.
- Monitoring should include both funds and goods and services received (inputs) and also the use of those resources (outputs).

Recommendation No. 5: NGOs/CSOs which are collecting international and local donations in their Bank Accounts, in name of floods, must also ensuring full transparency in aid flows, allocation, procurement and distribution process, and the national tracking system accessible to everyone, on NDMA/EAD and NGOs websites.

- The national tracking system established by the federal government in line with the recommendation No. 2 above shall be replicated by National Disaster Management Authority (NDMA) or Economic Affairs Division (EAD) for NGOs/CSOs and other stakeholders.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption, and achieve against Zero tolerance against corruption.

Regards

Ms. Yasmeen Lari
Sitara-e-Imtiaz, Hilal-e- Imtiaz
Chairperson
Transparency International Pakistan

Justice (Rtd) Nasira Iqbal
Vice Chair, Sitara-e-Imtiaz
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. CEO, Transparency International, TI Secretariat, Berlin, Germany
2. Chair, Transparency International, TI Secretariat, Berlin, Germany
3. Country Head, International Monetary Fund (IMF), Islamabad
4. Country Head, World Bank, Islamabad
5. Country Head, Asian Development Bank, Islamabad
6. Country Head, United Nations OCHA, Islamabad
7. Country Head, UNDP, Islamabad
8. Country head, UNODC, Islamabad
9. Country Head, USAID, Islamabad
10. Country Head, European Commission's Humanitarian Aid and Civil Protection Department (ECHO), Islamabad