

# AID-FOR-TRADE: CASE STORY

PAKISTAN

## COMMUNITY EMPOWERMENT THROUGH LIVESTOCK DEVELOPMENT AND CREDIT PROJECT (CELDAC)

‘Small is beautiful’

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### Issues addressed

Pakistan’s livestock sector contributes almost 50 percent to the value addition in the agriculture sector, and almost 11 percent to Pakistan’s GDP. Pakistan’s gross milk production in 2009-10 was 44,978 thousand tons. Its share in the world milk production is around 7% whereas its share in the trade (import and export) of dairy products is only 0.1%.

The herd size is two to three animals per house hold, sometimes even one. Livestock farming is at a subsistence level and rural women are responsible for 60 to 80 percent of feeding and milking of cattle. Despite having a large herd of animals, average yield is one third of New Zealand and one fifth of Germany. The cooperative model exists with the name of ‘Halla’ but it has not been replicated at a large scale. However the model has brought a social change and prosperity in few districts of Punjab. The dairy scene is dominated by 10-15 dairy companies including multinationals like Nestlé and Engro Foods. The increasing domestic demand has led to local and foreign investment but the sector requires infrastructure of farm to market roads, educated farmers, better farm management, veterinary services, yield improvement through better feed etc. It is important to note that development of the sector is a journey of small steps. Current project is one of the small steps taken at the right time. It is a story of change and empowerment at the individual and community level which has the potential to spread prosperity in the poverty stricken rural areas of Pakistan.

#### ➤ income and employment generation

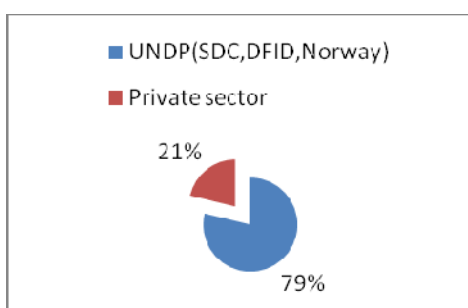
CELDAC (Community Empowerment through Livestock Development and Credit) was a three year (2006-2009) UNDP initiative implemented in the selected districts of Punjab and Sindh provinces. The project goal was to enhance income and employment generation and to improve livelihoods and food security at the household and community level. The two interlinked outputs of the project were to; 1. Create a cadre of Lady Livestock Workers (LLWs) and their capacity development in livestock management, production and

extension services; and 2. Income and employment generation by developing LLWs as entrepreneurs and providing them access to credit / saving facilities.

➤ **Fulfil demand for Veterinary services at community level**

Dairy companies in Pakistan were eager to establish downstream linkages of the dairy sector to ensure quality and compliance with international standards.

The initiative was implemented in partnership with two private sector companies in the dairy sector .The project design was based on the public private partnership model wherein the Government was steering the project implementation process and the private sector rolling out the training programme at the grassroots level. The project built on UNDP's vast experience in implementing economic empowerment projects for women at the community level. The project financial outlay was US \$ 5.05 million out of which \$ 3.98 million was funded by UNDP and a pool of cost sharing partners, namely; DFID, SDC and Norway whereas \$ 1.07 million was provided both in cash and in-kind by the two participating dairy companies.



### OBJECTIVES PURSUED

- In the Poverty Reduction Strategy paper (PRSP) I and II rural development and poverty alleviation through unleashing the potential of livestock and dairy sector is one of the primary objectives. Commitment to MDGs(millennium development goals)
- Trade policy has emphasized the importance of product diversification and skill development. Human Resource development and training is a corner stone of Trade Policy development initiatives.
- Downstream linkages and networking with key players in the livestock and dairy sector like pharmaceutical companies for prompt and sustainable supply of medicines.
- Networking with the dairy companies to improve supply chain management

### DESIGN AND IMPLEMENTATION

UNDP designed it on the request of Economic Affairs Division, Ministry of Finance on PPP (Public Private Partnership) model. Main focus was on training the master trainers and then training of LLW. Social mobilization was done through UNDP, which helped the selection of trainers. Private sector dairy companies and a Public sector University were important partners in the implementation phase. University played a leading role in designing the course according to the community needs and the requirements of a Lady Livestock worker.

### PROBLEMS ENCOUNTERED

There was not enough focus on the credit availability because mainstream banks shy away from such operations due to high transaction costs. There is a need for community based credit providing agencies to reduce the transaction cost. Economic empowerment of women requires concerted effort from the public as well as private sector.

## FACTORS FOR SUCCESS

There was Strong commitment of the top leadership of public as well as private sector to integrate rural community in the development process through capacity building and skill development. UNDP experience in gender empowerment provided a niche for this intervention. Being a multilateral organization, it was easy for UNDP to attract different donors and partners under one roof.

## MAJOR ACHIEVEMENTS

Rural women were trained to work as small business entrepreneurs along with basic animal health management skills development. They were taught about different small livestock businesses i.e. dairy farming, animal nutrition (i.e. Vanda / animal feed preparation), milk collection and its management etc.

During the period 2006-09, the project trained 4434 rural women as Lady Livestock Workers (LLWs) across 22 districts of Punjab<sup>1</sup> and Sindh<sup>2</sup> provinces of Pakistan through 4-6 week long training courses on basic livestock health management - preventive and curative -and extension services. The training of LLWs was conducted by a group of 36 Master Trainers who were trained first through a Training of Trainer (TOT) programme.

Of the total LLWs trained, 65% reported to be working as independent entrepreneurs providing services whereas the rest as Village Milk Collection (VMC) agents<sup>3</sup>. On average, a self-employed LLW earns Rs. 3000/-per month. These LLWs on average provide animal health care treatment to approximately 80,000 animals per month.

The project designed and developed a friendly training curriculum for village based LLWs in consultation with the University of Veterinary and Animal Sciences (UVAS), Faisalabad and revised the same based on field learning to address the basic needs of communities. Reading material was provided to the trainees as reference guide for animal treatment. Linkages were developed between LLWs and diverse key players

The institutional support for the project was manifested by the personal interest and support of the top leadership of the Government. The first batch of LLWs graduated in the presence of the President of Pakistan along with the Governor & Chief Minister Punjab.

The project also enhanced farmers' direct linkages to the market (dairy companies) by eliminating the role of middlemen. By linking up over 1000 farming households to the markets, the profit margin of the beneficiary households was increased leading to enhanced social status of women.

The Mid Term Review (MTR) of the project was undertaken in June 2009 through a two member team of international and national consultants. The Review mission while confirming the achievements of the project termed CELDAC as a "pioneering initiative" to improve social and economic status of rural women in resource poor households. The Review mission concludes that CELDAC has (positively) impacted on:

- The rural women at the individual level in terms of their personal empowerment;
- Household level seen as livelihood security, income diversification;
- Community level through the availability of livestock services;
- Animal health and livestock production; and
- Networking and linkages development opportunities between different stakeholders.
- Direct access to market

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<sup>1</sup> Most thickly populated part of Pakistan, having 81million people which constitute 56% of the total country population.

<sup>2</sup> Second most populated province with 35million people.

<sup>3</sup> Dairy Companies in Pakistan have introduced the concept of 'Milk Districts', Milk is collected from the small farmers in the villages, Village Milk Collection agents are part of the formal milk collection system.

## LESSONS LEARNED

CELDAC project successfully demonstrated a Public Private Partnership (PPP) model for the capacity building of rural women in livestock management and extension services. Some of the lessons learnt during the implementation of the project and identified by the MTR mission are briefly mentioned below.

- **Beyond Training and skill development:** Women, as well as men, need direct access to training and extension information to improve livestock productivity. However, there is a need to go beyond training. Access to credit was not an active part of the program, necessary linkages with the banks and availability of credit without collateral would be useful, help in marketing their services.
- **Village Livestock Workers:** LLWs (Lady Livestock workers) model can play an important role in the effective delivery of animal health services particularly in areas where public and private veterinary services are inadequate and expensive. Experience has also shown that village based livestock workers can provide timely primary animal health services such as disease diagnosis, the treatment of common diseases and vaccination in remote areas where herds are scattered and infrastructure is poor. Community based livestock workers also have advantages over external service providers because of their knowledge of local conditions, easy access to households at the grassroots level and their low cost of service delivery. The local LWs can also supplement government efforts. Any developing country with limited resources can use this model to strengthen the veterinary services which are a back bone of livestock and dairy sector.
- **Institutional Anchorage:** The concept of using female community-based animal health workers in rural areas should be further pursued. However, it is important that any LW programme complement existing governmental services and integrate the concerned authorities.
- **Organization around a profitable initiative:** An important lesson learnt is that organizing local farmers around a profitable initiative is possible and can lead to real achievement within the current context of the Pakistani dairy industry. However, such an initiative needs to be comprehensive in scope. Therefore, other measures like encouraging farmers to form groups by providing support in technology transfer, market linkages, and enterprise management should also be part of such an initiative.
- **Public Private Partnership:** CELDAC project has successfully demonstrated the “value added” of the PPP model in the development of the dairy sector in Pakistan. Therefore, any similar initiative in future should build on the PPP model (e.g. partnership between the project, corporations, associations, and a public university) with clear working arrangements among the various partners. The role of key stakeholders in a development program is absolutely essential. Bringing private sector to a community development program by creating a win-win situation for all, is an important achievement of this pilot initiative. Involvement of the private sector in a project to ensure integration of local community in the supply chain system is also worth replicating.
- **Public Sector Capacity:** Given that 60 to 80 percent of the livestock care is handled by the women, their capacity building seems imperative for better performing dairy sector. However, there are not enough arrangements available in the public sector to address this key challenge. Indeed, suboptimal performance and lack of sustainability of dairy farming in Pakistan is due largely to the weak capacity of the public sector institutions to equip rural women with relevant skills to efficiently manage livestock and run small enterprises in the sector. This initiative has brought out a policy gap and the need to translate political vision of economic empowerment of women in the rural community through concrete steps.

### Way Forward:

- Building on the achievements and lessons learnt from CELDAC project, UNDP and PDA (Pakistan Dairy Association) are in the process of finalizing the second generation CELDAC project. While the objectives of the second phase of CELDAC (to be called Promoting Rural Income through Skills

Enhancement – PRISE) would broadly remain the same, PRISE will provide opportunities to all the dairy companies of Pakistan to partner and participate in the project on a cost sharing basis. For this purpose, PDA – an association of 13 dairy companies in Pakistan – will be the main partner of UNDP and will represent the private sector in the PRISE project.

- Public sector in Pakistan is reviewing its policy and focusing more on integrating women in the livestock veterinary service.

## CONCLUSION

- Integration of the local community into the dairy supply chain through skill development is a good development strategy. It can be replicated in any other part of the world to meet the MDGs through public –private partnership.
- For a successful and sustainable development model Private sector has to be part of the initiative from the very beginning.
- It is important to understand the linkages of aid for trade with the different levels of governance including the global governance of trade(Annex-A)
- Although we see signs of economic empowerment at the individual and community level. Additional employment and income has given a surety of next meal to few thousand households but whether these households would be able to change the future of their next generation? It depends on 3As. Access to quality education, access to health services and access to the world markets. Government of Pakistan is committed to deliver the first two As and we hope that the multilateral trading system will not let these poor households down and would ensure an open trading regime for the dairy sector which is free of trade distortions.