

**Proceedings of the Conference
on Indigenous Philanthropy**

**October 16 & 17, 2000
Islamabad, Pakistan**

AGA KHAN DEVELOPMENT NETWORK

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سَائِلٍ فِي سَبِيلِ اللَّهِ كَمَا كُنْتُمْ تُسْأَلُونَ
 وَاللَّهُ يَضْعَفُ لِمَنْ يَشَاءُ وَاللَّهُ وَاسِعٌ عَلِيمٌ

The
 likeness of those
 who spend their wealth
 in the way
 of Allah is as the likeness of a
 grain which grows seven ears;
 in every ear a hundred grains,
 and verily, Allah gives
 increase manifold to whomever
 He wills, and Allah is
 omniscient, knowing.

(Al-Baqrah, 261)

فَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ
 وَهُمْ لَا يُحْزَنُونَ

Those
 who spend
 their wealth by night
 and by day, secretly and
 openly, they shall have
 their reward from their
 Lord; they shall have
 no fear, nor shall
 they grieve.

(Al-Baqrah, 274)

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Acknowledgements

The Steering Committee for the Initiative on Indigenous Philanthropy would like to recognise the people and partnerships that have made both the Initiative and the Conference on Indigenous Philanthropy possible.

As it seeks to encourage a shift in Pakistan from dependence on foreign aid to self-reliance, the Initiative has been fortunate to receive the enthusiastic support not only from within the country, but also from longstanding partners in development.

Key donor partners have demonstrated their confidence in the aims of the Initiative on Indigenous Philanthropy. Both the Initiative and the Conference have been designed and funded through the Pakistan-Canada Social Institutions Development Programme, which is supported generously by the Canadian International Development Agency (CIDA) in partnership with Aga Khan Foundation Canada. In addition, the United States Agency for International Development (USAID), through a grant to the Aga Khan Foundation U.S.A. under the Pakistan NGO Initiative, has assisted the Initiative on Indigenous Philanthropy with support for the NGO Resource Centre.

In June 1998, the Aga Khan Development Network (AKDN) convened what was to become the Steering Committee for the Initiative on Indigenous Philanthropy. The AKDN is a group of private, non-denominational agencies working to improve living conditions and opportunities among disadvantaged populations, especially in Asia and Africa. Its agencies and institutions have individual mandates that range from health, education, rural development and the enhancement of non-governmental agencies, to architecture, culture and the promotion of private sector enterprise. Together they collaborate in working towards a common goal: building institutions and programs that can respond to the challenges of social, economic and cultural change. The Network's services are open to people of all faiths and origins.

For over two years, these efforts to enhance indigenous social investment for national development have been supported by the Aga Khan Foundation (AKF), a private, non-denominational agency of the AKDN that promotes sustainable and equitable social development in Asia and Africa, without regard to gender, origin, religion or political persuasion. AKF encourages initiatives in health, education, rural development, strengthening civil society and building human capacity. Foundation staff in Pakistan, Canada and Switzerland have provided ongoing intellectual, organisational and technical assistance to the Initiative and Conference on Indigenous Philanthropy. The Steering Committee wishes to recognise the AKF team responsible for the planning and implementation of the Conference on Indigenous Philanthropy.

In Appreciation: The Initiative on Indigenous Philanthropy

The Steering Committee for the Initiative on Indigenous Philanthropy would like to recognise the partnerships that have made both, the Initiative and the Conference on Indigenous Philanthropy possible.



Aga Khan Foundation

In June 1998, the **Aga Khan Development Network** convened what was to become the Steering Committee, for the Initiative on Indigenous Philanthropy and challenged us to consider the ways and means of encouraging a shift from foreign aid dependency, to indigenous social investment and self-reliance. For over two years, our efforts have been supported by the Aga Khan Foundation, which has provided on-going intellectual, organisational and technical assistance. The Foundation's support for the Initiative builds upon AKF's own programmatic interests in strengthening civil society and building human capacity in Asia and Africa.



Canadian International
Development Agency

Agence canadienne de
développement International

Canada

Key donor partners have also demonstrated their confidence in the aims of this Initiative. Both the Initiative and the Conference have been designed and funded through the **Pakistan-Canada Social Institutions Development Programme**, which is supported generously by the **Canadian International Development Agency (CIDA)** and **Aga Khan Foundation Canada**.

The **United States Agency for International Development (USAID)**, through a grant to the Aga Khan Foundation U.S.A. under the Pakistan NGO Initiative, has assisted the Initiative on Indigenous Philanthropy with support for the NGO Resource Centre.

In Appreciation Towards a Pakistan Centre for Philanthropy

During the course of its explorations, the Steering Committee for the Initiative on Indigenous Philanthropy found compelling evidence to suggest that Philanthropy in Pakistan could be greatly enhanced by a permanent institutional vehicle - a Centre for Philanthropy - to foster philanthropy as social investment.

The recommendation that such a centre be established drew widespread and enthusiastic indigenous support prior to the Conference. At the time of the Conference, Rs 13.95 million from indigenous funding sources had already been forthcoming to support the operational expenditure for three years for such a centre. In addition the Aga Khan Foundation (Pakistan) will provide Rs 4 million as well as providing technical assistance in programme areas.

The Steering Committee for the Initiative on Indigenous Philanthropy gratefully acknowledges the generosity and foresight of the following individuals and institutions in their contribution towards a proposed Centre for Philanthropy in Pakistan:

- Babar Ali Foundation
- Mr. Rafi Iqbal Ahmed, Packages Ltd.
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1. Profiles of Speakers at the Conference

- **Shamsh Kassim-Lakha** is the Convenor of the Steering Committee of the Initiative on Indigenous Philanthropy. Dr. Kassim-Lakha is the President and a founding Trustee of the Aga Khan University, which includes a major academic medical centre and initiatives in the fields of Health Sciences and Educational Development. He received his undergraduate education in the United Kingdom and obtained a master's degree in business administration from the University of Minnesota. Under the direction and vision of the University's founder and Chancellor, His Highness the Aga Khan, Dr. Kassim-Lakha has had the opportunity to lead the overall planning, construction, commissioning and now the administration of one of the largest private health sciences complexes in the developing world. As President of the Aga Khan University, he has spearheaded efforts to build long-term institutional relationships with national and international agencies, major international foundations, as well as with components of the Aga Khan Development Network. He has a distinguished record of voluntary and social service over three decades, and in 1994, the McMaster University of Canada conferred upon him the degree of Doctor of Laws, *honoris causa*. Dr. Kassim-Lakha was also awarded the 'Sitara-i-Imtiaz', a high civil award, in recognition of his sustained and eminent services in the fields of Education and Health Care by the President of the Islamic Republic of Pakistan in 1998.
- **Syed Husain Mohammad Jafri** is Professor Emeritus, the University of Karachi, where he was the founding Director of the Pakistan Study Centre in 1983. Dr. Jafri read for two Ph.D. degrees, one from the University of Lucknow and the other from the University of London. During his long teaching career, he has held positions at the University of Malaya, Kuala Lumpur; the American University of Beirut; and the Australian National University, Canberra. Besides numerous books and articles published in international journals, Dr. Jafri has contributed to the Encyclopedia of Islam, the Encyclopedia of the Modern Islamic World, the Encyclopedia of World Religions, Al-Munjid; and has been a co-editor of Hamdard Islamicus.
- **John D. Gerhart** is President of the American University in Cairo, an English-language liberal arts institution of about 5,000 students. He holds a B.A. degree in History and Literature from Harvard University and M.P.A. and Ph.D. degrees in Public Affairs from Princeton University. From 1969 to 1998, Dr. Gerhart worked for the Ford Foundation in Kenya, Botswana, Egypt, South Africa and New York, where he served as Director of the Africa and Middle East Program and Deputy Vice President of the Developing Countries Program.
- **Syed Babar Ali** is a member of the Steering Committee of the Initiative on Indigenous Philanthropy. His career has been a multi-dimensional one – as a visionary entrepreneur, as a public figure and as a noted social investor. He established Packages Ltd. and is the Chairman of the Board of Directors of Coca-Cola Beverages Pakistan Ltd, First International Investment Bank, Aventis Crop Science (Pvt.) Ltd, Aventis Pharma Pakistan Ltd., Siemens Pakistan Engineering Company, and Systems (Pvt.) Ltd. He is also a Director of Lever Brothers Pakistan Ltd. and Mitchell's Fruit Farms Limited. As a public figure, from 1962 to 1998 he was the Consul General of Sweden in Lahore; he was an Expert Advisor to the UN Commission for the Code of Conduct of Transnationals from 1976 to 1981. Since 1987 he has been a member of International Finance Corporation's Advisory Council, and in 1993 he became Pakistan's Minister of Finance, Economic Affairs & Planning in the interim Government. He is currently a member of the Economic Advisory Board of the Government of Pakistan. Mr. Babar Ali's philanthropic contribution has been to promote the cause of World Wide Fund for Nature (WWF)-Pakistan, whose President he was from 1977 to 1996. He joined the Board of Trustees of WWF-International, and from 1997 to 1999, Syed Babar Ali was the President of WWF-International, succeeding HRH The Duke of Edinburgh. In the area of education, Mr. Babar Ali founded the Lahore University of Management Sciences (LUMS) of which he is the first Pro-Chancellor. Syed Babar Ali earned a Bachelor's degree in science at the local Government College, later studied business administration at the University of Michigan, and attended the Advanced Management Program at Harvard Business School.
- **Attiya Inayatullah** is a member of the Steering Committee of the Initiative on Indigenous Philanthropy. She is well known in Pakistan and abroad for her recognized services in the cause of social development and human rights. Dr. Attiya Inayatullah was elected as Chairperson of the UNESCO Executive Board for two years. She has worked tirelessly for disadvantaged women and children and is the Founder of SOS Children's villages of Pakistan. Dr. Attiya Inayatullah has actively contributed in the fields of women empowerment, community development, human resource management and women's health. As a social development activist, she has served the women of Pakistan on a sustained basis and through a range of grassroots programmes. Her base

has been the NGO sector and her lifetime of voluntary contribution has earned her many Global and National Awards amongst which is the United Nations Cereus Gold Award for her pioneering social work in family planning and welfare. She has also been a Member of Parliament and has served as Minister in the Federal Cabinet as well as Adviser to the President of Pakistan. Dr. Attiya Inayatullah is currently the Federal Minister of Women Development, Social Welfare, Special Education and Population Welfare, Government of Pakistan. She received her Masters degree from Boston University U.S.A. and has a Ph.D. in Sociology and Anthropology.

Moderator

- **His Excellency Ferry de Kerckhove** is Canada's High Commissioner to Pakistan. Prior to his appointment in 1998, Dr. de Kerckhove occupied a number of senior positions in Canada and abroad, most recently Deputy Head of the Policy Branch and Director-General, Federal-Provincial Relations in the Department of Foreign Affairs and International Trade. Overseas postings include Minister and Deputy Head of Mission to Moscow, Economic Counsellor at the Canadian Delegation to NATO, and Third Secretary to the Canadian Embassy in Tehran. From 1989 to 1992, Dr. de Kerckhove served as Director, Economic Relations with Developing Countries Division in Ottawa. His academic background includes Ph.D. studies at Laval University, and he has published several papers on international relations.

Panelists

- **Lincoln C. Chen** is Executive Vice President for Strategy of the Rockefeller Foundation, which has programs both in the United States and worldwide in food, health, work, culture, and global policies. Before joining the Rockefeller Foundation in 1997, Dr. Chen was the Taro Takemi Professor of International Health at Harvard University, where he served as Director of the Harvard Center for Population and Development Studies, and as the Chair of the Department of Population and International Health in the School of Public Health. He worked in Bangladesh with the Ford Foundation and the International Center for Diarrheal Disease Research from 1981-1986. Dr. Chen was the Ford Foundation representative for Nepal, India, and Sri Lanka, based in New Delhi.
- **Shahida Jamil**, Barrister-at-Law, is currently the Federal Minister, Law & Parliamentary Affairs, Government of Pakistan. Prior to this, she was the Minister of Law with the additional charge of Social Welfare, Women Development, Culture, Sports and Tourism, Government of Sindh. Present professional positions also include Advocate, High Court of Sindh (since 1980), Professor on Human Rights at Sindh Muslim Law College, Karachi (since 1987), and Consultant on the "Karachi Port Trust Legal Framework Study" for the World Bank. She has published extensively and served as a Guest Lecturer, most recently at the Pakistan Naval War College, the Pakistan Naval Academy and the Aga Khan University Hospital. A member of the Sindh High Court, Lahore High Court and Karachi Bar Associations, Mrs. Jamil received her legal training from the Honourable Society of Gray's Inn, London.
- **Lieutenant General Sabeeh Qamar uz Zaman** (retired) is one the founders and Chief Executive of The Citizens Foundation. In addition to holding a number of appointments during his long service in the Army (1956 to 1995), General Sabeeh served as Chairman, Pakistan Ordinance Factories in Wah (1988 to 1992) and Chairman, Pakistan Steel Mills in Karachi (1992 to 1994).
- **Sussan Tahmasebi** is currently with the Iran NGO Capacity Building Initiative, which works to enable both modern and traditional community-based organisations to serve as equal partners with government and international agencies in development efforts in Iran. Ms. Tahmasebi's research focuses on identifying and documenting successful community-based efforts focusing on charity and relief organisations, in particular those organisations that are moving beyond their traditional roles to develop innovations in sustainability and philanthropy, promote models of prevention, and address historically sensitive social issues. This research also examines attempts by Iranian NGOs to play a more active role in policy development and advocacy. Prior to her current position, Ms. Tahmasebi worked for ten years on strengthening the capacity of community-based and service-delivery organisations in the United States.

Enabling Environment Resource Persons

- **Mueen Afzal (Chair)** is a member of the Steering Committee of the Initiative on Indigenous Philanthropy. He is currently the Secretary General, Finance & Economic Affairs, Government of Pakistan. Mr. Afzal joined the Civil Services of Pakistan in 1964 and has held several senior positions as Secretary Finance in the Government of Balochistan and Punjab. He was the Economic Minister at the Pakistan Embassy in Washington D.C. and was the Federal Secretary Finance, Government of Pakistan. Mr. Afzal received his Bachelors degree from Punjab and his Masters degree from the United Kingdom.

- **Céo Gaudet** is a Senior Tax Policy Officer in the Personal Income Tax Division of the Department of Finance Canada. Among his primary responsibilities is the income tax treatment of charities and charitable donations. In this capacity, Mr. Gaudet serves as the Department of Finance representative to a government-wide consultation process with the voluntary sector, to address a wide variety of issues, including a formal accord between the Government of Canada and the voluntary sector. Mr. Gaudet's career experience also includes work on the design of Canada's business and sales (VAT) tax systems as well as the national payments system and other financial sector issues.
- **Omar Asghar Khan** is the Federal Minister for Environment, Local Government, Rural Development and Overseas Pakistanis. Through out his professional career Mr. Khan has been an active promoter for civil society strengthening in Pakistan and an advocate for sustainable development. During his association with SUNGI Development Foundation, Mr. Khan developed a model of integrated rural development programme based on smaller village level organisation.
- **Khawar Mumtaz** has been associated with civil society organisations for more than fifteen years, including the Human Rights Commission of Pakistan and Sustainable Development Policy Institute. For the last two years she has been the Secretary of the Pakistan NGO Forum. In addition to her current responsibilities for the Pakistan NGO Forum, Ms. Khawar heads the Women's Resource Centre, Shirkatgah, in Lahore. During her professional career, Ms. Khawar conducted research and published her work both nationally and internationally.
- **Hafiz A. Pasha** is currently the Director, Regional Bureau for Asia and the Pacific, UNDP, New York. Prior to this, he was the Managing Director of the Social Policy and Development Centre (SPDC) and a former Advisor to the Government of Pakistan on Finance and Economic Affairs. With twenty-five years of experience in research, teaching and public service, Dr. Pasha has published over one hundred articles and books in the fields of public finance, urban and regional economics, and economies of social sector.

Public Awareness Resource Persons

- **Shaukat Raza Mirza (Chair)** is a member of the Steering Committee of the Initiative on Indigenous Philanthropy. He began his career with Exxon in 1962. After a series of assignments in the United States, Pakistan and Hong Kong, Mr. Mirza became President and General Manager, Exxon Chemical International Supply Company, Hong Kong in 1979. In 1988, he was appointed as President and Chief Executive Officer of Exxon Chemical Pakistan Limited (ECPL) and elected as Chairman of the Board of Directors of the Company. In 1991, Mr. Mirza successfully led an employee buyout of Exxon equity in the Company in partnership with international and local financial institutions. The Company was renamed Engro Chemical Pakistan Limited. In July 1997, Mr. Mirza retired as President and Chief Executive Officer of ECPL. In February 2000, Mr. Mirza was appointed as Managing Director, Pakistan State Oil Company Limited. Mr. Shaukat Mirza has been actively involved in several national and international institutions as well as Government committees. He is a member of the Commonwealth Business Council set up in February, 1998 to act as focal point to encourage international trade and investment within the Commonwealth and to create a dialogue for the public/private sector roles in this process. Mr. Mirza is a Director on the Board of Pakistan Refinery, and Chairman of the Board of Engro Chemical Pakistan and International General Insurance.
- **Zafar Abbas** has worked with the media for the last 20 years and has been associated with the national and international media institutions. At present he is the Bureau Chief of the monthly magazine 'Herald' and a correspondent with the BBC. During his professional career Mr. Abbas has conducted many international conferences and development events. He has also worked with NGOs like Human Rights Commission of Pakistan and other media-related organisations.
- **Sultan Ahmed** is a senior journalist and a regular writer on matters related to broader issues of economy and finance. He has been the Contributing Editor of the daily newspaper Dawn since 1980. Mr. Ahmed has been actively working for the freedom of expression in Pakistan and participating as an executive member on the boards of a number of organisations, working for the promotion of journalism and freedom of expression in Pakistan.
- **Caroline Hartnell** is responsible for all international publications at the UK-based Charities Aid Foundation. This includes a series of reports profiling the non-profit sector in different countries. Reports on India, Pakistan, Bangladesh, Sri Lanka and Nepal will be published next year. Ms. Hartnell has a special interest in helping popular media to cover the non-profit sector and development issues. She is editor of Alliance, CAF's quarterly magazine on the funding of civil society worldwide. CAF's mission is to strengthen philanthropy and increase the flow of funds to non-profit organisations around the world.

- **Ghazi Salahuddin** is a senior journalist, presently working as Director, Editorial for the Jang group of newspapers. He serves on the board of several civil society organisations and is actively involved in human rights issues in Pakistan.

Citizen Sector Resource Persons

- **Saeed Ahmad Qureshi (Chair)** is a member of the Steering Committee of the Initiative on Indigenous Philanthropy. He has a Master degree in Economics from Punjab and a Diploma in Public Administration from Oxford. Joined Civil Service of Pakistan in 1955 and held a number of important positions including Chief Secretary Sindh, Chairman Planning and Development Punjab. Federal Secretary of various ministries including Food & Agriculture, Education, Economic Affairs, Finance and Commerce. Mr. Qureshi was elevated as Secretary General Finance in 1991 and Deputy Chairman Planning Commission in 1993 with the rank of Federal Minister.
- **Jameel Yusuf Ahmed** is an industrialist with a keen interest in local governance and improving the state of civil society in Pakistan. Recipient of the Presidential Award for Gallantry (Sitara-e-Shujaat), and a nominee for the First United Nations Vienna Civil Society Award, Mr. Jameel Yusuf is the founder and chief of Citizen Police Liaison Committee and Member of the Advisory Board with the Ministry of Interior, Government of Pakistan.
- **Ali Akbar** is the Chief Executive Officer of Strengthening Participatory Organisations (SPO) a national level capacity building NGO. Prior to joining SPO, Mr. Akbar has served as the Programme Director of the Pakistan Office of the Voluntary Service Overseas. Actively involved with the civil society organisations in Pakistan for more than ten years, Mr. Akbar is also member of a number of development organisations, including IUCN – The World Conservation Union.
- **Shaheen Sardar Ali** is the Provincial Minister for Health, Population and Social Welfare, Government of NWFP. In recognition of her work as an advocate for women's development and human rights for many years, the Government of Pakistan has recently appointed Ms. Ali as the Chairperson of the Women Commission.
- **Mark Sidel** is Associate Professor of Law at the University of Iowa and a Research Fellow at the University's Obermann Center for Advanced Studies. His research, teaching, and extensive publications focus on law, philanthropy and the non-profit sector, and on comparative law in Asia with a focus on Vietnam and China. Dr. Sidel has worked extensively for the Ford Foundation, most recently managing the regional programme on philanthropy and the non-profit sector in South Asia. He has also served as a consultant for prominent institutions around the world. Dr. Sidel practised law with Baker and McKenzie in New York, Beijing and Hong Kong and is a member of the New York bar. He holds an A.B. from Princeton University, an M.A. from Yale University, and a J.D. from Columbia University.

Social Investing Resource Persons

- **Syed Babar Ali (Chair)** is a member of the Steering Committee of the Initiative on Indigenous Philanthropy.
- **John D. Gerhart** is President of the American University in Cairo.
- **Ishrat Husain** is Governor of the State Bank of Pakistan. Prior to his appointment as Governor, Dr. Husain served in a number of senior positions with the World Bank. Dr. Husain has maintained an active scholarly interest in Pakistan's economic issues. His most recent book is "Pakistan: The Economy of an Elitist State".
- **Nasreen Mahmud Kasuri** pioneered the private school phenomenon in Pakistan by setting up the Beacon House School System. Ms. Kasuri is also an active social worker and a supporter of women's rights in Pakistan. She is presently member of the Education Advisory Board, Ministry of Education, Government of Pakistan. She is also involved with the Human Rights Commission of Pakistan, Women's Action Forum (WAF) and Trust for Voluntary Organisations.
- **Zaffar A. Khan** is President and Chief Executive of Engro Chemical Pakistan Ltd. Mr. Khan is a member of a number of public, commercial company and civil society organisation boards including the Government of Pakistan's Economic Advisory Board.

2. Introduction

The Conference on Indigenous Philanthropy – held in Islamabad, Pakistan on October 16 & 17, 2000 – was a seminal point in the ongoing development of the Initiative on Indigenous Philanthropy, a more than two-year effort to strengthen giving and volunteering in Pakistan for social development.

The Challenge: Moving from Poverty to Self-reliant Development

Like many countries in the South, Pakistan today faces difficult challenges. One-third of the population falls below the poverty line. As international experience makes us cognisant of the fact that poverty lies at the root of the world's most pressing social problems, this is a troubling figure. While there is renewed consensus within the international development community that poverty reduction must remain the focus of its efforts, official development assistance from major donor countries continues to decline.

Pakistan also has the unwelcome distinction of having the highest adult illiteracy rate among the big emerging economies.¹ Moreover, this rate stands out for the appalling disparity between men and women: 42 percent of Pakistani men are illiterate; 71 percent of Pakistani women cannot read or write.

Infant and maternal mortality rates – two key indicators of a nation's health – remain unacceptably high. In 1999, the infant mortality rate was 92 in 1,000. This falls short of even the modest targets set by the Government of Pakistan in 1993. The maternal mortality ratio was 340 to 100,000 – an equally disappointing figure. Despite these rates, Pakistan's population continues to grow at an alarming rate of 2.18 percent, translating into a doubling time of 20 years. Clearly, this is something the country can ill afford.

Finally, public institutions, especially in the sectors of health and education, have failed to halt declining performance. Nor do they have the capacity even to reach large segments of the population in the remote rural areas or the urban slums – those with the greatest needs.

The Opportunity: Indigenous Philanthropy and Citizen-led Efforts

It is important, however, to balance these grim realities against the enormous potential for positive change that exists in Pakistan today. First and foremost, Pakistan is a country with tremendous human resources. Nowhere is this more apparent than in the vibrant citizen or "NGO" sector. Today in Pakistan, over 100 intermediary organisations provide vital social services through a network of grassroots groups, and tens of thousands of community-based organisations and informal associations of dedicated volunteers are successfully addressing the basic social needs at the local level.

In addition, the present Government's priorities of poverty alleviation, self-reliance, and promoting responsible citizenship have created a sense of cautious optimism among the private sector and civil society, after years of mutual mistrust.

Finally, as recent research commissioned through the Initiative has indicated, Pakistan is a tremendously giving nation. Out of strong traditions of giving and volunteering – rooted in faith but also integrally connected to ideas of civic duty and social responsibility – a deep, but still largely untapped, philanthropic impulse has developed. As individuals and as representatives of the corporate sector, Pakistanis are able and willing to do more to address the causes of poverty, ill health and ignorance in their country.

The Initiative on Indigenous Philanthropy

It was in light of both these challenges and opportunities that the Initiative on Indigenous Philanthropy was conceived. Inspiration and impetus came from one of the Muslim world's most generous and innovative philanthropists, His Highness the Aga Khan, who has sought to promote indigenous giving and volunteering in the countries of Asia and Africa in which the Aga Khan Development Network (AKDN) works. It was thus as a result of his longstanding interest that, in June 1998, the AKDN convened a

1. According to the World Bank, *World Development Report 2000* (Washington, DC: World Bank, 2000). The World Bank uses figures from 1998. This statistic was also recently discussed in *The Economist*, October 21, 2000, 124

group of eminent Pakistanis representing leadership from government, business and civil society and challenged it to seek ways of enhancing giving and volunteering in Pakistan to promote sustainable, self-reliant national development. From this initial gathering the Steering Committee for the Initiative on Indigenous Philanthropy was born.

For over two years, the Initiative on Indigenous Philanthropy has focused on two related objectives. The primary goal was to increase not only the quantity of giving and volunteering in Pakistan, but the quality as well. In addition to traditional forms of charity to relieve immediate needs or assist victims of disaster or emergency, the Initiative sought to find ways to direct indigenous philanthropy towards long-term social development. By improving the quantity and quality of indigenous philanthropy, the Steering Committee had confidence that the second goal would be achieved: Pakistan moving towards greater self-reliance and away from dependency on external aid.

In addition to the guidance of the Steering Committee, the intellectual, technical and financial support of the Aga Khan Foundation have been integral to the success of the Initiative on Indigenous Philanthropy. The Initiative builds upon a core focus of the Aga Khan Foundation: strengthening civil society and developing human capacity in Pakistan and elsewhere. Professional staff from AKF units in Pakistan and Canada as well as the Foundation's Geneva

headquarters worked with the Steering Committee in the design and implementation of the Initiative – gathering research, conducting consultations and preparing the findings of the two-year undertaking for publication and dissemination.

The Initiative on Indigenous Philanthropy is one of numerous projects supported through the Pakistan-Canada Social Institutions Development Program (PAKSID), an eight-year program funded jointly by the Canadian International Development Agency (CIDA) and Aga Khan Foundation Canada (AKFC). Its goal is to develop and strengthen the capacity of selected organisations and institutions in Pakistan's "independent sector" to undertake more effective and sustainable approaches to human development. The broader PAKSID program provided the Initiative with vital resources and a wealth of knowledge and experience upon which to build an innovative new framework for strengthening social development in Pakistan.

It should be noted that, at the outset of the Initiative, few indicators of the current state of philanthropy in Pakistan existed. The Steering Committee had no comprehensive picture of philanthropic activities in Pakistan, against which they could set targets and measure the progress towards the Initiative's primary objectives. Accordingly, the first and most crucial step was to commission original and, for Pakistan, pioneering research on key aspects of giving and



Members of the Steering Committee on Indigenous Philanthropy with the Chief Guest. From left to right: Mr. Shoaib Sultan Khan, Syed Babar Ali, Dr. Sulaiman Sheikh, Mr. Saeed Ahmad Qureshi, Dr. Shams Kassim-Lakha, His Highness the Aga Khan, Chief Executive of Pakistan General Pervez Musharraf, Dr. Attiya Inayatullah, Mr. Mahomed J. Jaffer, Mr. Asif Fancy, Mr. Kamal Chinoy and Mr. Shaukat R. Mirza.

volunteering. The Steering Committee also consulted widely across Pakistani society and canvassed international experience for relevant methodologies and models. This involved hundreds of individuals and organisations, and resulted in a wealth of information and materials.

Six major research studies addressed a wide spectrum of issues related to philanthropy in Pakistan. These studies included; a scholarly review of charitable giving in Islamic contexts; the first ever national sample survey of individual giving; a survey of corporate giving; an overview of citizen-led development efforts in Pakistan; fifteen case-studies profiling a diverse range of indigenous, philanthropy-receiving institutions; and a study of the current regulatory and fiscal framework for philanthropy in Pakistan.

The main features of the consultative process were: a series of focus group discussions with business leaders on philanthropy and corporate social responsibility; individual interviews and focus group discussions with a representative sample of government officials to map public sector perceptions of civil society organisations or “NGOs”; action research and focus group discussions among philanthropy-receiving organisations on the ways to promote indigenous giving and volunteering, effective self-regulation within the sector, and NGO performance accountability; and a meeting with representatives of the media to investigate the nature of public awareness of citizen-led development initiatives.

In addition, the Steering Committee commissioned a comparative analysis of the international experience in enhancing indigenous philanthropy. Philanthropy-support institutions, NGO self-regulation strategies, and other relevant issues from the Philippines, Canada, South Africa, India, Australia, and the United States were examined as the Initiative explored ways of more effectively supporting both grantmakers and grantseekers.

Together the research studies, consultative process, and survey of international experience produced a wealth of new information on giving and volunteering in Pakistan. A brief overview of some of the initial findings of the Initiative underscores the timeliness of the undertaking:

- From the National Survey of Individual Giving, the Initiative found that Pakistanis gave the equivalent of Rs 70 billion in monetary donations, volunteer time and gifts-in-kind during 1998.
- The majority of current philanthropic activity is directed towards individual recipients rather than organisations, with the exception of religious institutions.
- From all research and consultations, the Initiative heard that civil society institutions – the “NGOs” – are not well understood, by government, potential corporate donors or the general public. At best this misunderstanding is manifested as ignorance or lack of awareness; at worst, as mutual mistrust, suspicion and even hostility.
- Business leaders signalled their willingness, and indeed their desire, to be “good corporate citizens” and to work with other partners to achieve social development goals. However, they need information, assistance and greater confidence in the citizen sector to make sound social investments.
- In this latter regard, the study of international experience revealed that philanthropy-support institutions provide successful models for ways to build the capacity of both grantmakers and grantseekers. In many instances they also helped to redress the lack of public awareness in philanthropic opportunities and activities.
- The examination of the current legal and fiscal framework in which philanthropic activity currently operates needs improvement in several key areas, most crucially in the legal framework in which NGOs and other charitable organisations are registered.
- Finally, the Pakistani media does not yet see the business case for reporting on development issues, especially with regard to the “success stories” in citizen-led development initiatives. Moreover, research underscored a significant difference between the portrayal of citizens’ organisations (or the “NGOs”) in English- and Urdu-language media coverage.

These were among the numerous findings published in two volumes. The first, entitled *Enhancing Indigenous Philanthropy for Social Investment: A Report of the Initiative on Indigenous Philanthropy*, is a policy-oriented report that synthesises the six studies and the ongoing work of the Initiative, including a prospectus for a “Pakistan Centre for Philanthropy”. This publication served as the primary report to the Conference on Indigenous Philanthropy, and has been reprinted with a revised introduction for the Conference proceedings. The six major studies were

published in full in a companion volume entitled *Philanthropy in Pakistan*, which promises to become a seminal contribution to the literature in the field.

The Conference on Indigenous Philanthropy

To disseminate and build upon these and other findings, the Steering Committee convened the Conference on Indigenous Philanthropy in Islamabad on October 16 & 17, 2000. Leaders and key actors in Government, the corporate sector, the citizen sector and the media from across Pakistan were invited to participate in the two-day event. In addition, notable international experts agreed to lend their expertise to the deliberations.

To focus the Conference agenda around the key issues that emerged from the Initiative, the Steering Committee put forward three recommendations for the consideration of the delegates (box 1). These recommendations were based upon the issues, concerns and questions that emerged from the preliminary research and consultative process.

The first recommendation addressed the need – unanimously voiced in the consultative process and research – to develop trust and understanding between all stakeholders and to create an environment that encouraged both donors and citizens’ organisations to become better at what they do.

Public awareness of citizens’ organisations engaging in social development is extremely low in Pakistan.

Box 1 Recommendations

Recommendation 1

“That Government, social investors, business, and citizens’ organisations engage in a stakeholder consultative process to build consensus and confidence in a new, more enabling regulatory and fiscal framework.”

Recommendation 2

“That the media and other agents of public understanding undertake a special initiative to raise public awareness of the citizen self-help movement.”

Recommendation 3

“That a centre for philanthropy be established as a permanent institutional vehicle to enhance philanthropy as social investment.”

For example, not one organisation garnered significant recognition in the National Survey on Individual Giving. Thus, the second recommendation stemmed from the recognition that, for the Initiative to achieve its goals, raising public awareness about philanthropy and social development needs, must be conscientiously and systematically undertaken. If indigenous philanthropy is to be enhanced to support social development initiatives, the public needs to see the choices available to invest their giving most effectively.

The third recommendation went to the Conference with the strong backing of Pakistani philanthropists already in hand. The idea of a Pakistan Centre for Philanthropy was initially raised in several meetings across Pakistan with prominent individual and corporate donors. The response was immediate and enthusiastic: an estimated three years of operating costs for the proposed centre was pledged prior to the Conference.

As noted in the original prospectus, the proposed centre would not “do philanthropy” in the sense of grantmaking. Rather, it would provide advice to both grantmakers and grantseekers, offer a sympathetic forum for dialogue, professional training and linkages – available to government, the corporate sector and the citizen sector.

Conference Content and Outcomes

The Conference made real progress in terms of bringing all stakeholders together in an atmosphere of trust and respect. Approximately 250 delegates from all sectors of Pakistani society were represented.

The presence of President Rafiq Tarar and Chief Executive General Pervez Musharraf underscored the important support the Initiative on Indigenous Philanthropy had won from Government at the highest levels. In their addresses to the Conference, both endorsed the three recommendations and pledged to work to help achieve them. In his address to the delegates on day two of the Conference, His Highness the Aga Khan similarly provided both inspiration and practical guidance. All three speeches are reproduced in this volume.

The high calibre of the Conference’s resource people, both from Pakistan and abroad, was especially notable. In individual speeches, a panel discussion, and as special contributors to the working group sessions, these resource people enable delegates to access a wealth of experience and innovative ideas on moving the initiative forward. In addition to

disseminating the findings and issues raised through the Initiative, the purpose of the Conference was to bring together the expertise of the delegates themselves. Four working group sessions - each addressing a crucial area of indigenous philanthropy - provided a means to draw out that expertise around core concerns and issues.

The agenda for each working group was ambitious. Guided by a chairperson and facilitated by notable national and international resource persons, each group was charged with developing a report to the plenary on their appointed area: the enabling environment, public awareness, the citizen sector, and social investing. All four chairpersons noted that discussions were lively and that delegates worked hard to develop a considered response to the three recommendations presented to the Conference by the Steering Committee. Not only did the delegates endorse the three recommendations in their working groups, but they significantly elaborated upon them. The terms of reference for each group, their individual reports to the plenary on October 16, and Syed Babar Ali's comprehensive report of all four sessions on October 17 are presented in this volume.

The Conference and Initiative received considerable attention by both the print and the electronic media. The publication of four op-ed pieces in the English, Urdu and Sindhi language newspapers was a particularly important starting point for substantive national media coverage and heightened public awareness. Annex A of this volume contains an index to the press coverage in both English and Urdu newspapers and a selection of articles on the Conference and relative issues.

To provide the reader with a better sense of the development of issues and ideas at the Conference on Indigenous Philanthropy, the proceedings contained in this volume are presented in chronological order. As noted above, a companion volume to the proceedings reproduces the original pre-conference report, *Enhancing Indigenous Philanthropy for Social Investment*.

This seminal Conference has enriched the thinking of the Initiative on these issues of tremendous national and, ultimately, international significance. The intent in publishing the proceedings of the Conference and reissuing the preliminary report of the Initiative is not

only to share the discussions and outcomes of the Conference with a broader audience, but to present as well the remaining tasks - to stimulate further debate, co-operation and trust-building as the Initiative moves to implement the three major recommendations.

It is also strongly hoped that these proceedings will continue to build awareness of the scope and potential of indigenous philanthropy not only among Pakistanis but also among others in the South who face similar challenges to equitable and sustainable social development. Just as the sharing of international experiences in South Africa, Iran, India, the Philippines and Canada provided Conference delegates with relevant examples and food for thought, this Pakistani initiative, as it continues to progress, may inspire others to take up the challenge of enhancing indigenous philanthropy for social investment.

In that context, it is fitting to end with a note on a theme that resonated throughout the Conference: the tremendous importance of giving to Muslim societies across time and geography and, more specifically, the special relevance of Islamic injunctions on philanthropy to the development needs of today. Nowhere was this more clearly or eloquently stated than in the address made by His Highness the Aga Khan to the Conference on October 17, 2000. Speaking to a central point raised by the Conference - the responsible stewardship of philanthropic gifts - His Highness observed:

The obligation to maintain the highest level of integrity in the management of donated resources, and of the institutions benefiting from them, is grounded in our faith. It is critical to the realisation of the purposes of all gifts, to the continuation and growth of philanthropic giving, and for credibility in the eyes of the public. Muslim societies have the moral right to expect and demand that philanthropic donations be managed according to the highest ethical standards.²

To the best of the Steering Committee's knowledge, the Pakistan Centre for Philanthropy will be the first philanthropy-support organisation to come into being in the Islamic world. It is especially hoped that others in the Islamic world will gain from the experiences of the new centre as well as from the insights presented in these proceedings.

2. For the complete text of this address, see section 10 of this volume.

3. Welcome Address

Dr. Shamsh Kassim-Lakha, Steering Committee Convenor

Bismillah Ar-Rehman Ar-Raheem

Your Excellency President Rafiq Tarar, Your Highness the Aga Khan, Honourable Ministers, Your Excellencies, Distinguished Guests:

Assalam-o-Alaikum

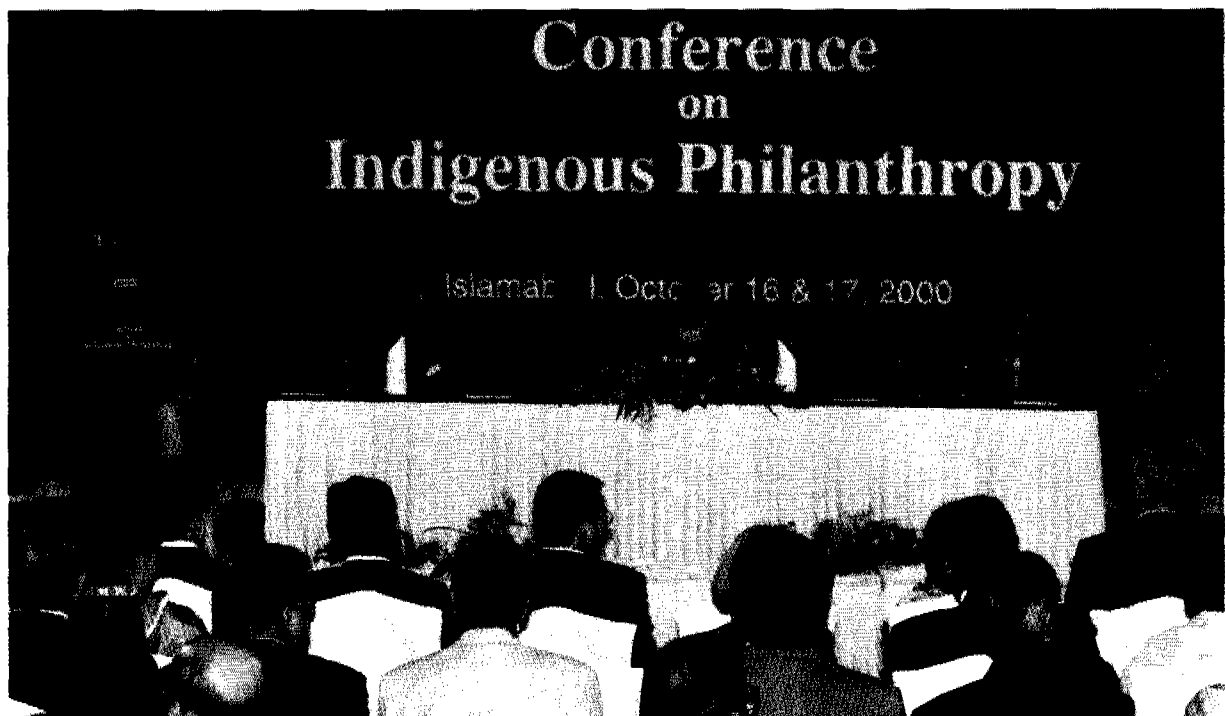
It gives me great pleasure to welcome you, on behalf of the Steering Committee for Indigenous Philanthropy to this historic conference, the first ever on this topic in Pakistan. At the beginning of any feast, the cook should contain his anxiety and say as little as possible by way of introduction. So I will try to be brief.

We are highly honoured that President Rafiq Tarar is among us today and will inaugurate the Conference this morning. The Chief Executive General Pervez Musharraf will deliver the concluding address tomorrow. This encouragement from the highest echelon of the Government, plus the valuable support of several ministers and many senior officials, testifies to the importance that the Government places on indigenous philanthropy.

We must also acknowledge the support that the Steering Committee for the Initiative on Indigenous Philanthropy has enjoyed from His Highness the Aga Khan. It was he who first challenged us to explore the potential of indigenous philanthropy as a resource for sustainable national development and a means to reduce dependence on external aid.

As the Steering Committee began its work, it faced a quandary: there was very little relevant data about philanthropy. There was no published analysis. Different stakeholders and interest groups did not pronounce publicly on this subject. We knew from our faith that it is fundamental to who we are, individually and as the *Umma*, but there were no markers or measures to guide us as we applied our minds to the challenge of enhancing philanthropy. So we began this serious task by undertaking original research and a series of surveys, roundtables and focus groups. The extent of this work became far more than we initially contemplated.

I'd like to recognise especially the serious commitment of the members of the Steering



Dr. Shamsh Kassim-Lakha, Steering Committee Convenor, welcoming conference delegates.

Seated from left: Dr. John Gerhart, His Highness the Aga Khan, President of Pakistan, Mr. Rafiq Tarar, and Dr. Husain Mohammad Jafri

Committee in preparing for this Conference. Their active leadership – through some thirty months of meetings, research studies, stakeholder consultations, and international review of international mechanisms to promote philanthropy, conference planning, fundraising (of course, somebody has to do it!), and all manner of other activities – has been critical to our achievements to date. They are, ladies and gentlemen, not only great promoters of indigenous philanthropy but also – through their voluntary service – great philanthropists themselves.

From its earliest research and outreach activities, the Steering Committee found a broad and deep excitement among all stakeholders about indigenous philanthropy. We are a people who respond to suffering, who give in the way of Allah, and who give generously. In 1998 our aggregate giving totalled Rs 70 billion, of which two-thirds was by way of material resources and one-third by way of volunteer time. This is many fold what is received annually in grant aid from foreign sources and nearly equals Government budgets for health and education. In some ways, even more impressive than the total is the figure that 34 percent of all such giving comes from those in the lowest income strata of our society.

In per capita terms, giving in Pakistan is higher than many industrialised countries. The Steering Committee then came to the conclusion that we can and must build on this great tradition of giving. We can ignite the spark into a great flame, and thereby enhance the quality and quantity of our philanthropy, such that it attacks the causes as well as the symptoms of our many social afflictions.

While the world of organised philanthropy was new to us, and at times we felt like pioneers entering uncharted lands, we soon learned that we were in fact merely rediscovering truths and practices that are literally hundreds of years old. The further out we looked the more we found that all roads lead to us – not to Rome but to home: to our faith, to our Islamic culture. To give you a sense of what I mean by this, let me read to you from the journal of the famous fourteenth-century traveller, Ibn-e-Battuta, who marvelled at the extent of organised philanthropy in Damascus over six hundred years ago. He says:

The variety and expenditure of *waqfs* (that is, charitable endowments) at Damascus are beyond computation. There are endowments in aid of

persons who cannot undertake the pilgrimage to Mecca, out of which are paid the expenses of those who go in their stead. There are other endowments for supplying wedding outfits to girls whose families are unable to provide them, and others for the freeing of prisoners. There are endowments for travellers, out of the revenues of which they are given food, clothing, and the expenses of conveyance to their countries.... The people of Damascus vie with one another in building mosques, religious houses, colleges and mausoleums.¹

The members of the Steering Committee, like Ibn-e-Battuta before us, were deeply impressed by the philanthropy that we discovered in Pakistan, when we began to look around us. While we may not have the powers of observation and description of Ibn-e-Battuta, we have tried to capture what we have learned in our publications and in this Conference programme. To prevent any risk of indigestion, we have restricted the menu for your consideration to three items.

The first main recommendation of the Steering Committee stems from a vital question: How can our Government encourage citizens to give money and volunteer time to private development organisations? As is the experience everywhere, without such citizen support, and at a massive scale, there can be no sustainable development. It is as simple as that. Our recommendation upon considering this question calls upon Government, business and civil society organisations to come together in a multi-stakeholder consultative process with the goal of building consensus and confidence in a new, more enabling regulatory and fiscal framework.

The second recommendation to the conferees is for a special initiative by the media and other agents of public understanding to raise the level of public awareness of the citizen self-help movement. How is indigenous philanthropy covered in the media today? What lessons can we draw from the dramatic divergence between the English- and Urdu-language coverage? What efforts are required from citizens' organisations to improve media coverage and raise societal understanding of their work?

Thirdly, the Steering Committee believes that a permanent institutional vehicle to enhance philanthropy as social investment could make a

1. In *The Travels of Ibn-e-Battuta, 1325-1354 A.D.* vol. 1, trans. H.A.R. Gibb (Cambridge University Press, 1958), 148-149. See also A. Nanji, "Charitable Giving in Islamic Contexts," *Philanthropy in Pakistan* (AKD, August 2000), 16.

significant contribution to the nation. Do the conferees concur that there is such a need? If so, what form should that institution adopt? What should be its programme priorities?

I know that all of you are keen to begin the main meal. But in concluding this introduction to the Conference, may I express on behalf of the Steering Committee our heartfelt gratitude to the sponsors of the Initiative on Indigenous Philanthropy. I wish also to recognise the philanthropists who have so generously pledged support to a Pakistan Centre for Philanthropy, should one come to be established as a result of this Conference. I wish to thank these far-sighted Pakistani benefactors, most of whom are present here today, and assure them that their contributions are reserved for that purpose. Their social investments in a new institution to promote philanthropy in Pakistan will not be applied to the costs of this Conference. Fortunately, these are met through generous support from the Canadian International Development Agency and the United States Agency for International Development, which I would like to particularly acknowledge here today. The Aga Khan Development Network has provided both technical and financial support to the Initiative, mainly through the Foundation.

This Conference is dedicated to the idea that persons of goodwill can come together, breathe life into a spirit of self-reliance, and reduce our dependence on external benevolence. It affirms the notion that we can enhance the experience of philanthropy for Pakistanis in a way that will contribute to sustainable national development.

There are always obstacles in the way of endeavours such as this. We do not yet have a fully enabling regulatory and fiscal environment. We face a crippling

lack of trust in our institutions. This became abundantly clear to us when we spoke to potential indigenous philanthropists, who unanimously voiced the need for some mechanism to sort out the good, the bad and the ugly from among those organisations seeking their support. While recognising this need, the Steering Committee took a firm position that it was not its job to make such judgements; instead, it has encouraged civil society organisations to be proactive in raising their standards of accountability and transparency.

Its three recommendations now before you are also crafted to help you understand these obstacles. As you settle down to this *dastarkhuan* I invite you to look around, to appreciate the diversity that is represented here. Within our Steering Committee, we found that the fact that we came from such diverse backgrounds as business, public service, health, education, rural development and law was our greatest asset. When we come together from all three sectors of society – business, civil society and Government – we work to create trust, and in so doing, we work from a basis that can sustain national development over the long haul. When we gather here together in our diversity, as we have today, we may find – *Inshallah* – that indigenous philanthropy is one of the keys to unlock a better tomorrow for all our people.

In closing, may I return to the greater purpose that has brought us here: to alleviate suffering and to advance sustainable development. As Allah reveals in the Holy Quran, “For those men and women who give in charity and loan to Allah a beautiful loan, it shall be increased, and they shall have besides a liberal reward.”

Thank you.

4. Inaugural Address

Mr. Rafiq Tarar, President, Islamic Republic of Pakistan

Your Highness, Prince Karim Aga Khan, Honourable Ministers, Excellencies, Dr. Shams Kassim-Lakha, Members of the Steering Committee, Ladies and Gentlemen:

Assalam-o-Alaikum

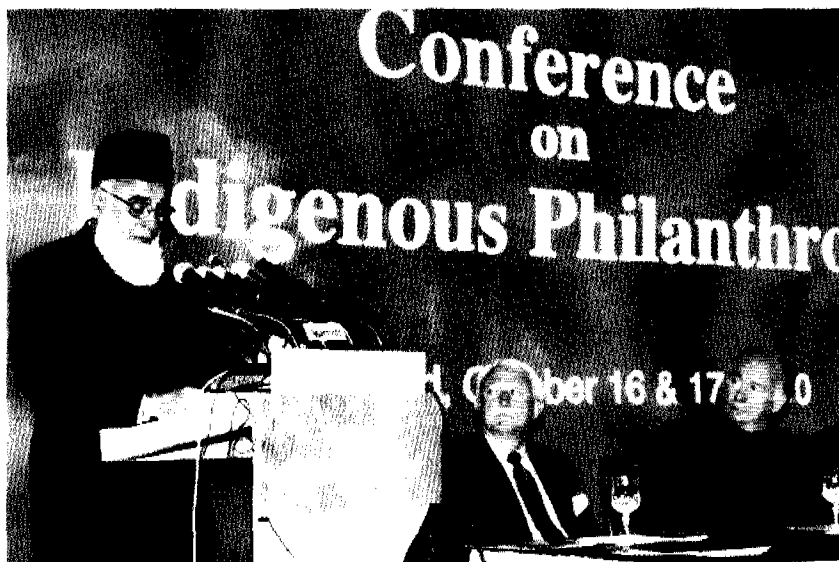
It gives me special pleasure to be here to inaugurate the Conference on Indigenous Philanthropy. In fact, as a Muslim, one should feel a sense of obligation to participate in an event that concerns one of the fundamental tenets of Islam. Islam enjoins upon us to care for our families, neighbours, communities, and the whole of humanity. Based upon this golden principle, our religion has evolved a well-developed tradition of giving in diverse contexts and across time. I see this Conference as another historic moment in that long and constantly evolving tradition.

In Islam charity does not end only with an act of 'giving'. It enjoins upon the believers to help the needy in such a way that his pride and self respect is not injured in any manner whatsoever. Charity is not confined only to giving out material things to the needy, but it also includes voluntary service, a piece of good advice, solace and a healing touch of a hand or even a smile. By institutionalising receipt and disbursement of charity for the empowerment of the underprivileged and to improve their quality of life, the Aga Khan Development Network has taken the much-needed step in the right direction. With its new initiative to encourage indigenous philanthropy the network has set yet another example for others to emulate.

We all know that Pakistan has huge human needs. There is much poverty, illiteracy and disease. Our population continues to grow at a rate that exceeds our resources and infrastructure. We all need to work together to solve these

major problems. The Government is taking initiatives, but needs help. The silver lining, however, is that Pakistan has a great tradition of care for the poor and those in distress which goes back to our Islamic roots and which guided us to overcome our difficulties at the time of independence in 1947.

Over the past few years, there has been an encouraging new awareness in our society. Those who have been blessed by Allah are increasingly recognising the need to give more of their time and resources towards charity, and in particular to establish new institutions dedicated not only to provide relief to the suffering, but also to reducing poverty. We have pioneers who have endowed private universities, schools and hospitals making immeasurable contributions to the society. However in view of the quantum of poverty, hunger, disease and illiteracy, much more is needed to be done. We have vast areas where even clean drinking water is not available. Having been faced with this grave situation, the philanthropic impulse, that is already there, needs to be immensely enhanced. We should respond without reservation to those in immediate distress – the hungry, the destitute, those struck by tragedy – and seek to relieve their immediate suffering. We should also apply ourselves to the task of rehabilitation of the



Mr. Rafiq Tarar, President of Pakistan, inaugurates the Conference on Indigenous Philanthropy. Seated from left: Dr. John Gerhart, His Highness the Aga Khan



His Highness the Aga Khan greeting Mr. Rafiq Tarar, President of Pakistan before the opening of the Conference on Indigenous Philanthropy.

less fortunate members of our society. We should channel our charitable impulse to support programmes that pursue long-term sustainable development and empowerment of the underprivileged with a view to improving their quality of life. This great task is now put to the Conference delegates to think about ways and means to render more and better service to the underprivileged.

Ladies and Gentlemen: I commend the Steering Committee for its commitment to a better future for Pakistan through our own efforts at enhancing charity. I would also like to sincerely thank the international development agencies that have been particularly effective in their assistance to community self-help efforts and social programmes. I hope the delegates of this Conference will be able to lend their expertise to building a partnership between indigenous philanthropy, voluntary organisations, and Government policy. As social investments, philanthropy and poverty alleviation efforts must be encouraged to build a society assuring basic human needs to every citizen.

Finally, I am pleased to inaugurate this Conference on Indigenous Philanthropy. I wish you great success in this undertaking and I look forward to seeing the results of your efforts.

Thank you.

Pakistan Paindabad.

5. Charitable Giving in Islamic Context

*Drawn from the study by Professor Azim Nanji, and presented at the Conference by Dr. Syed Husain Mohammad Jafri.
The unabridged version of this study is published in 'Philanthropy in Pakistan', the main volume
of the Initiative on Indigenous Philanthropy.*

The ethical teachings of the Holy Quran, the example of the Prophet (Peace Be Upon Him), and Muslim history and tradition show how ideals related to charitable giving were translated into institutional forms and actions. In this way historical insight offers powerful lessons to help Muslim societies to move beyond mere rhetoric. Through these lessons, we have an important opportunity to sustain and build upon Islamic principles of giving to meet the pressing social needs of today.

The Quran articulates a very textured and complex ethical concept of charitable giving through a variety of terms such as *sadaqa* and *zakat*. While inclusive of the notion of acts directed to the needs of the poor, the Quranic concept extends the significance of charitable giving to encompass ideals of compassion, social justice, sharing and strengthening. Such an ethic aims not only to be socially corrective, but also to reflect the moral and spiritual value attached to the qualitative use of wealth, property, resources and voluntary effort for the welfare of individuals, communities and society as a whole.

The perspective of the Quran on the sharing of wealth and individual resources through acts of giving is rooted in certain essential ideals:

- First, Islam makes no distinction between spiritual and material endeavours in human life. Acts sanctioned as part of faith are therefore linked to the daily conditions of life in the world.
- The second ideal relates to the nature, purpose and function of the Muslim community, or *Umma*. The Quran defines the *Umma* as, quote: "the best of communities created to commit to the good and to struggle against the bad" (Q3:110).
- The third ideal comes from the concept of trusteeship of wealth and property. Those who possess wealth are ethically accountable for the way in which it is earned and expended.

These essential ideals, among others in the Quran, established both the underlying moral sense and the actual practice of charitable giving in Islamic contexts.

It is important to remember that the *Umma* was not merely a religious community in a narrow sense. It also represented, historically, a context where moral and social values of the faith could be translated into action. Thus, as the Muslim community expanded through conversion and conquest, its rulers and scholars sought ways to implement such ethical ideals in their societies. Though the world of Islam would ultimately encompass considerable human, geographical, and cultural diversity, a common pattern of thought was articulated in theological and legal discourses, translating Quranic principles into daily social life. Questions of giving and ethics, thus became integrally connected to evolving Muslim practice, and in time incorporated the institutionalisation of procedures for collection and distribution of individual charitable giving.

According to the Quran, true sovereignty belongs to God. Thus the Prophet (Peace Be Upon Him), his successors, the community, and even the state act merely as the instruments by which moral and spiritual ideals could be translated into society. The individuals within society, whom God has endowed with a capacity to acknowledge and respond to Him by way of the revelation and their own intellect, are trustees through whom the moral and spiritual vision of the Quran is fulfilled in personal and community life. While recognising that individuals are differently endowed with abilities, resources and property, the Quran emphasises social solidarity as an ideal that enjoins both justice and generosity.

The specific notions of setting aside a portion for others or of recognising the necessity and value of giving are articulated in the Quran through a number of terms. The meanings of these terms are integrated

with one another, and they are often used interchangeably. For our consideration today, the most significant of these terms are *sadaqa* and *zakat*. Over time, *zakat* came to be distinguished by Muslim jurists from *sadaqa* and conceived as the obligatory giving of alms, with very specific purposes and limits. This restrictive sense is not immediately apparent in the Quran.

Sadaqa

In its original context, *sadaqa* reflects the idea of righteousness or truth, endowing the act of giving with moral agency. The Quran not only elaborates the uses to which *sadaqa* may be put, but also specifies the types of recipient who ought to benefit from it. Worthy recipients include:

- Those afflicted by poverty;
- Those in need and incapable of assisting themselves;
- Those who act, sometimes in a voluntary capacity, as collection stewards and custodians to ensure the collection and appropriate use of charitable donations;
- Those whose hearts are favourably inclined towards Islam; and
- Others who fall into circumstances from which they might be redeemed. In this latter category are the enslaved or captives in battle, those in debt, travel or transit, and those active on God's path (*fi sabil li llah*).

Zakat

Turning now to *zakat*, we find that the Quran links the word explicitly to other primary acts of belief and practice of the faith. This connection further extends the principle of giving alms and intertwines the practice of *sadaqa* and *zakat*.

For example, we read in the Quran that, quote: "Virtue does not lie merely in turning your faces to the East or to the West. Rather, it encompasses faith in God, the End, the Angels, the Book, the Prophets and to give of what you have, out of love for Him, to your relatives, to the orphaned, the needy, the traveller, to those who ask for help, and for the enslaved. It is also the keeping of prayer and the giving of *zakat* (Q2:177)."

As used in the Quran, *zakat* suggests that the giving of one's resources is simultaneously an act that is cleansing of oneself and one's property and, through sharing, a growing of the capacity of others. It is this multiple connotation of *zakat* that is reflected in subsequent interpretations and institutionalisation of the principle in Muslim thought and practice.

The Institutionalisation of Quranic Values

Even from these two brief examples, it is clear that the Quran envisaged a broadly encompassing framework for those who might benefit from the more formalised practice evolving in the early Muslim community for the fiscal support of the community's needy and poor.

With the growth of the *Umma* and its transition to a more institutionalised setting in Medina, giving alms served as a resource:

- To assist the *muhajirun* (those who had migrated from Mecca with the Prophet),
- To encourage others to join the Muslim community, and
- To support the Muslims in the ensuing conflict against Mecca.

One verse suggests that charitable giving was to be used not only to assist the poor, but also others, perhaps not visibly in need, but nonetheless requiring assistance to enhance their livelihood or to find new occupations and economic opportunities in this time of transition. Thus, the practice also encompassed the wider goal of applying the donations to improve the general condition and economic well being of other recipients and constituencies in the growing *Umma*.

The fact that the Prophet (Peace Be Upon Him) himself organised collection and distribution for giving alms suggests that the moral emphasis on giving was taking an institutional form and being channelled towards the broader purpose of supporting all elements of society.

Emerging Legal Consensus and Patterns of Institutionalisation

In defining *zakat* and *sadaqa*, Muslim scholars set their interpretation and practice within specific judicial, doctrinal and historical formations. This process of normalising personal and community *zakat* and *sadaqa* as part of a larger framework of obligations and responsibilities is best expressed in Muslim jurisprudence, or *fiqh*. This legal science

elaborated and codified norms and statutes that gave concrete form to the Quranic prescriptions associated with the giving and distribution of alms.

Through legal science, then, increasingly specific definitions of *zakat* and *sadaqa* emerged. Though built upon the values and precepts contained in the Quran, these works of jurisprudence discussed in greater detail who should pay, on what kinds of property they should pay, and when and to whom the amounts should be paid.

Endowments (*Awqaf*)

This increasing systematisation and formalisation of charitable giving in Muslim societies did not preclude acts of giving beyond what was obligatory. Among the institutions that developed out of Prophetic precedent were those that expressed the Quranic value of "gifting to God a beautiful loan". Such acts of giving, which placed resources such as land or built property into perpetual trust for charitable uses, became a very important part of Muslim practice. This pious endowment - or *waqf* - allowed a founder to extend his or her giving beyond the immediately visible objects of charity and even beyond the lifetime of the founder.

Endowments were used to endow mosques, madrasahs, hospitals, water fountains and other conveniences that were beneficial for the public. Notable Muslims, descendants of the Prophet (Peace Be Upon Him), and many women contributed significantly to their community and the larger society through these philanthropic works. Such acts and their benefits were not restricted to Muslims. Certain narratives of the Prophet's life as well as Quranic verses indicate that non-Muslims could also be beneficiaries of charitable acts and gifts, just as they were encouraged to give alms and establish charitable works to benefit the communities of which they were a part.

That portion of Islamic law dealing with *waqf* developed steadily, though it remained a source of disagreement among early jurists (who, in fact, had a surprising variety of opinions on many topics). The one absolutely cardinal point on which all jurists agree, however, is that the basic purpose of the *waqf* is "a good work" (*qurbah*, literally, "closeness") or "an approach to God" (*taqarrub*). In any case *waqf* was an institution so extensively used in most Islamic societies that it indirectly became an important instrument for binding society together.

In a society in which so much wealth could be tied up in *awqaf*, these endowments could become important

instruments of civil society, if they were administered well and used for the public good (and not just for the perpetuation of family wealth). Indeed, the *awqaf* protected and perpetuated the economic and cultural life of diverse Muslim societies across centuries of changing regimes.

When in the nineteenth and twentieth centuries, nation-states assumed control of *awqaf* to a degree virtually unknown by earlier Islamic societies, many Muslims abandoned this major form of institutional charity, deeply wounding a valuable, flourishing tradition of civil society in the Muslim world.

Modern Contexts

As modern Muslim nation-states and communities across the globe seek to relate issues of their heritage and faith to questions of national development, practices such as *zakat*, *sadaqa* and the *waqf* offer opportunities to rethink the relevance of historical social welfare and philanthropy in contemporary Muslim social and economic life. As the majority of Muslims live in what is considered the developing world, the fundamental Quranic values of social justice and equitable distribution of resources should figure prominently in discussions of the relevance of religion to public policies and private philanthropic action for the welfare of society.

Within the framework of voluntary giving, some of the most innovative and sustainable adaptations of the Quranic spirit have occurred. An example of a recent, community-based initiative is the collaboration of various mosques in Zanzibar (Tanzania) to create a foundation to promote commercial activity. The wealth created is then harnessed to support social development among neighbourhoods in the vicinity of the mosques.

There are countless other examples, across the Muslim world. Individually and as a community, many Muslims have developed extensive networks to translate Quranic philanthropic values – along with broader humanistic values of compassion and service – into voluntary associations and charitable organisations to help the poor and the needy in many parts of the world.

As this Conference explores ways to enhance indigenous philanthropy to help address Pakistan's pressing social problems, this vibrant and diverse living tradition of charitable giving in Islamic contexts should encourage and inspire you.

6. The International Experience in Enhancing Philanthropy: Lesson from South Africa and Elsewhere

John D. Gerhart, President, The American University in Cairo

Introduction

It is a pleasure and an honour for me to be present at this important meeting and I am grateful to the Aga Khan Foundation for inviting me. Although I am now the President of the American University in Cairo, I am speaking primarily on the basis of a long experience with the Ford Foundation, in East Africa, in Egypt, and in South Africa. In particular, I think the South African experience may have useful parallels with the situation in Pakistan. Both countries possess vibrant private sectors, a rich array of community-based organisations, and a strong tradition of religiously motivated giving to social causes. All three characteristics are important for the development of a healthy philanthropic sector.

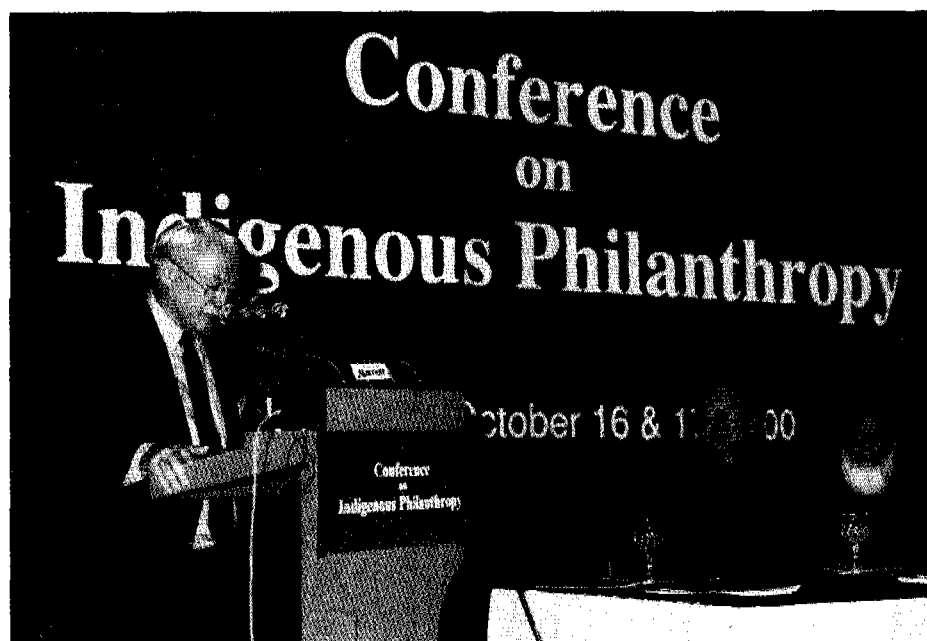
The Case for Indigenous Philanthropy

The case for a healthy private philanthropic sector in every country is overwhelming. Governments are constantly hard-pressed to meet basic needs and to perform basic functions and will never have the resources to fully meet the needs of the disadvantaged in society. Moreover, local knowledge of problems and of resources is essential to the effective design, execution, and evaluation of successful programs. The high level of voluntary activity that goes along with indigenous philanthropy is often as important or more important than funding per se. Studies in North America indicate that Americans on average give two hours a week to voluntary causes and those that make financial gifts volunteer much more time. This is also borne out by the work of the Initiative on Indigenous Philanthropy here in Pakistan, which indicates that 58 percent

of Pakistanis volunteer their time to needy individuals or worthy causes. The highly useful role of businessmen in advising charitable organisations is essential to their probity, legitimacy, and success. International donors usually have an uneven geographical distribution of effort and short, emergency-oriented approaches. Moreover, even where international donors are active, they seldom have the local knowledge, language, commitment or resources to make a lasting impact. Only a long-term sustained effort to address the causes as well as the consequences of poverty is likely to succeed.

The Infrastructure for Effective Indigenous Philanthropy

What types of institutions and policies are necessary to promote effective indigenous philanthropy? There has been a rapid growth in indigenous organised philanthropy in the developing countries in the past decade and some generalisations can be made about what enhances effective development of indigenous philanthropy. Country studies, such as the one being undertaken here in Pakistan by the Social Policy Development Centre with support from the Aga Khan Foundation and the Johns Hopkins University



Dr. John Gerhart addresses the Conference on Indigenous Philanthropy

Comparative Nonprofit Sector Project, indicate that between six and ten percent of Gross Domestic Product may be attributed to the non-profit sector, which employs tens of thousands of people. National accounts in many countries are being modified to measure this "third sector". Tax policies have been recognised as an important stimulus to philanthropic giving, although personal motivation, especially religious motivation, lies at the root of all philanthropy. In some countries, including Mexico, Brazil, South Africa, and the Philippines, organisations of private foundations and donor agencies have played an important role in promoting beneficial public policies and improved giving among private donors. Following the growth of the Internet, information networks have grown up, such as WINGS, the Worldwide Initiative for Grantmaker Support, based at the American Council on Foundations (www.wingsweb.org). Geographically based community foundations are one example of a rapidly growing specialised form of philanthropy (www.community-fdn.ca/WINGS.htm), and community foundation networks exist in North America, Great Britain, South Africa, and Africa more generally. South Africa offers one example of how quickly a philanthropic infrastructure can develop, and the types of institutions that have grown along with it.

South Africa: A Case Study

Prior to 1989, the independent or non-governmental sector in South Africa had experienced half a century of vigorous growth in spite of constant harassment from a government bent on racial separation and domination. Successive National Party governments neither recognised nor sought to provide for the basic social needs of the majority of the population, and South Africans of colour, whether of African, Asian, or mixed race origins, by and large sought to avoid government control. Foreign governments, voluntary organisations, and donors also refused to deal directly with the South African government, but provided considerable support to South African non-governmental organisations, mosques and churches directly. Precisely because of government attempts to control NGOs in general and foreign funding in particular, there was little transparency in the sector, rather limited sharing of experience, and few, if any, national organisations representing the non-governmental sector. The most important ones, the South African Council of Churches and the United Democratic Front, were accused by the government of being agents for the outlawed opposition political movements. Their leadership was frequently arrested

and their offices were bombed. Moreover, because of the state of emergency that prevailed, external donors were reluctant to criticise NGO leaders or enforce strict reporting requirements on independent organisations.

All this changed abruptly after 1989, when it became clear that the National Party Government was prepared to reach a negotiated transition to democracy in South Africa. Constraints on external funding and internal organising were effectively dropped. While the move toward democratic government drew many NGO leaders into government ranks, the stage was opened for a flourishing of new organisations within the independent sector. Over the next few years a number of key local, regional, and national organisations developed, modelled in many cases on similar long-standing institutions in the United States. International donor agencies were able to support these organisations freely, both with funding and ideas. (Four of the key organisations were assisted in their establishment by the Development Resources Centre, an independent NGO founded and headed at that time by David Bonbright, now with the Aga Khan Foundation.) It is these "infrastructure organisations" that I would like to focus on, and which may have relevance for the development of the independent sector in Pakistan.

Infrastructure Organisations for the Independent Sector:

A number of national infrastructure organisations grew up, serving the voluntary sector in general and the philanthropic sector in particular. These included:

1. The Independent Study

Early on it became clear that the relationship between the state and the independent sector needed some formal definition. The South African State had established very narrow and controlling registration and taxation policies that were neither necessary nor sufficient for a healthy growth of the independent sector. An Independent Study into the Enabling Environment for NGOs was established by the Development Resources Centre, drawing on a very wide range of independent organisations and steered by a committee of eminent civic, religious, and business leaders. More than 2000 NGOs participated in the meetings of this commission, spread over two years. While almost every aspect of the commission's report and mandate were challenged by some element of the independent sector, nevertheless, the commission's report resulted eventually in a

progressive reform of government registration policies. But perhaps its greatest contribution was to create a context in which NGOs, business and public officials (in waiting) could deepen their understanding of each other and come to see the pivotal role of the legal and fiscal framework.

2. The South African NGO Coalition

An early and intended outgrowth of the Independent Study process was a national organisation of NGOs, known by its acronym SANGOCO. SANGOCO has about 4000 member organisations, organised with nine provincial councils (some with several hundred member organisations) and some 19 functional or thematic councils (women, land, small enterprise, conservation, children, health, adult education, etc.). With this kind of open membership, SANGOCO has a breadth that makes it a legitimate voice for NGOs in speaking to the government, the public and the donor communities. SANGOCO also organises and negotiates low-cost travel, insurance, training, car rental and other services for member organisations. SANGOCO commissioned a study of tax policies relating to the independent sector that advocated more liberal tax treatment of donations along the lines made famous in the United States.

3. The Southern African Grantmakers Association

This organisation of donors has some 86 member organisations, including corporate grantmakers, private foundations, and a few international donors who are represented in South Africa. SAGA, as it is known, promotes "best practice" among donors, shares information, has national seminars and training programs, and represents the donor community in dealings with the government and the public. It advocates transparency among donors, including the publication of annual reports and easy-to-use procedures for grant applicants. (This is a break with the past when many corporate donors sought to keep their grant making secret.) It has been sustained by membership contributions and grant funding from the Ford, Kellogg, and Mott foundations of the United States and the Liberty Life Foundation of South Africa. It has lobbied for better tax treatment for non-profits of all kinds.

4. The South African NGO Network

SANGONeT, as it is known, is an electronic network that provides low-cost services, including training, to South African labour and non-governmental organisations. It has about 1000 subscribers, about twenty percent of whom are individuals. It began as a

project of the Development Resources Centre and is now an independent organisation. While it was originally grant funded, it is now largely self-sustaining.

5. Prodder

Prodder is also an electronic news service that regularly publishes a list of meetings, conferences, seminars, training programs, publications, and resources for the independent sector. It typically makes a free weekly electronic mailing to all subscribers. It reports on major events and occasionally has editorial pieces about important issues.

6. The Non-Profit Partnership

This interesting organisation was set up jointly by SANGOCO, SAGA, and the Charities Aid Foundation of the United Kingdom to promote voluntary and corporate giving and the reform of tax structures to broaden the definition of organisations eligible to receive tax deductible gifts. It also provides financial services and investment advice to NGOs.

7. The Impumelelo Innovations Award Programme

Among the many interesting organisations that have developed in South Africa since the advent of democratic elections is this project to recognise innovative partnerships between government and the independent sector in the delivery of social services. Annual awards are made each year on the basis of a carefully conducted competition.

8. The Community Foundation Project

The Southern Africa Grantmakers Association sponsors a service to assist the establishment of endowed community foundations in South Africa, again modelled on British and American experience, but driven by partnerships with local business leaders. With its tradition of the Islamic *auqaf*, Pakistan has a distinct advantage in having an indigenous philanthropic endowment template.

9. Regional Technical Assistance Organisations

In addition to the rich range of infrastructure organisations listed above, South Africa has a number of well-established regional technical assistance and training agencies that operate as NGOs serving smaller community based organisations. Olive (in Durban), the Community Development Resources

Agency (in Cape Town), and the Development Resources Centre and Sedibeng (in Johannesburg) are all examples of such organisations. In addition, a justly famous network of human rights organisations (the Legal Resources Centre, the Black Sash, and others) provide legal advice to institutions in the independent sector.

10. Research Organisations

While there is as yet no established national research program dealing with the independent sector, several organisations undertake studies and monitoring of the sector. Most notable among these are the School of Public and Development Management of the University of the Witwatersrand, the Institute for Democracy in South Africa, and the Centre for Policy Studies, an independent research centre. Interfund, a consortium of foreign donor agencies, publishes an excellent annual review of the independent sector.

The above brief outline indicates the rich organisational structure that has developed to serve the independent sector in one country, South Africa, all in less than ten years. None of the above organisations were developed by government, and none were the creation of foreign bilateral donors. This largely indigenous development was fortunate, because it coincided with a substantial shift in international funding away from the independent sector toward the newly elected government, and in some cases away from South Africa itself. In particular, the European Community, which had been by far the largest donor (probably accounting for more than half of all funding to voluntary organisations), terminated its program abruptly after 1994. Many other European governments and churches also reduced their aid programs in order to address pressing problems in south-eastern Europe, and other places. USAID, to its credit, sustained most of its independent sector funding. On balance, however, South Africa demonstrates clearly the dangers to the independent sector of an over-reliance on foreign funders. Pakistan has been through a similar experience of donor withdrawal after its first nuclear explosion in 1998.

Some General Principles for Funding the Voluntary Sector

How, then, can the independent sector establish a more robust and sustainable funding base? The Aga Khan Foundation has played a pioneering role in defining the enabling environment for indigenous philanthropy, going back to a landmark conference in Nairobi in 1986. Drawing on the South African

experience, I would suggest the following are important, though not exhaustive:

1. Maximise the diversity of funding sources

Organisations should seek funding from the widest possible range of sources: government, bilateral donors, corporations, patrons, membership organisations, professional associations, etc. For sustainability, the number of supporters may be more important than the amounts. Many donors also provide more sources of contacts and information.

2. Seek to build up self-generated funds

Developing fee-for-service schemes, property rental, consulting services, paid training programmes and the like can build a substantial base for independent organisations.

3. Build individual giving programmes

Although the amounts of membership fees, and annual fund donations may be initially small, they may lead to much more valuable contributions of ideas, voluntary time, connections to other donors, and eventually bequests.

4. Build corporate relations and giving

Organisations should be much more proactive in seeking corporate sponsorship. Some types of activities (sports, health programs, arts festivals, etc.) lend themselves nicely to corporate sponsorship and offer multiple opportunities for publicity for the donors. Voluntary, pro bono activities by corporate employees often lead to substantial funding as well.

5. Improve taxation policies

Non-profit organisations need to lobby for tax exemption for certain activities and for greater eligibility for tax deductible contributions. Corporations, individuals and estates should all be given established deductions (usually 7 to 10 percent of pre-tax profits for corporations and up to 50 percent for estates) for gifts to qualifying non-profit organisations and universities. Experience in the United States indicates that tax deductible donations have a substantial multiplier effect: the amounts given are at least four times the losses in tax revenue resulting from the donations. (In other words, government expenditures would have to be at least four times as effective as private donations to achieve the same results – a highly unlikely scenario).

6. Endowments

Even small organisations should seek to build administrative and program endowments or reserve funds, adding to them earned interest, or unexpended funds, or one-time gifts as the donors permit. International donors are much more likely to give to organisations that have demonstrated a long-term commitment by establishing endowments for administrative costs. Tax exemption for bequests to qualified non-profit organisations are extremely important to the formation of endowments.

7. Community foundations

The fastest growing sector of philanthropy in the United States are area-based community foundations which pool gifts from many sources and share high quality professional staff and volunteers. Community foundations have also proved valuable intermediaries in solving communal disputes and they act as key planning agencies in most American cities. A community foundation movement has also succeeded in Great Britain and is under development in other countries.

8. Contracting with state agencies

Non-profits are far more effective than bureaucracies in delivering certain types of services to the community. Day-care, eldercare, school feeding, vocational training, counselling, and many other services can be provided more cheaply and sensitively through contracts between independent sector organisations and central, regional, and local governments. Though these relations take time to develop and to monitor, they are well worth the effort and can provide a significant income for many non-profits.

9. Direct government funding

Ironically, direct government funding is one of the least successful forms of support for non-profit organisations (as opposed to competitive contracting for the provision of services) and works well only in fields such as the arts where there are arms-length competitions. Government funding is subject to political pressures and often brings with it bureaucratic requirements that are hardly worth the effort.

10. Information sharing

One of the most cost-effective means for improving local philanthropy is sharing experience among private donors. Many donors have the means and the

motivation to give but are reluctant to publicise their wealth or to take chances on having their funds misused. An environment of sharing of ideas among donors is often conducive to building confidence and increasing the reliability of grant making. A local Centre for Philanthropy can provide the core institution for information sharing and can encourage the formation of both family and corporate foundations.

11. Sharing training and services

Like anything else, grant making can be done well or badly. A grantmakers association can help its members by promoting "best practice" and professionalism among donors, by pooling donor resources, and by training donors, their board members, and their employees. Moreover, the costs of feasibility studies, public education campaigns, and the like can be shared among like-minded donors.

12. Representing the disadvantaged

Donors, especially corporate donors, have considerable legitimacy in defending and articulating the needs of the disadvantaged. When someone is voluntarily contributing their own money to something, insiders and outsiders both are more likely to take their opinions seriously. When donors act or speak collectively, they can exercise enormous power for good in a given society. An association of grant makers, therefore, may be more effective in representing the needs of the poor than the poor are themselves. This is an important social responsibility for grant makers that should not be ignored.

13. Setting ethical standards

By acting together, grant makers can encourage the establishment of best practices and ethical standards among themselves and among recipient organisations. This can be done both by practice and by giving awards and recognition to innovative projects. Providing regular information about grant requirements and procedures can enhance the effectiveness of grant seekers, thereby saving time and promoting better project formulation.

These few recommendations can lead to enhanced indigenous philanthropy and, for they go together, to the creation of a healthier, more self-confident and more self-reliant independent sector.

I am honoured to be present at this watershed moment in the evolution of indigenous philanthropy in Pakistan. I wish you continued success in this endeavour.

7. Panel: Experiences in Promoting Philanthropy

*Moderated by His Excellency, Ferry de Kerckhove, Canadian High Commissioner to the Islamic Republic of Pakistan.
Panel members are: Dr. Lincoln C. Chen, Mrs. Shahida Jamil, Lieutenant General (Retd.) Sabeeh Qamar uz Zaman,
Ms. Sussan Tahmasebi*

Ferry de Kerckhove:

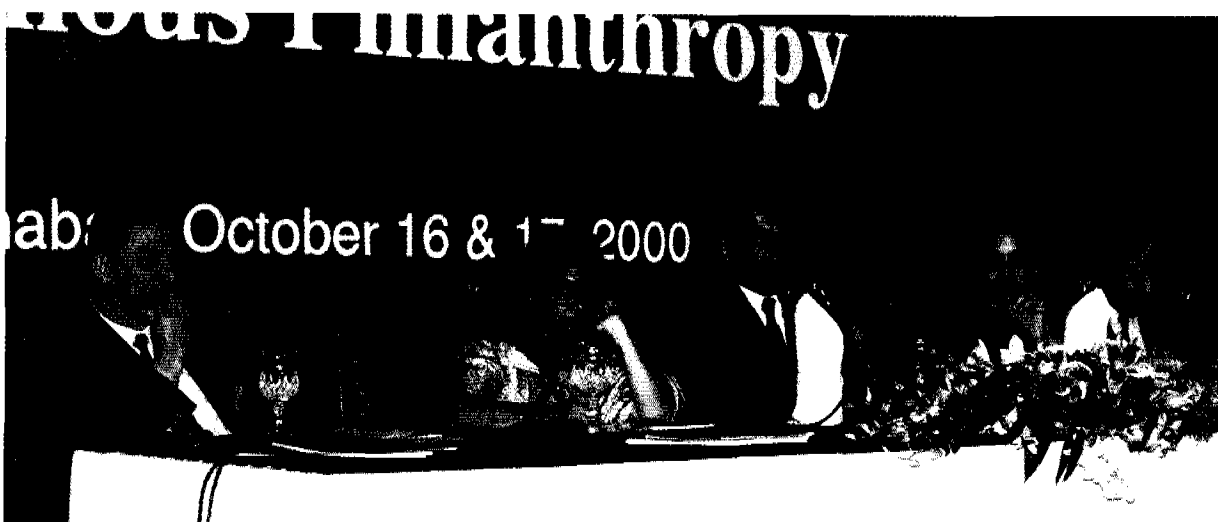
Ladies and Gentlemen, distinguished members of the panel: If ever there was a plot it was the Shamsh Kassim-Lakha plot – making sure that I wouldn't speak too much by asking me to be a moderator instead of a speaker. And the plot thickens, because the notes I had for this session are somewhere in this room. For some odd reason I left them in my briefcase – and everybody has the same briefcase. So, whoever has my notes, please correct me during my presentation. If ever there was a case of "winging it", here it is.

You've noticed that Shamsh also said that I visited Pakistan from time to time, which goes to prove once again that Islamabad is not in Pakistan! So, welcome all of you who have come to visit us in Islamabad.

A moderator has a very specific role: he should be moderate, other than watching the clock ferociously

when the panelists are speaking. That's one of the roles. The second role I think that I have is to try to reflect what Canada's experience in philanthropy has been, notably through the Canadian Centre for Philanthropy (CCP). The CCP does not necessarily serve as a model but as a guiding light in terms of making sure the distinction between a clearinghouse and a funnel for funds is clearly understood. I think that if, indeed, this is the kind of objective this Conference is pursuing, that fundamental distinction should be kept in mind.

In terms of timing for this panel, I will be very rigid. I've given myself another 10 seconds because my first introduction was to be two minutes. Each panelist will have five to seven minutes, for a total of 28 minutes, and then we'll have a question and answer session for about 15 minutes. I'm always a bit more generous there because it's the audience. If they so choose, each panelist will be entitled to two or three minutes of thinking and concluding. In my notes, I had already



His Excellency Ferry de Kerckhove, Canadian High Commissioner to Pakistan introduces the panel session on "Experience in Promoting Philanthropy". Seated from left: Lieutenant General (Retd.) Sabeeh Qamar uz Zaman, Mrs. Shahida Jamil, Dr. de Kerckhove, Ms. Sussan Tahmasebi, and Dr. Lincoln C. Chen

prepared my conclusions (because that's what you do when you are a moderator: you prepare conclusions two or three days in advance of the panel!). Now, not having my notes, I will actually have to draw conclusions from this session, as opposed to imparting it from the top of the mountain. We will have the panelists in turn:

Lieutenant General (retired) Sabeeh Qamar uz Zaman who is the founder and the Chief Executive of one of the most remarkable foundations in this country, the Citizens Foundation. If ever you could talk about sustainable philanthropy or philanthropic sustainability, there you have it. I think that some of the interesting lines that we will want from him is how indeed do organisations bridge to the Government; or do you do things on your own?

After that we will have the usual "no holds barred" presentation of my great friend Shahida Jamil – sorry, Madame la Ministre – who is a Minister of Law and many other things in Sindh. She is one of the greatest forces in this country to be reckoned with. She will be talking to us about the regulatory framework, the regulators' perspective, and – as I think that she's been enthralled by the Philippine experience – I'm sure we will gain a lot in hearing from her on that topic.

Then we will hear from Dr. Lincoln Chen, from the Rockefeller Foundation. He will address an issue I find very critical: that of diaspora philanthropy. I don't know if in an audience like this one can mention the political dimension and ramifications of philanthropy in diaspora, but it is an issue that I believe is extremely critical. I often think of the diaspora as necessary but not a sufficient condition in whatever realm it undertakes, and I would be delighted to hear Dr. Lincoln Chen on that.

And, on my left, Ms. Sussan Tahmasebi, who is bringing the experience of Iran – and I want to say to her: *Khayesh me Khanem* – "go ahead" – because having lived myself for two years in Iran I've always been fascinated by the experience there and how it develops in the present time. So here again we'll have grassroots philanthropy at work.

Sabeeh Qamar uz Zaman:

Bismillah Ar-Rehman Ar-Raheem

Your Excellency, ladies and gentlemen: The Citizens Foundation, or TCF, is a non-profit, non-political organisation. It is engaged in the promotion of quality education in urban slums and rural areas – the most underprivileged communities in Pakistan. In the short



Lieutenant General (Retd.) Sabeeh Qamar uz Zaman discusses the work of The Citizens Foundation

period of just four years of its existence, by the grace of Allah, TCF has today 60 purpose-built schools at the primary and secondary level in four districts of Pakistan; that is, Lahore, Rawalpindi, Karachi and Kasur districts. At this moment 20 more schools are under construction, in Shahpur, Joharabad, Faisalabad, and Sheikhpura. Two schools each at Hub and Khoshab are at advanced stages of planning. *Inshallah*, by April of next year, TCF will have 80 to 85 schools in ten districts, with a student capacity of over fifteen thousand. This process, *Inshallah*, will continue in the coming years.

The cost of construction for each primary school is about Rs 2.5 million, and for a secondary school about Rs 6 million. Each primary school accommodates 180 children, while a secondary school accommodates 400 children. Our schools have all the essential facilities, including fully equipped physics, chemistry, biology and computer laboratories. More than 80 percent of TCF students receive scholarships and their parents pay only as much as they can easily afford. On the average, a primary school receives about Rs 400,000 per annum in the form of scholarships for its students and a secondary school about Rs 1 million.

To meet capital and operational expenses, fundraising is done on a person-to-person basis. The remarkable thing about the TCF education programme is that it is entirely funded by Pakistani individuals and corporations. We have received funds neither from Government nor from any donor agency. This is Pakistani philanthropy at its best.

Ladies and gentlemen: the question is, why do people support TCF, or for that matter, any charitable institution? We believe the main reasons are:

1. Transparency. Pakistanis have been cheated, deceived, and robbed so many times by so many organisations that they have become extremely sceptical and cynical about social projects. To win their trust, an organisation must be totally transparent. For this reason, we registered TCF as a public limited company by guarantee with the Corporate Law Authority, thereby accepting all those safeguards – legal safeguards – which protect the interests of shareholders, in our case the stakeholders. A. F. Ferguson and Company audits our annual accounts, which are published in annual reports, which are a public document. We have gone a step further and placed our audited accounts on our web pages for the world to see. Similar transparency is maintained in administrative and academic matters.
2. The second thing we have found useful is credibility. Since people give to people, the credibility of persons associated with charitable organisations has a great influence on fundraising. In Pakistan we have to go a step further. Persons managing charitable organisations are not only expected to be honest, but they must be seen to be honest. To establish the credibility of the programme and to demonstrate their commitment to the cause, directors of the Citizens Foundation set up the first five schools at a total cost of Rs 13 million from their own resources. And they continue to support the project handsomely. This gesture has been well received by our donors.
3. The third is demonstrated performance. Donors are deeply interested that their contributions should produce results. If they do not see a qualitative or quantitative impact of their contributions, they withhold future donations. The Citizens Foundation, during the short period of its existence, has demonstrated its ability to deliver whatever it promises. It is not only in the construction of good school buildings in remote and difficult areas in record time, but also in the quality education we are providing to our students. In support, I quote a study from Sustainable Development Policy Institute (SDPI), titled “The State of Basic Education in Pakistan”. It says, “the facilities and teacher training provided and the monitoring system established, delivered good schooling with great consistency”.

4. The fourth point is frugal style. Donors do not contribute funds to charities so that the management moves and works in style. Their expectation, and our moral obligation, is that the highest possible portion of their donated funds is spent for the purpose for which contributions are made. TCF has low overheads because we do not believe in frills. Our frugal style inspires confidence among our donors, and they are happy that their donations are being used purposefully.
5. Last, but not least, is absence of self-interest. Donors have a natural aversion to managers of charitable organisations who use their donations for personal projection or personal gain. The directors of The Citizens Foundation are not interested in self-projection; we are not in the “name, fame or gain” game. Most donors find this attitude satisfying.

Problems – Yes, there are problems. But not surprisingly, the list begins and ends with the Government. We have received overwhelming support from individuals and corporations. The Government has given us nothing but headaches. No government in Pakistan has demonstrated political commitment towards the promotion of education. This consistent lack of political commitment has, over the years, created an environment in which profiteering in the name of education is possible and social service is virtually impossible. Ministries, the Corporate Law Authority, the Income Tax Department, the provincial education set-up, district administration – everywhere one comes across barriers which impose delays, add to costs, and cause great frustration. I can give numerous examples, but there is neither the need nor the time for it. Everyone here knows what I am talking about.

To sum up, ladies and gentlemen, indigenous philanthropy is a more difficult route than government support or foreign assistance. Organisations that depend on indigenous philanthropy have to perform better, because their local donors are in a position to carry out informed organisation appraisal. A lot of people have to be contacted to raise funds locally. But in the end indigenous philanthropy is a more reliable and satisfying source of funding for social programs.

Thank you very much.

Shahida Jamil:

Your Excellency Mr. de Kerckhove, members of the panel, distinguished guests, ladies and gentlemen:

Assalam-o-Alaikum

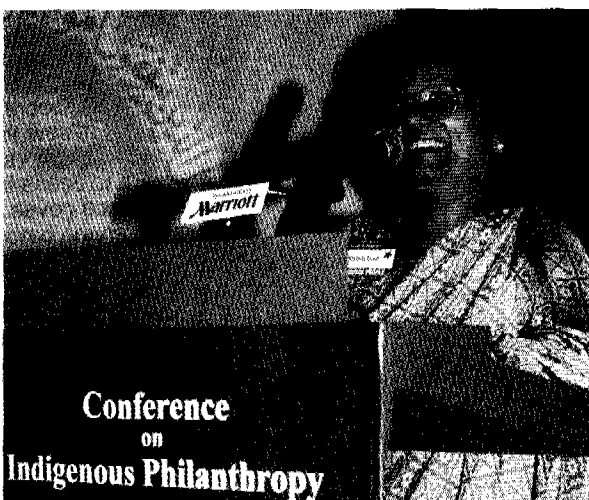
I have the hard part, after having heard how much Government is to blame. Having been in an NGO myself in the past, I can quite understand that sentiment. But I think there is a problem on both sides. Now that I am sitting on this side, I can see a lot of other things out there that we need to take into account.

My business is to talk about the regulatory framework and the problems we face with the issue of NGOs. NGOs have become a phenomenon all over the country and in Sindh particularly. We have about 5,000 NGOs in Sindh.

Unfortunately, I have to say management consciousness among these NGOs is very slack. Many of the NGOs do good work, but they do not follow up properly with their sense of accounts and how they are to be audited, or how all records are to be kept. The culture of record keeping is very, very, slack. Part of the problem is genuine, and we need to help NGOs upgrade their management and record keeping systems. The other part of the problem is transparency.

When we look at registration, we find there are three forms of NGOs registered: with the Social Welfare Directorate (under the Social Welfare Ordinance), under the Registered Societies Act (under which charitable work is allowed), and under the Companies Ordinance, which also allows NGO registration. The Social Welfare Directorate has absolutely no control over organisations registered under the other acts.

So on all fronts we have what I call barriers of procedure. Procedures are flawed because there is too much discretion in the hands of one person. As a



Mrs. Shahida Jamil, Federal Minister for Law, Government of Pakistan, discusses issues of government and citizen sector regulation

result, corruption and harassment abound. NGOs face difficulties getting registered.

There are different methods of NGO reporting, and the investigation of reports is slack. We have discovered years – five years, six years at a time – in which reporting has not been done by NGOs. By “reporting” I mean, first of all, audited accounts, copies of which must be sent to the registering authority every year. Second, when an NGO is asked for any records or information by the registering authority, it must reply forthwith. We sent out notices to NGOs in Sindh, and, to our surprise, only one percent responded. We followed up with further notices as well as field visits by our staff to determine which NGOs were even operational. We created a cut-off date, after which – if they did not respond – their registration would then move into a state of suspension. And still, we received very little response.

Now, we realise that NGOs need to be upgraded in terms of management skills. Therefore, when I heard through the Initiative [on Indigenous Philanthropy] of the Philippine model, I found it extremely attractive. I found that this model creates an impetus for everyone to move into a style of behaviour and management that requires transparency and helps NGOs to understand what transparency is about.

I would say, therefore, two things:

1. I think we need to concentrate on upgrading the management skills and the management responsibility – or consciousness of how to go about things – in all our NGOs. This is very important.
2. One of the things we must consider is how registration is done: currently, it continues “forever” – twenty years, thirty years. What the Philippine model suggests is that every three years you look into a review of registration. I think, generally speaking, we should have “stocktaking” done every three years, so that every registration is renewed. That would make a lot of NGOs realise that they have to keep their house in better order.

However, the discretion that exists with the registering officer also has to be disbursed, so that NGOs do not continue to have the same difficulties they do now. If the NGO can fulfill the necessary requirements according to form, than its registration should go through. This way we avoid that lacuna in which harassment occurs. These are the two areas we would like to concentrate on.

We have also found a lot of distortion in relation between the funds received from international donors and what comes out as services provided by the NGOs. There must be a mechanism whereby we can evaluate how effectively an NGO works. International donors do have a handicap: they do not necessarily move into the indigenous culture and sense things as easily as an indigenous philanthropist could.

I think this Initiative is excellent, and it will go a long way, if we can look into the Philippine model and start a certification system. For the larger donations, it is time we created more stringent mechanisms through which international donors as well as indigenous philanthropy could work together. In terms of the regulatory framework we will be moving in this direction.

I would like to thank the Aga Khan Foundation for having taken on this Initiative.

Thank you.

Lincoln C. Chen:

Diasporic Philanthropy in Pakistan: Potential and Pitfalls

I am honoured to be back in Pakistan where I began my career some 30 years ago in the "East Wing". The fact that my son and his family live and work with the Aga Khan Development Network in Gilgit makes this a double pleasure.

The philosophy of the Rockefeller Foundation's program on global philanthropy is that ultimately the poor must produce their own wealth. As global inequality grows, however, transfer mechanisms are needed, and these resources should be directed at solving the root causes of poverty through "strategic philanthropy".

Global Philanthropy

The 1990s witnessed an enormous generation of new wealth in the global economy, particularly in the United States. Our explorations have identified four major philanthropic trends:

1. Emergence of very big foundations – like Gates, Packard, and Cisco.
2. Entry of the financial service industry (Fidelity Charitable Gift Trust has in two years accumulated more than \$2.5 billion from over 22,000 subscribers).

3. Proliferation of "e-philanthropy" due to the Internet (more than 500 charitable and philanthropic web-sites).

4. In the United States, philanthropy is overwhelmingly domestic. International giving is extremely meagre, perhaps 2 or 3 percent.

The potential for global philanthropy resides primarily among the large, private foundations started by the wealthy, perhaps because in business they succeeded with global strategies. These philanthropists have "global mind-sets". Another promising source is "diasporic philanthropy" as newly wealthy immigrants seek to transfer charitable funds back to their home countries.

Diasporic philanthropy, of course, is not new. Indeed, the Aga Khan Development Network has mobilised the resources of the Ismaili and other communities worldwide, pioneering models for transnational philanthropy that I believe could be quite relevant for this new wealth. Much of today's new wealth, however, has no such system and would benefit from lessons of the Aga Khan experiences.

The Indus Entrepreneur (TIE)

One such diasporic association is TIE (The Indus Entrepreneur), an association of business leaders in America's high-tech industry. In June this year, I attended an executive committee dinner of TIE organised by the Asia Society with the participation of the Ford and Rockefeller Foundations. Three observations about TIE:

First, this is a large, powerful, and growing association. TIE's annual banquet last year was attended by some 15,000 participants (500 had to be turned away because of space). Its membership includes dozens of deci- and centi-millionaires, and a few billionaires, all of whom acquired wealth within the past five years. About 25 percent of new high-tech start-ups in Silicon Valley today are founded by Asians, mostly of Indian or Chinese origin.

Second, the TIE ethos is "helping each other", mostly to make business connections in the high-tech economy. Its membership speaks of "giving back", and thus philanthropy has become a core aspect of TIE's work. There is also a spirit of brotherhood across all nationalities from the "Indus Region". Indians, Pakistanis, Bangladeshis, Nepalis, and Sri Lankans all are considered part of the TIE family.

Third, many of these newly wealthy want a system for giving back to the people of South Asia. Scattered

starts have been made through donations to family members who operate health clinics in home villages or contributions to schools and universities. Last month, I was contacted by a community foundation in California that sought to help a Pakistani philanthropist (who had just sold his stock options) to find a way of channelling his gift back to Pakistan.

The attitude and preferences of these newly wealthy is to offer opportunities to youth and to stimulate their enterprise (like what they themselves experienced). They want good philanthropic practices that are results-oriented, efficient, and nurture personal engagement. All express concerns about corruption, leakage, regulations, and stifling bureaucracy. Although they rarely say so, most also seek spiritual fulfillment and social recognition – from overseas peers and in their home countries.

We are exploring at the Rockefeller Foundation strategies for harnessing this potential to advance our shared mission. We want to extend support, within our limited capabilities, to strengthen national centres, as you are planning here in Pakistan, linked together into regional consortiums. We are currently funding foundation-like organisations in Mexico, Ecuador, the Philippines, Japan, and India. Special support has been extended to the Asia-Pacific Philanthropy Consortium (APPC) which began mostly in Southeast Asia but now includes Bangladeshis and Indians in South Asia. We would encourage the new Pakistani centre to join APPC as well other regional groupings.

We are also investing in innovative experiments. In partnership with the Hewlett and Morgridge Family Foundations, we are adapting and extending our training program for new philanthropists called The Philanthropy Workshop (TPW), from New York to California. We began this year to develop a “global portal” for philanthropy, capitalising on the power of the Internet to develop philanthropic funding portfolios.

Finally, we want to help develop partnership mechanisms to link global social capital for social action in developing countries. These will be non-governmental arrangements that bring together investor and clients through networks and alliances. With Warburg-Pincus, we are exploring the concept of a “philanthropic fund” for India. This would be a social investment fund that pools capital from interested contributors that support non-governmental efforts in specific places to achieve specific social results. An early effort may be an India Fund for Micro-Enterprise Development.

Only time will confirm whether diasporic philanthropy can play a role in Pakistan’s national development. At the opening session, we heard that philanthropy is part of the human spirit, deeply rooted in social values and a society’s culture. Indigenous philanthropy is essential for national self-reliance and fiscal sustainability.

In a globalising world characterised by international migration, can diasporic philanthropy supplement and strengthen such national efforts? Just as economic remittances have grown in importance, will “philanthropic remittances” grow in social significance in developing economies like Pakistan’s? After all, as articulated at the opening session, the philanthropic impulse is fundamentally human, of the heart, and thus should not ultimately be constrained by geographic distance.

Thank you.

Sussan Tahmasebi:

Thank you for having me here today. It is a pleasure to share with you what I’ve learned over the past year in Iran about community-based organisations, which are very similar to your charity organisations, and the trends they have been exhibiting as new partners for development.

Iran, like Pakistan, has a long tradition of giving and community participation that is rooted in Islamic belief and cultural practices. Iran’s participation in international conferences in the 1990s and the election of President Khatami have encouraged civil society participation in development and created new opportunities for NGO involvement in development policy.

A recent report, funded by the Population Council, classifies Iranian NGOs into two groups. One is the



His Excellency, Ferry de Kerckhove, Canadian High Commissioner and Ms. Sussan Tahmasebi at the panel

modern NGO; the other is the traditional, community-based NGO. The modern NGOs are those that are engaged by international agencies and by Government-research centres usually. They tend to address development indicators but in terms of community relations, they are usually very weak and tend not to be as transparent as one would like.

The traditional, community-based organisations can really be classified as Iran's true NGOs:

- Egalitarian and people-centred
- Rely on people for sustainability and resources
- Address the critical needs of people
- Voluntary
- Very transparent
- Adhere to principles of simplicity and integrity
- Enjoy credibility and are trusted by the community
- Have links to many religious people
- Believe charity work should be done anonymously
- Provide a major safety net for vulnerable populations in Iran

They don't generally tend to trust the Government. In order to communicate with them, you need special skills and you can't waste the time of their leaders and their workers, who work on a voluntary basis.

There are many drawbacks to these traditional, community-based organisations. They are not often exposed to modern methods of management. They tend to be dependent on a single person for leadership. They tend to provide relief and curative-oriented services. Some of the big Islamic organisations have been criticised for using the *garzol hassaneh*, or the community charity funds to wield power. And they need to give more space to women in leadership positions. They currently have very many women volunteers, but not necessarily in leadership roles.

There are many trends in Iran that we've noticed through the Iran NGO Initiative among these traditional community-based organisations in addressing root causes and engaging in development efforts. Some of the ones that we have noted are:

- They are increasingly interested in adopting modern management techniques.

- They are increasingly addressing critical social issues and conducting analysis for better impact.
- They thirst for knowledge and are linking with counterparts in the West and in other Islamic countries to share information and to adopt innovative practice standards.
- They are also, like Dr. Chen mentioned, tapping into resources from the expatriate community, and they are doing it very well. It is a very interesting trend.
- They are increasingly open to including women in their ranks as decision-makers. There are many new charity organisations that are being run by women.
- These organisations are beginning to organise into coalitions.

Government is taking note of the importance of these organisations as development partners. In its third, five-year development plan, this year several Government agencies have allocated funds to work with NGOs. This offers many opportunities, and at the same time challenges – especially as these organisations tend not to trust Government.

In closing, I will give you some examples of innovative trends; that is to say, how these traditional community-based organisations actually addressing development issues.

- Several have begun providing shelters for homeless and battered women and runaway girls, victims of domestic violence, rape and sexual abuse - which is quite innovative in an Islamic country.
- They are addressing the needs of female-headed households as well as many legal issues that women face. I think these organisations – because of their religious background and ties to the community – are in a good position to begin to address some of the legal constraints that women face with marriage and other issues.
- More and more, they are providing prevention services, especially in relation to health and drug abuse. Drug abuse or dependence is a huge social problem in Iran, and these organisations have been taking the lead in recent years and developing programs that prevent drug use among youth.
- They are providing microcredit programmes using *garzol hassaneh* funds – the community charity funds – for income-generating activities and loans.

- They are promoting education access. There is one community-based organisation with a very charismatic leader – a woman – who has built fifteen hundred schools throughout Iran. And there is a coalition of charitable education organisations that are working closely with the Government and the Ministry of Education.
- They are conducting advocacy efforts.
- They are developing unions, mostly on the provincial level, and are meeting on a regular basis. In Isfahan and Kerman there are two very active unions of community-based organisations. The network in Isfahan has about 150 member organisations and is led by a woman.

They are increasingly developing collaborative efforts with one another and working closely with Government. Again, this presents many challenges. They can be involved in policy dialogue, but at the same time Government tends to look at these organisations and their strength from the perspective of a control agent. But the organisations are very critical of that, so I think they will fare well.

Thank you.

Ferry de Kerckhove:

We have heard so much here that, if we were to draw up a list of the keywords from what we've heard, we could go a long way in preparing for the working groups. I think, however, that we should try to get the audience to react to those impressive and focused presentations. I declare the floor open, and I shall try to recognise everyone.

Audience:

I have two questions. I think General Sabeeh remarkably told the story of TCF, and I have had the pleasure of visiting that organisation and seeing that every bit of what he said was true. General Sabeeh ended on a negative but positive note: that Government has been the major bottleneck. He mentioned that at all levels – whether provincial, district, national – there have been bottlenecks, but he didn't spell them out. Particularly so that we are helped in our work later on this afternoon, I think it would be technically useful for us to hear specifically what those bottlenecks are.

My second question or rather just a comment is to Mrs. Shahida Jamil regarding the idea that the Government should upgrade its information on NGOs

regularly. It is an interesting thought. My only concern is that while we are talking about the constraints of capacity within the NGOs and CBOs, let's also admit the capacity constraints within the Government. If the Government decides to undertake something like this, and is unable to do so, there will be more chaos on the other side. I think we need to think this through before we decide to have this great enthusiasm for a regular upgrade of knowledge where we very clearly do not have the capacity.

Sabeeh Qamar uz Zaman:

I didn't give any examples because of the shortage of time. I have so many things to say, but let me just give you two short examples, and if you want to probe me further I can give more.

We decided, from the point of view of the long-term sustainability of the project as well as for transparency, to register ourselves as a public limited company. We submitted the papers to the Corporate Law Authority for registration. Because we wanted to have non-profit schools, these papers were then sent to the Ministry of the Interior for clearance. The Ministry of the Interior then sent these papers to the Sindh Police Special Branch to obtain clearance of the Directors of the Foundation. Fortunately, the Special Branch gave us clearance, but the Ministry was not satisfied with this. They then asked the Intelligence Bureau to give us a clearance – as if to say, “who are these crazy people who want to do service in the education field on a non-profit basis?” Fortunately for us, the Intelligence Bureau gave us a clean bill of health. The Minister of the Interior was still not satisfied. He then sent the entire file to the ISI for further clearance. We again received a clearance. This process of registration took one whole year. Now, I don't understand why an ordinary company can get registered in no time, but someone who wants to get involved with education on a non-profit basis has to go through all of this circle.

I now come down to the lowest level. Every school has to be registered with the Education Department of the province concerned. Our schools – building-wise, faculty-wise, facility-wise, and monetary-wise – are better than the government schools. We submitted our application for registration to the district education offices of the district concerned in Karachi. They said, *fine, we can register you, but you must give a substantial amount of money under the table to get registered, because that is the form.* We said, “we cannot take donations and *zakat* from people and give it to you, because it's not for your welfare”. They said, “This is the way we do business – and if it's not your

style of business, we can't do business". So, they sat on the file for two whole years. None of our schools were registered by any of the district officers of Karachi district. Then, fortunately, on the 12th of October 1999 there was a change of government. In three days, all of our 44 schools were registered. The certificates were delivered to our office. Now, before you get the idea that there was a change, let me tell you that after they got over the initial shock, it was business as usual again.

Shahida Jamil:

This is exactly as I was saying; our procedures are flawed. We have to change them, and I think the Government is very keen to do this, because it's a hornets' nest - causing more problems than anything else. But the fact that there are problems with the procedures does not mean that you get rid of the concept of procedures altogether. We need to improve those procedures; otherwise transparency will occur. There must be more sensible and reasonable procedures that make it easier for such organisations to register. Then, if there is misconduct later, the law comes into play.

There was a point raised about whether the Government would be able to take on the huge responsibility regarding NGO reporting. It may come as a surprise to learn that such a law already exists. However, NGOs have not been doing this for the past two decades. If you speak with NGOs that are very old, they will tell you that annual reporting and regular communication used to happen without coercion from government departments. But as these departments became slack in their oversight - and most of the institutions began to get slack in their own management as a result - then the trouble started. Once communication broke down, corruption grew rampant. It is a question of both sides having to realise that they have a responsibility to each other. This will make it easier, and it will eliminate the opportunity for corruption.

Audience:

This is more of a comment for the panel as well as for the rest of the conference delegates. Efforts like these can be seen as a repositioning of global corporate business and elite interest to couple with the concepts of philanthropy, of charity, of goodness, because of the obvious exposure of their practices through the so-called information revolution. With examples like Seattle, or Prague, I think there is an almost insidious movement within the corporate sector to reposition or

realign themselves with processes, organisations and activities like these to attain legitimacy. The fundamental fact is that income inequality in the world has risen for the last thirty years. And social injustice indicators have all been pointing upwards. Most of the blame is placed on bloodthirsty business interests.

Lincoln Chen:

Global inequality is obviously worsening between the North and South but also within countries. I would make a distinction between corporate philanthropy and individual, personal philanthropy in the sense that what I was talking about is really individuals who have accumulated wealth. Now when Bill Gates of Microsoft starts a \$22 billion foundation in the midst of legal battles in Washington, one has to worry a bit about the personal wealth and the timing of that philanthropic effort. But most of the diasporic philanthropy has virtually no link to any specific corporate enterprise. The money has been generated from that, but the stock options and sales become personal wealth.

Audience:

These were very excellent presentations, extremely illuminating. My question is for Dr. Lincoln Chen. You have mentioned that in some cases, diaspora donors find it difficult to channel their funds. The problem might have another dimension: organisations based here in South Asia that might be interested to raise funds from this diaspora may find it difficult to reach them. How do we tackle a problem like this? Of course there are things like direct approaches, the use of the Internet and so on. But can you think of any institutional mechanism to link them?

Lincoln Chen:

I think this connection between the groups within the countries and foreign wealth is the biggest challenge to ensuring that global philanthropy is equitably and effectively being applied. Actually, I would look to the Aga Khan Development Network, because it has somehow been able to make these transnational links with national assurance and control. There are mechanisms being discussed, but this issue certainly belongs on the agenda here in South Asia, since more than half of those Asian philanthropists are coming from the South Asian region. They are mostly from India, but Bangladeshi and Pakistani entrepreneurs also have generated wealth. It would be a pity to see that wealth kept or confined to the United States if those connections can't be made.

Audience:

I'm going to link my question with the first question that came up, and it addresses the first two speakers.

Unfortunately for us here in Pakistan, people who do not obey the laws have been getting away with it. What has happened is that we have evolved a culture in which we have created rules and regulations that address the lowest common denominator. As a result, even those who are operating ethically are also guided and ruled by that lowest common denominator.

What I would like to say is this. Unless we bring about a change in the mindset of the Government particularly – to try to recognise people who are doing a good job and make that extra effort to remove the barriers placed before them – we are not really going to make much progress. What I heard by way of response did not give me that assurance. It was still about complying with procedures. They must be complied with, but we must address this issue: how can we give encouragement and recognition to people who are doing a good job and not rule them the way we rule the muck?

Shahida Jamil:

I would like to stress again that, of course, we have to improve procedures. I will also give you one small example. NGOs are supposed to submit an annual utilisation report indicating the sources of their donations and how those donor funds have been applied. They must also submit their audited accounts. You would be surprised at how many well-known NGOs do not do this. If they submitted their reports, there would be no problem. The whole system starts to get out of hand when problems occur; you have opportunists going around thinking they're going to make a lot of money. So you are literally attracting trouble as well. I am not saying that we are going to be very pedantic and approach the problem as a question of application of procedure. What I'm saying is that we have to improve the procedures – we have to improve the system. There is no other way out.

This is why I am very keen on supporting the Philippine model: it brings all stakeholders into the issue. You also have a system of looking into who should receive such large donations. So there is a kind of review within the indigenous sector – on the part of those who are actually giving donor funds. This system and information would also provide outside donors with some point of reference. Unfortunately we don't yet have that set-up. All we have is

Government, and then you get these horrendous stories of intelligence agencies and ministries. We want to replace them with different mechanisms, ones that are much more wholesome. If misconduct occurs, then the strong arm of the law moves in, but not otherwise.

I can give you another example of things that are happening with respect to procedures. Certain NGOs have an article that provides the executive committee with the power to rectify their audited accounts as needed after the annual general meeting. Of course, once the audited accounts have been sent to us, we have no idea what additional changes may be made by an executive committee. It's a very insidious set-up. Once you get into that, you find out what's going wrong.

Audience:

We are looking at the mechanics and the philosophy of philanthropy. Though you have to be fortunate to have this kind of wealth, you have to be equally if not more fortunate to find a deserving cause to give this wealth to. That is a basic tenet. As we strive to disburse this wealth to the deserving, you have to work for it. So I think there is a little bit of spiritual sense in this.

Coming to Mrs. Jamil's point: I would like to say only one thing. When you do this categorisation of NGOs, you should have 2-3 categories. One is those that draw from public funds, then there are those that do not take public funds but do their work quietly, they get less publicity but they are properly registered. The reason sometimes you don't get a response from these NGOs is because they feel it is a new scheme to make money out of these organisations. Government might be genuine in its intent, but the fact is that fear exists because there has been no consistency. Thirdly, please make sure that if you set up an administrative system to watch over philanthropy, that the personnel are drawn from NGOs. They should be drawn from the NGOs, because we are not in the profit business.

Shahida Jamil:

A quick response to this is that we're not talking about administrative mechanisms; we are talking about setting up a kind of council on the Philippine model. Like the Philippine model, such a council would include NGOs, the private sector and Government. Instead of having the Ministry of the Interior start off with the premise of "guilty before proven", under this model Government would register an organisation when it has fulfilled the simple requirements. Then,

only when a misconduct occurs would Government step in.

Audience:

I represent a small NGO and I would like to make an observation. In my last incarnation, I worked in about nine countries in East and Southern Africa, the Middle East and Asia Pacific. Problems with Government are everywhere, so we need to find a silver lining. My experience with silver linings are similar I think to the Steering Committee's. In countries where churches are very strong, the Council of Churches serves a good purpose of bringing NGOs and Government together. Number two, I think mutual capacity building can be a common thread – not government building NGO capacity or vice versa – I think it must be mutual. So I hope these observations will be taken into consideration in the working groups.

Ferry de Kerckhove:

Thank you very much. Now I will allow the panelists each to have a minute and fifteen seconds to add anything they wish. The discussions here are so rich and the time is too short.

Lincoln Chen:

Starting with strength at home is the route to go, but in a globalising world with worsening inequalities we must find ways of reaching out beyond national borders, sharing lessons, comparing experiences, forming consortiums and yes trying to solve this puzzle of diasporic philanthropy. Thank you.

Sussan Tahmasebi:

I'd actually prepared a conclusion, but based on the questions and comments, I would just like to emphasise the similarities between the Iranian and Pakistani experiences. They are moving along the same track in many respects. So I would like to encourage similar forums like this within the region, where experiences can be shared, especially experiences that seek to resolve legal issues and government regulations, and that seek to reform laws that govern NGOs.

Shahida Jamil:

It all boils down to credibility on both sides. What the private sector needs is a mechanism through which it can find credible beneficiaries. On the other hand, we need to have NGOs that know that they can also rely

on somebody and prove their credibility. Mechanisms have to come from within civil society, so that the sector functions on the basis of rules rather than persons who have coercive power. That is something we have to work on, and that is why I do support the indigenous philanthropy model of the Philippines. Obviously its application would not be exactly the same here in Pakistan. It would have to conform to our indigenous requirements. But it would represent a step forward. The private sector is there, the stakeholders are there, and there is a definite mechanism we have to explore to make things better.

Sabeeh Qamar uz Zaman:

Indigenous philanthropy has a great potential in this country. At least we have found it to be the most rewarding source. The second point I would like to make is this: notwithstanding the fact that NGOs must be regulated, the problems are not the laws, but the custodians of the laws.

Ferry de Kerckhove:

First, I would like to thank the panelists. We need this Initiative, and we should thank His Highness for having launched us all on this path. The exchange around this room has demonstrated indeed the need for a clearinghouse to bring us together.

A list of the important key words that have emerged just from this panel would show that this Initiative is on the right track. Actually four words could summarise what I have drawn from the panel. The first is, of course, leadership. If a Pakistan Centre for Philanthropy does evolve, it must provide leadership across every sector of society. The second word would certainly be advocacy: in terms of publicising, making people aware, creating multi-stakeholders, and bringing them under one tent. The third one is connecting: providing an information site, a clearinghouse, and the process of bringing together. The fourth word is really what has been the theme of the audience discussion, capacity building. Let me call it rudely the "tool box". With that tool box you will be able to build bridges between the philanthropists and this horrible monster called the Government.

I will close by just repeating what Lincoln said that I find so wonderful. The whole concept of philanthropy is for the poor to generate their own wealth, and we are all there behind them to do it with them.

Thank you very much for your participation.

8. Working Group Sessions and Plenary

Working Group Chairpersons are Steering Committee members Mueen Afzal (Enabling Environment), Shaukat Mirza (Public Awareness), Saeed Ahmad Qureshi (Citizen Sector) Syed Babar Ali (Social Investing). The plenary session is moderated by Shamsh Kassim-Lakha, Steering Committee Convenor.

Working Group 1: The Enabling Environment

Terms of Reference

This Working Group will explore the issues relating to the regulatory, legal and fiscal framework for philanthropy. The Initiative's research and stakeholder consultations indicate that a climate of mutual mistrust and suspicion pervades the NGO-Government relationship. This must be addressed as an integral part of the process of creating a more enabling environment for philanthropy and citizen-led development.

The Steering Committee's recommendation is to engage in a multi-stakeholder policy dialogue with the aim of creating a national NGO strategy and a more enabling regulatory and fiscal framework for citizen self-help. This policy dialogue would in itself do a great deal to replace mutual ignorance and suspicion with understanding and trust. In addition the Steering

Committee recommends that conferees in this working group consider the need for specific confidence and capacity building programmes for Government and NGOs.

The following questions may assist participants as they prepare for this working group session:

1. What are the factors shaping the Government-NGO relationship today?
2. What does the citizen development movement – CBOs and NGOs – offer the Government as partners in tackling poverty and addressing social needs?
3. What can the Government do to enable citizen self-help efforts?
4. What are the constraints to the emergence of durable and effective partnerships between Government, NGOs and business?

Indigenous Philanthropy

Islamabad, October 16 & 17, 2006



Members of the Steering Committee with Working Group Chairs and Dr. Shamsh Kassim-Lakha at the concluding session

5. How can NGOs contribute to the national goal of creating an effective tax system?
6. How can Government encourage citizens to give money to and volunteer their time for private development organisations?
7. What concrete steps might be undertaken to improve the Government-NGO relationship? In particular, what do the conferees think of the Steering Committee's recommendation to undertake a multi-stakeholder policy dialogue to consider a new regulatory and fiscal framework?

The outputs from the Working Group should include:

- A review of the constraints and opportunities in the NGO-Government relationship.
- A position on the Steering Committee's recommended multi-stakeholder policy dialogue.

Government-NGO Partnerships: Essential for an Enabling Environment

Statement by Omar Asghar Khan, Minister for ELGRD and Labour, Manpower and Overseas Pakistanis

Indigenous social investment in Pakistan has thus far been largely limited to institutions falling within the ambit of religious or charitable entities, mainly providing health and educational services or serving as shelters and orphanages. Pakistanis have been prompted in this action by their Islamic duty of *zakat*. Many citizens continue to give privately, irrespective of the mandatory *zakat* deductions from private accounts through banks. We also know that Pakistanis contribute a total of Rs 70 billion annually, much of which is directed towards madrassas and religious institutions. The question to ask is: If facilitated by an enabling environment, could this contribution be increased substantially and also be channelled towards not-traditional recipients such as community development works, institutes of higher learning, medical research facilities and specialist hospitals? Moreover, what would this enabling environment entail?

While deliberating this question we must not forget that the Pakistani non-governmental sector has had to brave a hostile environment during the last decade. Previous governments have contributed to the creation of a negative image of the philanthropic and charitable sector by resorting to unfair and mala fide tactics

aimed at maligning them. Vicious anti-NGO media campaigns, personal attacks on NGO workers, unauthorised scrutiny of NGO records and offices have collectively created an atmosphere where the common man has little trust in this sector. This situation is further compounded by the inability of the non-governmental sector to impress the non-beneficiary with visible impacts, immediate benefits, and large-scale wider community benefits. All this has created a situation where potential individual donors feel more comfortable investing in madrassas and religious institutions whose credibility has not been as deliberately maligning as that of the NGOs engaged in community development and advocacy work.

The current Government believes that one of the most important ways of turning this situation around is to develop enabling and favourable legislation for the NGO sector in consultation with its representatives. Although previous attempts at regulating the NGO sector, preceded by negative media campaigns and incidents of harassment, have failed to win the trust of the sector, they have succeeded in organising the sector to lead the way in self-regulation and developing a Code of Conduct. The Pakistan NGO Forum, the largest representative body of indigenous NGOs, has played a pioneering role in developing a consensus NGO version of the draft Social Welfare Registration and Regulation Act. The current Government is keen to take this process forward. This proposed legislation would be important as it could provide the opportunity to sift through the many different types of societies and organisations currently registered under the five voluntary Acts. For example, sports associations and clubs and religious institutions can be registered separately from the voluntary sector. This single move would greatly facilitate efforts related to the documentation of the NGO sector and could lay the ground for innovative partnerships leading to social investment.

The Government will have to lead the way in partnering with NGOs. Our Government is not only committed to this but has taken steps to engage civil society in the development process. Inputs of civil society were solicited in finalising the devolution plan, and resource persons from the sector are playing an important role in assisting the Government to develop a training programme for elected councillors/government officials. The training will place a special emphasis on community-driven initiatives and the enabling role which will have to be played by local councillors and officials of Government line departments. These, and other initiatives, such as the membership of prominent experts from the voluntary sector on ministerial

advisory boards, are just a few examples of the type of support and collaboration which can take place. Such partnerships would help restore a positive image of NGOs and prompt citizens to view NGOs as credible organisations engaged in vital national-building works. The recent self-regulatory efforts of the sector would require more time before they can yield NGOs whose basic credibility is established by "attestation" procedures developed by their own regulatory bodies. Once developed, such a system would go a long way in promoting genuine organisations, which would then be open to receiving indigenous grants. This move, combined with the realistic portrayal of NGO efforts in the print and electronic media, would no doubt lead to a more friendly and generous causality between indigenous NGOs and indigenous social investment.

Another effort on the part of Government, which would greatly facilitate the work of NGOs and indirectly indigenous social investment, is to re-orient and capacitate Ministries working directly with NGOs. Ensuring that key staff of Ministries and civil administration understand and support the work of the non-governmental sectors would necessarily lead to better support and cooperation between them. Such a move would lay the foundation for more enduring NGO-State relations that would ostensibly be more permanent than fluctuating NGO-Government relationships. In order to do this, more thought has to go into the practical aspects of creating meaningful and long-lasting linkages between NGOs and Government departments. More attention has to be paid to building trust and formal alliances and sharing decision-making. This can be done if an institutional framework between Government and NGOs is developed that links them in collaborative activities. For instance, NGO Desks can be set up in relevant Ministries, which can be staffed by civil servants who have an understanding of the NGO phenomenon.

Another possible step that can be taken by Government to assist the voluntary sector is offering to sell state land at reasonable rates to voluntary sector organisations providing services to the community. This facility could provide the voluntary sector an opportunity to establish itself more firmly and could be a means to greater sustainability. These and other incentives can be taken forward both by the Government and the voluntary sector in an effort to create a more enabling environment where citizens will feel encouraged to donate generously towards indigenous charitable and development institutions. The voluntary sector will have to double its efforts to reach a wider range of beneficiaries and increase its outreach so that their valuable services can provide benefit to the most remote communities. The

Government is aware that it will have to be more responsive and supportive if the voluntary sector is to succeed in its noble goals.

The Enabling Environment: Initial Report to the Plenary

Mueen Afzal, Working Group Chair

We had a very active group, and I would like to start by thanking all the members of our working group, which included a federal minister and two provincial ministers who participated virtually throughout the session. I would also like to thank the four very eminent resource persons who enriched our thinking.

This Working Group explored the issues relating to the regulatory, legal and fiscal framework, with the aim of creating a more enabling environment for philanthropy and citizen-led development. In particular, it focused on the Steering Committee's recommendation for a multi-stakeholder policy dialogue. The members of this group were also challenged to consider the need for specific confidence and capacity building programmes for Government and NGOs.

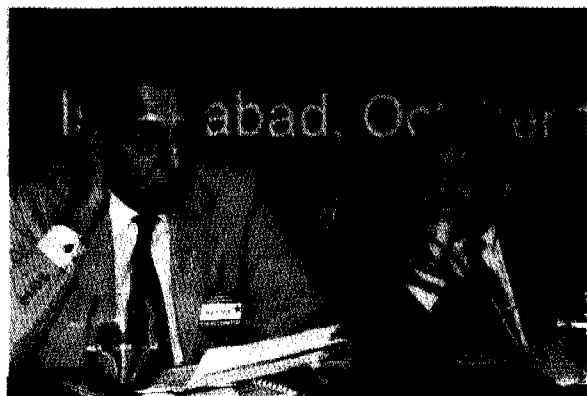
First, a number of examples were cited and discussed by the group, to show the state of apathy and lack of understanding which is there on occasion in various levels of Government at present.

The proposed outputs from the Working Group were:

- A review of the current NGO-Government relationship.
- A position on the Steering Committee's recommended multi-stakeholder policy dialogue.
- A position on the centre for philanthropy, as it relates to the potential impact on the enabling environment.

So let me take them on one by one.

The key factor shaping the current Government- NGO relationship is a widespread lack of trust on both sides. That was fundamentally the view of the group. Neither public officials nor citizens' organisations sufficiently understands the complex and outdated legal framework for citizens' organisations. This lack of trust and basic understanding is the most significant constraint upon improved relations and future partnerships between Government, NGOs and business.



*Enabling Environment and Public Awareness Working Group
Chairs Mueen Afzal and Shaukat Mirza present their preliminary reports
to the plenary session*

In this context the group wanted to emphasise the need for much greater interaction with religious groups. The group also felt that while the policy and legal frameworks required changes to facilitate indigenous investment in national development, it noted that Government had already done much to encourage philanthropy through generous tax incentives for charitable giving. This certainly provided a firm foundation from which to work.

The fiscal experts in the group gave specific fiscal proposals. I will mention two in particular:

- The need for Government to look at possibilities of seeing how income generated by NGOs, which would not be used for profit making, could receive some fiscal incentive.
- The need for a legal framework for endowments.

We noted opportunities for improved relations and partnerships because of the present Government's attitude toward NGOs. Mr. Omar Asghar Khan emphasised that Government wants to encourage the dialogue between all groups.¹

The ongoing dialogue between the government and Pakistan NGO Forum around the draft NGO Bill was seen as an encouraging example. Khawar Mumtaz spoke about this and explained it to the members.

By virtue of their size, composition and private, voluntary nature, citizen-led initiatives offer potential advantages to Government in the effective development and delivery of social services in the following ways:

- Wide range, depth and diversity of development issues and activities
- Innovation and responsiveness
- Provision of access to geographically remote areas
- Voice for the communities they serve

The citizen sector today faces significant problems that weaken the efficacy of its activities and isolate the sector from broader public and private support. Here the issues discussed were:

- Lack of a shared vision. Generally, citizens' organisations have not worked together to consider and articulate their common values and goals.
- There is no sustained, well thought out plan to gain support for the sector.
- Lack of strategic, long-term planning, managerial, technical and financial skills, which is a result of untrained staff – on all sides and among all stakeholders.

The Government could enable citizen self-help efforts by:

- Providing training for relevant public officials regarding NGOs, enabling Government to operate in a more facilitating mindset
- Encouraging individuals and corporations to give and volunteer by improving tax incentives.

NGOs can contribute to the creation of a more enabling environment:

- Collectively, by undertaking proactive self-regulation. And here we had a detailed discussion of models from several countries – in particular the Philippines, Canada, South Africa and Bangladesh.

In terms of lessons drawn from international experience, we noted:

- Canada's initiative to make an accord between the federal government and the voluntary sector
- South Africa's seven-year study on the enabling environment

1. Omar Asghar Khan's statement is included at the beginning of this section.

In terms of the multi-stakeholder dialogue, the group saw this as an important step towards improving the enabling environment. The organisation and facilitation of the multi-stakeholder policy dialogue must be designed such that no stakeholder group controls it, but all are committed to it.

Finally, on the Steering Committee's other recommendations, we concentrated on the proposed centre for philanthropy. And, as Shaukat says, in a sense the discussion did move towards this in a very natural way - I didn't direct it.

The group felt that its role in the policy dialogue could be a facilitative one. The "neutral" setting could help ensure that no one group controlled the dialogue. Then we discussed what the centre should do. I think there was consensus on what it should not do: that is, give money. I think there was fair consensus on what it should do:

- Facilitate dialogue
- Rating functions
- Capacity-building

And there was a feeling that this needed more discussion and analysis.

To conclude, let me say that if we look at the broad conclusions of the group we have:

1. Recognition that there is a lack of trust between stakeholders. This includes citizens, NGOs, Government and donors as well as religious groups, and all need to dialogue.
2. A financially independent centre should be created to promote transparency. The group felt that there is much that is already there in terms of an enabling environment, but that it needs to be publicised to a greater extent. The centre could be a good vehicle for this.
3. More work needs to be done by Government on the fiscal environment for the promotion of philanthropy.

Working Group 2: Public Awareness

Terms of Reference

This Working Group will engage with media and other agents of public understanding to consider how to

raise the level of public awareness of the self-help movement of Pakistan's poor, and, particularly, the opportunities that all Pakistani citizens have to contribute to that movement.

The premise here is that citizens' organisations – community-based groups as well as the more formal "NGOs" – have the potential to make a major contribution to national development. But in order to do so they require broadly based and substantial public support.

The work of the Initiative on Indigenous Philanthropy indicates that such broad public support will not be forthcoming until citizens' organisations are better known. The media is seen as a critical vehicle for generating this greater understanding. To this end, the Steering Committee calls for a special initiative from the media and other agents of public understanding. Most particularly, a public awareness campaign should highlight opportunities that all Pakistani citizens have to volunteer and "invest" toward the goal of equitable social development. Given the high levels of giving and volunteering in Pakistan, there is a strong case to be made to both the Urdu- and English-language media that taking up these issues more proactively makes good business sense.

The following questions may assist participants as they prepare for this working group session:

1. How is the citizen development movement covered in the media today?
2. What lessons can we draw from the dramatic divergence between English- and Urdu-language coverage?
3. What efforts are required from citizens' organisations to improve media coverage and raise societal understanding of their work?
4. What efforts are required from media organisations to improve their coverage and raise societal understanding of the reality and potential of citizen-led development?

The outputs from the Working Group should include:

- A review of the state of media coverage of the citizen sector, including identifying key constraints to improved coverage.
- A position on the Steering Committee's recommended special initiative to raise public awareness.

Public Awareness: Initial Report to the Plenary

Shaukat Mirza, Working Group Chair

This Working Group focused on the ways and means of raising the level of public awareness of the self-help movement and particularly, the opportunities that all Pakistani citizens have to contribute to that movement. The premise from which we began is that citizens' organisations have the potential to make a major contribution to national development. A prerequisite to that capacity is broadly based substantial public support.

Our group was also very lively, with lots of participation and I was most gratified to see the large number of ideas that were generated during our discussion. In fact, as we proceeded to discuss the public awareness initiative it seemed that all roads were leading to the philanthropy centre. Then when I tried to end the meeting with a presentation of the three recommendations of the Steering Committee, then I discovered that there was a lot of resentment in the group, because they all felt that the Steering Committee had plagiarised what they had come up with! So it shows the remarkable congruity of views that came from a very heated discussion and exchange of ideas on this subject.

We first reviewed the state of the media coverage of the citizen sector. A recent survey that was done by the NGO Resource Centre indicated that newspapers are not taking sufficient interest in analysing and describing the work done by citizens' organisations. In fact a significant number of articles and features were found to be negative or ambivalent towards the citizen sector. Interestingly, almost all statements coming from religious parties were found to be negative towards these organisations, and the common points or reasons were: dependence on foreign sources of funding, alleged propagation of secular, liberal values, and foreign agendas.

The findings had revealed some degree of dichotomy between Urdu and English dailies, for example all feature articles appearing in the Urdu media were classified as negative. By contrast a majority of feature articles appearing in the English dailies were either positive or neutral.

In terms of citizen sector issues, figures show that English dailies give the most space to statements by the leaders of citizens' organisations as opposed to

those of religious leaders. Exactly the opposite pattern was observed in the Urdu newspapers.

Now what can the citizens' organisations do? There were a lot of suggestions, but there was consensus around the point that the impetus was on the citizens' organisations themselves to improve the coverage of their work. It was suggested that a proactive approach to developing partnerships with the media should be taken to project the benefits of citizen development efforts and work to eliminate perceptions of elitist organisations. They must convince the media that social development journalism can also sell. Other suggestions were:

- Establish personal contacts with the editors and reporters.
- Organise conferences that project social development issues and causes.
- Regular and timely dissemination of success stories, innovative approaches - and the need to identify development issues.
- Make extensive use of the radio – and the state should also supply free coverage on PTV as part of their social investment.
- In fact, suggestions were made that Zee TV should be approached also to cover some of these stories because of the immense popularity that it is beginning to enjoy here. And finally, an information centre on citizens' organisations – create a small cell in the philanthropy centre – for development reporting.

All these strategies the working group felt could do double duty. They would raise the awareness of the person on the street, but they could also be adjusted to inform the government, potential corporate donors and partners, and other members of the citizen sector. They are all an integral part of an organisation's public accountability.

Then we addressed the issue of what the media organisations can do. And the message coming from the group is that the citizens' organisations – individually and collectively – need to take the primary responsibility for improving media coverage of their development efforts. However, the working group also stressed that the media needs to improve its coverage. While it should and does expose abuses of public trust, it must also recognise and communicate

the central role that NGOs and citizens' organisations can and must play in our national development.

Some of the suggestions that came out of our group were:

- The media organisers should dedicate reporters and train them and provide lead writers on social development.
- Newspapers could commit a quarter page daily or half page weekly to news on the success stories of these citizens' organisations. The media organisations should provide space – and not sell it – as part of their philanthropy and their contribution to social investment.

We then looked at the public awareness initiative and, in summary, the working group supported the idea. There was also a consensus that such an initiative might be effectively linked to or enhanced by the centre for philanthropy.

On the other two recommendations, the group wholeheartedly supported the proposed centre for philanthropy as a vital agent for increasing awareness of citizen-led development efforts and opportunities for giving and volunteering. The group recommends that a media strategy be an integral component of the PCP's immediate objectives. Specific comments on the role of the centre, particularly with respect to public awareness included:

- Facilitate the development of a media communications strategy for NGOs that would focus on citizens' needs; perhaps sponsor TV dramas, serials, or weekly programmes; and a regular newsletter or magazine.
- Dialogue with religious leaders about philanthropy for social development.
- Propagate a philosophy of social investment and self-reliance.
- Develop and train NGO leadership.
- Involve schools and colleges in conveying messages about giving and volunteering.

Working Group 3: The Citizen Sector

Terms of Reference

This Working Group will consider how Pakistan's emerging citizen sector, which is made up of a diverse

and wide range of organisations formed for the public benefit, can become more attractive to Pakistani social investors - businesses, individuals, and Government. Through its stakeholder consultations, the Steering Committee for the Initiative on Indigenous Philanthropy has presented the following case.

In order to promote social investing for development, citizens' organisations that do development work must be and appear to be credible and effective. If citizens' organisations want the state to be an enabler and facilitator, they have to be proactive about accountability issues. If citizens' organisations doing development work wish to tap into the massive resource of individual citizen giving, they must become better known and better respected by "the person in the street". If citizens' organisations wish to exploit the positive business propensity to provide charitable donations, in-kind and volunteer support for development work, they must be more proactive in addressing business concerns about their effectiveness.

This Working Group should consider this case and discuss possible ways for citizens' organisations to take up the challenge. In particular, the three Steering Committee recommendations to the Conference should be evaluated for their potential to assist the citizen sector to take up the challenge. The Group may wish to indicate the kinds of capacity building programmes that would enable all bona fide citizens' organisations to meet minimum standards of organisational practice and may include standard-setting mechanisms such as codes of conduct and certification schemes, as well as more conventional skill building efforts.

Questions for the Working Group to consider include:

1. What are the preconditions for an effective policy dialogue on the regulatory, legal and fiscal framework for the citizen sector? How might these be met?
2. What concrete steps might be undertaken to improve the Government-NGO relationship? In particular, what do the conferees think of the Steering Committee's recommendation to undertake a multi-stakeholder policy dialogue to consider a new fiscal and regulatory framework?
3. Why should citizens' organisations take up the challenge of building a strong citizen base and making the shift from a heavy reliance on foreign aid towards indigenous philanthropy?

4. What must citizens' organisations do in order to win greater levels of support from ordinary citizens? In particular, what do the conferees think of the Steering Committee's recommendation for a public awareness campaign?
5. What must citizens' organisations do in order to win greater levels of support from the corporate sector?

The outputs from the Working Group should include responses to the Steering Committee's three recommendations.

Citizen Sector Initial Report to the Plenary

Saeed Ahmad Qureshi, Working Group Chair

We had a very extensive debate and very involved group, mainly NGOs because this was the Citizen Sector group, but also government people including a minister from the NWFP, academics, thinkers and so on. After a long debate there was complete consensus on five or six recommendations, which I will read to you.

The first recommendation of the Working Group was that, to promote a policy dialogue on the NGOs, a joint forum should be established at the federal level and at the provincial level (one for each of the four provinces). These dialogues should comprise representatives of Government, NGOs, the corporate sector, and, it was said, the religious groups. This should be the main forum in which a policy dialogue is conducted, so that there is a better understanding between the NGOs and Government; NGOs and the corporate sector; and NGOs and the public.

Second, there is a big information gap on the NGOs, and the number of NGOs is very large. The group felt that there should be an information and data centre on the NGOs. This is not the philanthropy centre; this was an independent recommendation made by the group.

Third, the Pakistan NGO Forum, which has been working on the code of conduct by and for the NGOs, should finalise its recommendations by the 31st of December 2000. It should then work out a plan for implementation and should monitor the implementation.

The fourth recommendation is that a public awareness campaign should be initiated through:

- Press conferences
- Regular dissemination of the success stories
- Facilitating visits by national and international dignitaries to the project areas being managed by the NGOs

Also, the instruments deployed in certain other countries should be studied for adoption in Pakistan such as: development fairs in India, "NGO Week" in South Africa and the IMAGINE Campaign in Canada. The feasibility of their replication and adoption in Pakistan can be considered.

The group also recommended that there should be a special programme in the electronic media on the social services, to help to highlight the type of activities that the NGOs undertake.

There should also be a website as a 24-hour helpline to disseminate information on the type and dimensions of NGO activities.

The fifth recommendation is that the NGOs should ensure larger participation of stakeholders in their activities to improve upon credibility, accountability and transparency.

The sixth recommendation is that the centre for philanthropy should be established. The group approved a suggested charter, although this is only an indicative and not a legally limiting charter. The purpose is to delineate what sort of activities the centre should undertake. The group saw the focus of these activities as:

- Information to social investors
- Policy and enabling environment
- Research, training, exchange activities
- Self-regulation by NGOs
- Certification arrangements
- Public awareness

The group also recommended that this Centre should have branches at the provincial level.

Working Group 4: Social Investing

Terms of Reference

This Working Group will explore the ways and means of enhancing social investing. In particular, it will

consider the Steering Committee's recommendation that Pakistan establish a permanent institutional vehicle to promote indigenous philanthropy. In assessing this recommendation, the Working Group will consider the general case for specialised philanthropy-support activities, notably as it is presented in the Pakistan Centre for Philanthropy prospectus, which is included as an appendix to the Steering Committee report, *Enhancing Indigenous Philanthropy as Social Investment*.

The following questions may assist participants as they prepare for the working group session:

1. Other than the work of the Philanthropy Initiative, what activities are currently ongoing in Pakistan to strengthen indigenous philanthropy?
2. What kinds of information and advice services, training, and exchange activities might enhance volunteering and grantmaking in Pakistan?
3. What balance should be struck in pursuing these activities between policy dialogue, research, capacity building, advice services to potential grantmakers, and public education?
4. What existing organisations might take up some or all of these activities?
5. Is there a need, as the Steering Committee recommended, for a new specialist organisation to work in this arena alongside others? If so, with what particular focus and mandate?

The outputs from the Working Group should include:

- A review of the field of philanthropy support in Pakistan today.
- A position on the Steering Committee's recommendation to establish a Pakistan Centre for Philanthropy.
- To the extent the Group supports the idea, what would be the priorities for the Centre's core functions?

Social Investing: Initial Report to the Plenary

Syed Babar Ali, Working Group Chair

I must complement the members of the group, and especially the sub-group leaders Ms. Kasuri and Mr. Zaffar Khan, as well as Governor Ishrat Hussein.

They were extremely supportive. We had very lively discussion in the sub-groups, and in the group as a whole we looked at the recommendations of the sub-groups. These were then endorsed by the group as a whole. What I am going to read out to you is the consensus of what was agreed to by the group as a whole. There was hardly any dissension; we had a lot of discussion and argument, but I would say we came to more or less unanimous agreement.

This Working Group explored the ways and means of enhancing social investing. In particular, it examined the Steering Committee's recommendation that Pakistan establish a permanent institutional vehicle to promote indigenous philanthropy. In assessing this recommendation, the Working Group considered the general case for specialised philanthropy-support activities, notably as it is presented in the Pakistan Centre for Philanthropy prospectus.

That was the general preamble. Then we reviewed the philanthropy support in Pakistan. According to the group, the existing needs that individual and corporate philanthropists have (with regard to enhancing volunteering and grantmaking):

- Assurance of credibility and accountability of grant-receivers.
- Rating of receiving agencies was debated. There was concern that the rating system could be exploited. We didn't want anybody to say that this NGO was better than the others were. We thought that there should be a stand-alone organisation like PACRA, and it was suggested that it should be more along the lines of the ISO evaluation as to how well these NGOs or grant-receivers were operating.
- Information on social investment opportunities.
- A choice on how their funds are used.
- Information on how much of their funds go to beneficiaries. This is very important. People are concerned that their donations not be used up in the operation of the receiving organisation. The overhead expenses should be kept at a minimum. And there are some yardsticks by which this can be judged.

Then we debated the mechanisms that NGOs could employ individually to enhance their credibility in the eyes of potential investors (that is to say, self-regulation):

- Transparency. It is very important that they produce their accounts on a regular basis and in a transparent manner. Hopefully these are also audited accounts.
- Active beneficiary participation.
- Provide good annual reports/independent evaluations.
- Make satisfactory audit arrangements.
- Codes of conduct, drawn up by the NGOs themselves. We felt that just as we were looking at a centre for philanthropy, there should be some kind of a central organisation, which could look after the interests of the recipient organisations, or the NGOs. And this is something that might come out of the deliberations today and tomorrow.

Then, we looked at how to interact with Government – and how to get more encouragement and support from Government. Ideas included:

- Tax-deductible contributions could encourage a culture of giving.
- There should be tax incentives for individual giving. Today, corporate giving is acknowledged, but we felt that individuals who contributed to recognised charitable organisations should be able to deduct from their personal income taxes. There was some concern that when donations were made from one's personal account, the tax people would enhance one's income or question that person's ability to afford such a donation. That kind of harassment needs to be examined.
- Are tax incentives for corporations enough?
- Government should encourage matching grants to credible NGOs. One of the organisations that I am associated with has approached the employers to give matching grants to what their employees give. This is something that is very prevalent in America, and we thought that Government could also consider giving matching grants to NGOs.
- Re-examine *zakat*: ensure that *zakat* fund distribution is transparent.
- Reduce bureaucratic bottlenecks for NGOs: idea of a "green channel" for credible, proven NGOs.
- (Non-monetary) recognition of NGO successes.

Some in the group thought that NGOs might be recognised by inviting them to the equivalent of a Buckingham Palace garden party.

- Individual philanthropy is sizeable and needs recognition.
- Another important issue that was raised was that women oversee household finances and many of the donations come because of them: they should be recognised in their own right, rather than as "Mrs. X". Women should also be educated on opportunities for giving.
- Government could give land for schools, hospitals, etc. In this we discussed models from India and Kenya.
- There was a concern that social services provided by the private sector not be seen as replacement for Government responsibilities. This should be in addition to what Government is doing; Government should not be pulling back from this sector.

How to encourage corporate philanthropy:

- Need to raise awareness/educate our corporate sector, and the centre for philanthropy could play important role in this.
- Dissemination of information on what other corporations are giving. This creates healthy competition among corporations and helps CEOs "sell" philanthropy to their boards.
- Benchmark against practices in other developing countries.
- Explore model of corporate matching grants for (employee) individual giving.
- Emphasise social responsibility that comes with tax benefits for social investing.
- Show benefits of social investing to corporations.

We then looked at the issue of the establishment of a centre, and there was total unanimity that a centre is required. There were no ifs and buts in that. What needs to be looked at is, who would be not the owners but the sponsors of that centre; and how its continuity

could be assured. And we do not want this to be a monopoly of any one set of people. There should be total transparency in its governance – we don't want it to be hijacked by any one group.

It would support the requirements of all stakeholders, but we argued that, first and foremost, the centre should provide a collective voice and perspective of Pakistani grantmakers, both individuals and corporations.

It should also be sensitive to the needs of the recipients. There must also be some kind of liaison with the Government; we were also very particular that Government would have no participation in the centre itself but Government should be aware of the efforts being made in the centre.

Position on other two recommendations:

- Group supports the policy dialogue, but emphasises that it must be organised such that no one stakeholder controls the process.
- In fact, the group saw a facilitative role for the proposed PCP in both the proposed public policy dialogue and the public awareness initiative.

Recommendations to the plenary on the priority functions (focus and mandate) of the Pakistan Centre for Philanthropy were:

- Facilitating NGO certification and/or self-regulation (e.g., ISO)
- Policy/enabling environment dialogue
- Information and advice services for social investors
- Training, research
- Training
- Exchange activities
- Public education, awareness raising

The governance structure was discussed. It was emphasised that in addition to grantmakers, development technocrats and civil society representatives should be involved.

These were some of the issues we discussed, and I must thank the members of this group. It was lively, very participatory, and I must also recognise their promptness for time.

Plenary Session

Moderated by Dr. Shamsh Kassim-Lakha

Shamsh Kassim-Lakha:

Now that we have heard the initial reports of the chairpersons, this is our opportunity as delegates to give our own thoughts. And as you give your thoughts may I ask that you kindly look at it from a collective viewpoint. That is to say, there were several common threads that ran through these four groups, and yet there were some major recommendations. Should you wish to ask a question, by all means do so. If you wish to offer a comment, it would also be most welcome. My only request is that you keep your comments short and the questions sharp enough so that you receive a very clear answer. The floor is open.

Audience:

It seems to me that none of the groups has addressed the issue of the recipients of philanthropy. Who should receive this enhanced philanthropy, and how should those funds be used? What should be the priorities of the recipients?

Shamsh Kassim-Lakha:

Before you take your seat, may I clarify your question? Are you asking who should determine the priority of where money or grants should go?

Audience:

Yes. For example, should the priority be for social welfare, for education, for health, for religious furtherance or what?

Syed Babar Ali:

This issue was never intended to be discussed at all. What we were discussing was the collective activity of the givers of aid. It depends on the individual or organisation as to what their objectives and principles are. We are not here to determine how each donor organisation or individual giver should spend their money. It has nothing to do with us. We are here to look at the collective organisation of the grantmakers.

Shamsh Kassim-Lakha:

And the recipients.

Syed Babar Ali:

As regards the recipients, again, we cannot determine how they are going to organise themselves. It depends on the individual organisation whether it is dedicated to health, education, general uplift, water, etc.

Shamsh Kassim-Lakha:

I think there is one point that comes out. It would be difficult for any organised group such as the proposed centre to channel philanthropy or to say what A or B should do and where they should apply their funds. What the centre could do is show potential donors an array of opportunities. But the decision is left to the donor. Of course, whether or not to accept the money is the decision left to the recipient.

Audience:

This is not really a question, but a suggestion, if I may. We had a very interesting presentation from Dr. Chen this morning about the diaspora. I think that we at this conference need to include the "desi diaspora" as I would call it – the overseas Pakistanis – in our thinking. There are 5 million of them now – 2 million of which are wage earners. If you take an average of \$30,000 per wage earner, that gives you an income of these people of \$60 billion, which is the GDP of Pakistan. This is an enormous resource. The overseas Pakistanis are in many respects very passionate about Pakistan. They want to be of help. If this conference can find a way to draw them in, I think we'll have done everyone a great service, because they already have the interest and have initiated their own activities. We are really working on two parallel tracks - so it would be a great service to bring these two tracks together.

Shamsh Kassim-Lakha:

An excellent thought. I just have one small supplementary point to offer to that. I might even suggest that we have on our web page a spot called the *desi diaspora.com*.

Audience:

In our group, led by Syed Babar Ali Sahib, we discussed the disbursement of the *zakat* that is collected by the Government. It has not yet come into this discussion, so I would like to point out that we

thought that the disbursement of *zakat* collected by Government is not at all transparent. It is according to the values laid down by Islam, in the Quran, as to how *zakat* should be spent. Another important issue to be looked into is that perhaps donors' contributions to the *zakat* fund could be matched by the Government.

Mueen Afzal:

Actually, this point also came up in our group. I explained to the group that Government at the moment is reviewing the framework under which *zakat* funds are disbursed. Now the question was asked: would Government be willing to use such a centre for philanthropy [in a revised framework]? Of course it's impossible to predict whether the Government would or would not – for *zakat* or other purposes – but my feeling is that if the centre gets off to the start that we hope it will, it could perhaps be used by the Government.

Audience:

Mr. Chairman, it does appear that we all agree the institutions that exist today need to be changed. It also appears to me that we all agree there is need for a new framework to build capacity for social development. We are talking about creating an institution – creating national capacity – to implement a framework for philanthropy, but we have not also looked at the question as to where the givers get what they give.

I know that our spiritual or religious traditions say that even the poor must give. As a Christian, I am told that the poor woman who gives one bit may have done more than the rich man who gives a lot.

But I do believe that productivity is the essence of what we are looking at. Philanthropy must be seen as capacity building and, therefore, we must create an element of productivity. Those who have given must not be made to feel that we will rely on their philanthropy forever.

Shamsh Kassim-Lakha:

Thank you. That was a very interesting comment. I would be interested to know where you are from and your association.

Audience:

I come from the private sector Corporate Governance Trust in Kenya, where we will be hosting the Commonwealth Association for Corporate Governance Annual Conference in Nairobi at the end

of this month. We will also be hosting a parliamentary conference on the role of corporate governance and a conference on corporate governance in the banking sector. All governors from the central banks of the Commonwealth states will be invited as well as members of parliament from Commonwealth states. I do hope, Mr. Chairman, that Pakistan is still in the Commonwealth.

Audience:

As we were listening to the recommendations from all the groups and the really rich discussion that went on in our specific group, I think I am a little bit dissatisfied with the name "Pakistan Centre for Philanthropy". If we look beyond the adversarial perspective of government versus donors or government versus NGOs or NGOs versus NGOs (when we talk about religious as opposed to developmental NGOs), we were really discussing being able to redefine new measures of citizenship. We were talking about redefining governance and participation in democratic societies.

I wonder if we are moving beyond philanthropy. We are talking about re-educating ourselves into new notions of giving and we are changing patterns of how we work together. I wonder if we can add somewhere the term "citizenship", because it is really a centre for citizenship and philanthropy? The current name is a slightly more limiting term; perhaps we should make it even more inclusive?

Shamsh Kassim-Lakha:

This is an invitation to you, the panelists to widen our scope by about ten or fifteen times. Very wisely the panel has chosen to remain silent!

Audience:

I am a little confused about the composition of this proposed centre. In our own group this morning, the consensus seemed to be that the governing body or the members would basically come from the grant-seekers or the NGOs. We also seemed to agree that we could not mix grant-seekers and grant-givers in the same body. But by the afternoon the tide seemed to have turned, and we decided that the composition would be made of grant-givers. I would like to know what the consensus is. Who would comprise this body?

Shamsh Kassim-Lakha:

Before I open the dialogue to the panelists, all I can say is that this proves that there was no *paki-pakai roti*

before you came here. We hadn't cooked up everything! This is one issue that is so fundamental that it is important to have a wide dialogue before we reach any conclusions.

Mueen Afzal:

I think Mahomed Jaffer may be the right person to ask, because this point came up in our group and he explained the Steering Committee thinking on this.

Mahomed Jaffer:

As a member of the Steering Committee, I can say that the Committee itself has been engaged in this debate over several months. We have looked at various models: a grantmakers model, a grant-seekers model, and a mixed model. After much thought, the current model under contemplation – subject to what the Conference advises and what emerges – is the mixed model, which will have representatives from three basic stakeholder categories, roughly proportionately represented. The idea is to have a board of fifteen, of whom five would be from the grantmakers' constituency, five would be from the citizen sector, and five would be individuals known for public service, social service, or other persons of eminence and dedication prominent in public life in Pakistan. That is the current thinking. If the decision of the Conference is to set up the centre, the Steering Committee will start with a selected board of fifteen volunteers. This will be an interim board, just to get the show on the road. The first annual election will be held for members who are drawn from all three categories. I think that gives you the current thinking.



Mr. Karugor Gatamah, Executive Director, Private Sector Corporation Government Trust from Kenya contributes to the plenary session on Day One

Saeed Ahmad Qureshi:

I just want to add that, while deliberating the direction and policy level for the centre, we had to maintain a balance between the representational aspects and the efficiency aspects of the centre. We thought this sort of composition would give a blend of both.

Audience [Conference Resource Person Caroline Hartnell from Charities Aid Foundation, UK]:

This is a response to an earlier suggestion about the name of the new centre. I thought people might be interested to know that there is a similar centre in the process of being set up in Kenya. I was talking just recently to the person who is setting it up and I noticed that the name of the centre was now the "Centre for Promoting Philanthropy and Social Responsibility". I was curious about this and asked him – I knew he had been working a lot with companies – if that meant or reflected the focus on work with companies that the centre would like to do. He said that, for him, "social responsibility" is a much wider term. He was thinking about individual responsibility for the society we live in, corporate responsibility, the government's responsibility, and the NGOs' responsibility to communicate to society exactly what they are doing. So I thought I would just throw that into the melting pot.

Shamsh Kassim-Lakha:

Thank you very much for that comment.

Audience:

Before I make an observation, I would like to take this opportunity to convey my heartfelt appreciation and congratulations to Aga Khan Foundation for this spirit-lifting and encouraging Initiative.

My observation relates to an impression I have gathered while participating in a workshop on enhancing social investment, where most of the participants were from the corporate sector. It was really a very good experience for me – coming from NGO sector – to realise how much our corporate executives are receptive to the needs of such an initiative and how much they want to channelise their energies towards this direction.

At the same time, I also realised that there is some limitation on the role of social development. It is one

thing to organise philanthropy, but as you have put in your publications very clearly, we want to use this philanthropy for real social development. And I wanted to make the point that social development does not only mean just building schools and building hospitals. NGOs – especially modern NGOs – have realised over one decade that they cannot replace and should not attempt to replace state functions. They have also realised the need to combine their service delivery work with advocacy work, by which I mean to ask very fundamental, critical questions about the underlying structural reasons for inequities in our society. Hence their work becomes very critical and political. I think that the corporate sector and corporate philanthropy need to understand this dimension of social development and learn how to relate to it through their philanthropic effort. Unless we ask these critical questions, our efforts will continue to be "first aid" arrangements as we try to replace (which we never can) the state functions of service delivery - rather creating that critical consciousness among citizenry, which is the ultimate solution to the reform of the state. In the final analysis we the people are the ultimate granters of the state and we should all work towards that solution.

Audience [Lincoln Chen, Conference Resource Person]:

I want to commend the working groups for this unanimous support for what promises to be an exciting centre.

I wonder if you could discuss what success would look like in ten years? I understand the various inputs, I understand the range of issues being discussed; but what would you consider successful if you were looking back ten years from now upon this early beginning?

Saeed Ahmad Qureshi:

Well, ten years from now we'll measure the success by the extent to which we move from charity to philanthropy, with charity as "giving fish" and philanthropy as "teaching how to fish". Philanthropy will include social development, while charity doesn't - so philanthropy is broader than charity.

We would be successful if we have been able to establish a regular forum for dialogue between the government and the citizen sector, and ensure better coordination between the citizen sector and the corporate sector. That will be the second criterion.

Also, we will be successful to the extent that we have promoted self-regulation and an internal certification system in the NGO sector. These will be the three – there will be others, too, but these are my three main ideas.

Shaukat Mirza:

If I have a vision of the centre, I should think the success factor would be the extent to which it has been able to promote the concept of philanthropy among citizens and the extent to which we are able to institutionalise it.

Mueen Afzal:

First, the current estimates for philanthropic giving in Pakistan place it at, let's say, about 2 percent of GDP. I think we would be very successful if we could reach a figure of 4 to 5 percent of a growing GDP in Pakistan. Number two, I would see the centre as successful if we could measure where the stakes are. At the moment we don't know. We know that people give but we don't know what effects that giving has on social development. Perhaps the centre will enable us to see – through studies and analysis and other ways – whether the philanthropy is being productively used.

Shamsh Kassim-Lakha:

Thank you very much. A thoughtful question that will keep us engaged for a while as we move forward with the centre.

Audience:

In the morning session, you gave a figure for indigenous philanthropy of Rs 70 billion - which was really very exciting. Have you ever studied the cost-benefit ratio of that Rs 70 billion? Out of this amount, what is the end result? What product are we getting out of this 70 billion? If you have the time – it may not be the scope of this Conference - kindly study it. It will give us new ideas as to what to do and how to do it.

Audience:

When we were having discussions during the day, one of the main questions raised was dialogue with the Government. When we are talking about having a governing body for the centre, my suggestion is that it should consist of 15 – five from the Government, five

from the donors and five from the recipient NGOs, because the Government must be part of this process. Otherwise the Government gets left out and problems with the Government continue. There has to be a dialogue between the Government, the donors and the recipients.

The second thing I would like to suggest is the "Centre for Indigenous Philanthropy Leading to Development". That should be the slogan.

Audience: [Conference Resource Person Khawar Mumtaz]

I think that was a very important question that Mr. Chen asked. The panel has given its response; I would like to say what I think we would like to see the centre achieve in 10 years. Most important from the point of view of citizen sector organisations is an environment that is secure, where we can work without being threatened and work freely, because it is only when we are able to perform that we can access philanthropy. So the two go together.

Audience:

Can we propose that there should be an annual award for philanthropy, instituted by the centre? It would not have to be a donor or an organisation, but an individual – for example, an innovative social worker.

Shamsh Kassim-Lakha:

I am afraid we have come to the end of our question and answer session. It ran a little longer than we anticipated, but it was so interesting and exciting. It was nice to hear so many different views, but it was also nice that so many views were coming together. There was more congruence than divergence from what I could see.

It is my job now in the next few minutes to wrap up. You will excuse me if I wrap up without necessarily wrapping everybody into this set of concluding comments.

We heard the panels give their reports. It was very obvious that the panels had carefully considered the menu set out by the Steering Committee, but they came up with all kinds of side dishes – not just side dishes, actually – some very big main courses. And I think that is to my mind an extremely valuable contribution of the delegates to this Conference. It

made us think. And I will quickly go through two or three areas where it made us think.

There were suggestions about certification, but also cautions to be careful and not to sit in judgement. Would perhaps an ISO-type certification not be better? Would a "Good Housekeeping Seal" not be better?

We heard that the issue of self-regulation and transparency was extremely important. No matter what we do, there will be no lasting effect of that certification or regulation unless it is the NGOs who say "we must regulate ourselves". We must do so through our conduct, through certain norms within our culture and our religion, and through imposing certain rules of ethics, management, and behaviour.

I heard an interesting set of options available regarding the composition of or inclusion in the Pakistan Centre for Philanthropy. Should it be a grantmakers' forum? Or should it include the civil society organisations? Why not include the Government? After all they seem to have a very large stake in anything and everything we do. And that is a very important plea.

I think this is an issue that must receive further attention from the Steering Committee and from this Conference of very distinguished persons. You heard what the Steering Committee has discussed to date on this issue. It may be a mixture: a third of the fifteen members might be grantmakers; a third might be grant-seekers or civil society organisations; and a third could be citizens of eminence and renown, who could be invited to sit or be elected. Amongst those five could well be persons of eminence in the field of governance, persons from the academic world, scientists, and persons who have attained renown in our country and in whom people have confidence. Such board members could ensure that no one sector would dominate or – as it was described by some – "hijack" the centre.

The concern regarding "hijacking the centre" brings me to a very important point that I saw as a scarlet thread running through all four reports. Each one of you recommended that the most important factor at this time is to build trust. The building of trust, creation of confidence – to be able to say things and not be misunderstood. I think the creation of trust seems to be a very important point that came out in this plenary session as well.

In terms of having the NGOs as part of the Pakistan Centre for Philanthropy, or having yet another

organisation for them: I think those are options. We will consider those in the Steering Committee, but I should like to think that perhaps there is no either or solution. Maybe it is both. The NGOs would be invited into the Pakistan Centre for Philanthropy, and can become voting members of such a centre. That is what the Steering Committee feels. Yet if they wish to have a forum of their own, I am quite sure that the Pakistan Centre for Philanthropy or at least our Steering Committee would be delighted to help them in any way we could to create another forum whereby they create that self-regulatory capacity. Nothing could be better than that. So it isn't necessarily either/or from where I look at it.

There were important questions asked about the centre. Who will be the owners? How much transparency will there be? There was also a strong sentiment that the centre should be sensitive to the needs of all segments of our society insofar as philanthropy is concerned.

We then heard a few comments about the big information gap. This is not restricted to philanthropy; it is a gap that exists in our national life. Whether it is at the governance level, at the corporate level at the family level: everybody has a secret, or they want to create a secret if there isn't one. I think this goes to the possible roles of the proposed centre. It could do a lot of good for society at large in this respect, because data is not available. Our information gathering and our decision making are incomplete or inaccurate.

We heard a lot of good things from the creative group among us that talked about the public awareness needs. They really pointed out that it isn't merely the responsibility of the media to discover the stories. Their job is to project stories that talk about a "man biting a dog" not a "dog biting a man." That doesn't sell: everyday a dog bites a man. But if you give them good stories that have some excitement in them – which the reader is interested in – I heard it said that they would be more than happy to do so. The suggestion of allocating space on a regular basis to this objective seems like an excellent idea. If there were people in the media willing to do this, I think all Pakistanis would owe a great deal to that generosity.

Coming to the enabling environment, we again heard about the issue of trust. We heard about another important conclusion that came through all four working groups: the need to have a multi-stakeholder dialogue and a forum where trust building could take place. Today, there isn't a forum for such a dialogue. In my mind the support for that recommendation is a very important outcome of these deliberations.

I might also mention something that we did not discuss very much in the open session but that came out of the working groups. That is: how do we engage and interact with the religious groups? It is possible to hide from this issue, and to say, well, that remains a problem. How do we begin a constructive dialogue? It may be very difficult, but most good things are not necessarily easy. Its something that we can think about overnight. As the report is prepared, for tomorrow, Syed Babar Ali Sahib might want to give this issue a bit of thought. We will have the presence of the Chief Executive, several members of the Cabinet, as well as other decision-makers who might help us with this issue in due time.

We heard about more fiscal benefits, and I am delighted that was Muccn Afzal who confirmed the need for it. I think we have a very good friend in the Ministry, but we must respect our friend's role as a decision-maker as well. We will request but we will not pressure you.

I think an important point came out in the working groups and the plenary session. Whatever roles are decided for the proposed Pakistan Centre for Philanthropy, it should not be (and it was never conceived by the Steering Committee to be) a centre that collects money and distributes money. The best way I can easily explain what the Committee feels the

role of this centre should be is a "chamber of commerce for philanthropy".

Capacity building was an issue we heard raised again and again. I think the centre could do a lot of good work in that area.

Perhaps the most fundamental question that came up this afternoon, toward the close of this discussion session, was: What would success look like 10 years from now? I wish we could ask that question for everything that is to do with our country. It is a very important question and we thank you, Lincoln Chen, for this very thoughtful question. I would challenge all of us – not just the Steering Committee but all Pakistanis – who owe something to this country to think about, in our respective fields, what would success look like 10 years from today? We have already heard some interesting ideas on what success would be like, and I hope we can bring this point across in tomorrow's summary of our deliberations.

Ladies and Gentlemen, this summary was not very easy for me to put together. I hope I have not done injustice to the many wise and reflective comments that all of you made.

Thank you.

9. Report to the Plenary: Outcome of Working Groups

Syed Babar Ali, Member of the Steering Committee

Bismillah Ar-Rehman Ar-Raheem

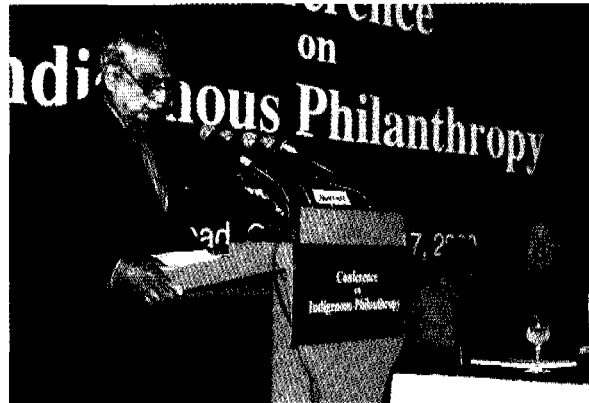
Chief Executive General Pervez Musharraf, Your Highness the Aga Khan, Honourable Ministers, Excellencies, Ladies and Gentlemen: Welcome to the second day of the Conference on Indigenous Philanthropy.

Looking across this room, it is immensely gratifying to see the fruition of the extraordinary partnerships that made both the Initiative on Indigenous Philanthropy and this Conference possible. Today, I have the pleasurable task of reporting on the outcomes of the working group sessions.

Here is the summary of the outcomes of the groups as they relate to the objectives of the Conference and to the three recommendations put forward by the Steering Committee to the working groups.

The first objective of the Conference was to build an understanding of philanthropy as social investment in development as well as charitable relief and religious expression. There was strong agreement that Pakistan's remarkable propensity for giving and volunteering could be enhanced – and utilised more effectively. Our plenary panel presenter from Iran, Sussan Tahmasebi, confirmed that this same challenge is currently being addressed in her country. Another plenary presenter, Lincoln Chen, expanded our definition of philanthropy by describing the extraordinary interest being shown by overseas Pakistanis in supporting worthwhile causes 'back home'. It emerged in our discussions that the collective annual income of overseas Pakistanis is approximately equal to our national GDP! Clearly, we must take up the challenge of enabling these would-be philanthropists to channel their support efficiently and effectively.

The second objective of the Conference was to work towards a broad consensus on the ways and means of enhancing indigenous philanthropy. While their specific suggestions varied, all groups recognised that, for Pakistan to use the philanthropic impulse of its citizens most effectively, Government, the corporate sector and the citizen sector must develop three things:



Syed Babar Ali reports to plenary on the outcomes of the Conference Working Group sessions

- First, a better understanding of one another,
- Second, new working relationships, and
- Third, a dramatic reshaping of the environment in which philanthropy is currently practised.

It came up that for some organisations, there is an important precondition to the creation of trust with Government. These legitimate civil society organisations are being actively harassed by other civil society organisations, and feel that they receive no protection from Government. Part of building trust must be the creation of a safe environment for these legitimate and essential organisations.

Recommendation one proposed that Government, social investors, the corporate sector and citizens' organisations engage in a multi-stakeholder consultative process to build consensus and confidence in a new, more enabling regulatory and fiscal framework. There was broad agreement on this recommendation, although delegates from all groups sounded a cautionary note that no one stakeholder group would control such a dialogue. The sessions also raised some important steps that would need to be taken before as well as during such a dialogue if it were to have a significant impact upon the enabling environment for philanthropy.

The Enabling Environment and Citizen Sector working groups stressed the need for a fundamental change of mindset on the part of all stakeholders in such a process. They identified agendas for individual

stakeholders. While too numerous to cite in full, I will give you the tenor of their suggestions.

NGOs can contribute to the enabling environment first and foremost by committing themselves individually and as a sector to self-regulation, to enhance NGO practice to the highest standards of transparency and accountability. The current effort by the Pakistan NGO Forum to develop a code of conduct is an encouraging new instrument in this regard. In turn, Government needs to undertake a significant capacity building effort to enable public officials to operate with confidence from a facilitating rather than a regulatory mindset.

There was considerable input on the specific measures that Government could take that would immediately enhance philanthropy and send an important signal of the way in which Government values NGOs. These included specifically enumerated fiscal incentives in addition to those already in place. There was a general concern that the distribution of *zakat* funds needs to be more transparent. The delegates noted with approval the Government's current review of *zakat* administration and suggested that Government consider using NGOs as distribution vehicles where those NGOs meet the criteria.

Lessons drawn from the international experience demonstrate that such a multi-stakeholder policy dialogue can result in integral changes to philanthropy practice. The South Africa Policy Dialogue led to a new NGO law, and one in the Philippines led to an innovative system of NGO certification.

The second recommendation was that the media and other agents of public understanding undertake a special initiative to raise public awareness of the citizen self-help movement. There was consensus around the point that the primary responsibility belonged to citizens' organisations themselves – and not the media – to improve coverage of their work. A first priority would be for more NGOs to develop full-fledged communications strategies: a point raised by the Public Awareness and the Citizen Sector working groups. Suggested strategies for citizens' organisations included press conferences, the regular and timely dissemination of success stories and innovative approaches, involving schools and colleges to convey messages about giving and volunteering, and an information centre on NGOs.

Several positive international examples for increasing public awareness came out of the sessions. In particular, the 'development fairs' in India, South Africa's 'NGO Week', and Canada's IMAGINE campaign were cited as relevant models for possible

adaptation. Those who enjoyed yesterday's plenary panel session understand why we in Pakistan have become used to thinking of Canada and imagination together – and I would again like to thank the Canadian High Commissioner, Ferry de Kerckhove, for his excellent moderating of that session.

This brings us to the final recommendation, that a "centre for philanthropy" be established as a permanent institutional vehicle to enhance philanthropy as social investment. The working groups voiced unanimous approval of the proposed Pakistan Centre for Philanthropy, adding to the generous support already received from individual and corporate philanthropists across Pakistan.

Delegates strongly emphasised that this centre would not "do" philanthropy – it won't channel funds. Rather, it would enhance the efforts of potential social investors. It would support the requirements of all stakeholders, but – as the Social Investing Working Group stressed – first and foremost the centre would provide a collective voice and perspective of Pakistani philanthropists, both individuals and corporations. It is a voice we would like, and need, to hear more of.

It is also clear that there was a strong consensus in favour of the centre providing a neutral meeting ground for all stakeholders – government, business, and civil society organisations, including religious groups. In this latter regard, delegates enjoined upon us to establish a dialogue with religious organisations.

On behalf of the Steering Committee, and my fellow working group chairs – Mueen Afzal, Shaukat Mirza and Saeed Ahmad Qureshi – I would like to convey to the working group participants our sincere appreciation for their time and efforts to produce these important road maps to guide the Initiative on Indigenous Philanthropy as it embarks on a new path.

A very pertinent question was raised in our concluding plenary session yesterday: "In ten years from now, what would you define as success and how would it be measured?" My reply to this is: "Let us do what we have discussed above and the results will show positively."

To me, a very compelling reason for philanthropy is this quote from an epitaph:

*What we gave, we have
What we spent, we had
What we left, we lost*

Thank you.

10. Address to the Plenary

His Highness the Aga Khan

Bismillah Ar-Rehman Ar-Raheem

Your Excellency General Pervez Musharraf, Honourable Ministers, Your Excellencies, Chairman and Members of the Steering Committee, Distinguished Ladies and Gentlemen

Assalam-o-Alaikum

Let me begin by adding my welcome and congratulations to all the participants in this path-breaking meeting. His Excellency Rafiq Tarar, President of the Islamic Republic of Pakistan, honoured this gathering with his presence and presentation yesterday. General Pervez Musharraf, Chief Executive of the Islamic Republic of Pakistan, has honoured us by participating today and we look forward to his comments later in the programme. Their willingness to join these proceedings and thereby lend their support to its deliberations underscores, in the strongest of terms, the importance and potential of indigenous philanthropy in Pakistan at this moment in history. I thank them both for fitting the conference into their busy schedules, for their valuable suggestions, and for their vital encouragement.

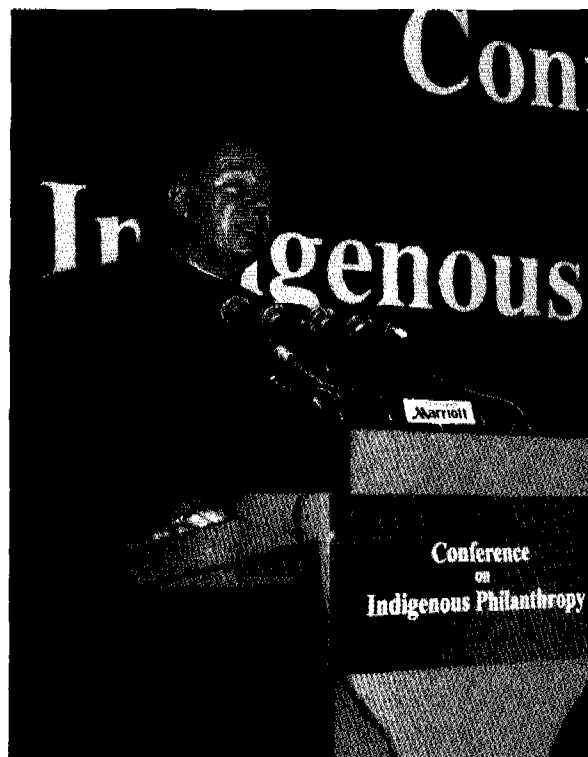
I would also like to commend everyone who has worked to make this conference a success. The breadth of support it has enjoyed from government officials and institutions and from individuals and organisations representing all segments of society is, itself, a singular achievement. Indeed, I would venture to suggest that the organisation and conduct of the conference may be a model for new venues to grapple with many of the challenges confronting positive social and economic change in Pakistan today. Partnerships that bring together the government, the private sector and civil society institutions have great potential. I am impressed by how the Steering Committee, with its diverse composition in terms of backgrounds and perspectives, has been able to reach a clear consensus on such a complex set of issues, in such a short period of time.

I would also like to recognise the donors who have made this conference possible. The Canadian International Development Agency merits special

mention in this regard for its long-standing support for the development of civil society institutions in Pakistan, and for the work of the Aga Khan Development Network more generally.

The creative leadership of the Steering Committee, the original and very interesting research papers, and other conference documents, the deliberations of the working groups, and the presentations at the plenary sessions have, in combination, laid a basis for formulating plans for the immediate future. I would add my endorsement to the recommendation to establish the Pakistan Centre for Philanthropy as a means to institutionalise some of the processes that have been put in motion by this conference. I am sure that the work of the proposed Centre would move philanthropy in Pakistan to new levels of giving, new forms of activity, and new heights of accomplishment.

I am convinced that the potential for future development of this movement is enormous because it builds on the strongest of foundations. Philanthropy



His Highness the Aga Khan addresses the Conference on Indigenous Philanthropy

and charitable giving hold a very central place in the teachings of the Holy Quran, the writings of Islamic thinkers, and the history of Muslims in all parts and cultures of the Islamic World, including here on the sub-continent. Islam's clear and explicit injunction is to share resources beyond one's reasonable commitments, and to care for those in need. I will not speak further about them this morning as they received attention in yesterday's presentations. There are, however, some specific aspects of the teachings of our faith that are worthy of additional comment. They deal with the ethical basis for important policy decisions relevant for the future of philanthropy in Pakistan, and the duty to insure the integrity of philanthropic organisations.

Religion and generosity – the gifts of time, of funds, and of material – have been closely linked throughout human history. Religious institutions, buildings, and activities have been a major focus of giving in virtually all religious traditions and in countries at all stages of development. Charitable support for the poor and for the victims of disasters has an equally long and widespread history. In the Islamic World, from the



His Highness the Aga Khan

earliest days, wealthy donors evolved a special form – endowments (*Awqaf*) – to address charitable needs on a sustainable basis. Philanthropic funding for social development (as distinguished from charity) is a somewhat more recent phenomenon. Support for schools and hospitals, often through endowments, were its first forms. The funding of institutions engaged in human resource development came later but is beginning to grow rapidly.

The Quran, the Hadith, the sayings of Hazrat Ali, and many scholarly sources make numerous references to the forms and purposes of philanthropy. Human dignity – restoring it, and sustaining it – is a central theme. Enabling individuals to recover and maintain their dignity as befitting their status as Allah's greatest creation, is one of the main reasons for charitable action. There is dignity in the individual's ability to manage his or her destiny. That being the case, the best of charity, in Islamic terms, can go beyond material support alone. It can take the form of human or professional support such as the provision of education for those otherwise unable to obtain it, or of the sharing of knowledge to help marginalised individuals build different and better futures for themselves. Thus conceived charity is not limited to a one-time material gift, but can be seen as a continuum of support in a time frame which can extend to years. This means that multi-year support for institutions that enable individuals to achieve dignity by becoming self-sustainable, holds a special place amongst the many forms of charity in the eyes of Islam.

There is another precept found in the Quran and Islamic philosophical texts of great significance that is particularly relevant in this context. It is the emphasis on the responsibilities placed upon those charged with the management of philanthropic gifts and the institutions supported by them. The duty of responsible stewardship is very clear, a concept that can be equated to the notions of trust and trusteeship in today's international legal terminology. The obligation to maintain the highest level of integrity in the management of donated resources, and of the institutions benefiting from them, is grounded in our faith. It is critical to the realisation of the purposes of all gifts, to the continuation and growth of philanthropic giving, and for credibility in the eyes of the public. Muslim societies have the moral right to expect and demand that philanthropic donations be managed according to the highest ethical standards.

The teachings of Islam and the history of Islamic civilisations give us direction and courage to take on the challenges and responsibilities of active

engagement in philanthropic work. The world in which we live today provides additional stimulus to do so as well. Self-reliance at the national, and local, levels is a theme that is now receiving greater emphasis than at any time in the last fifty years. This is a significant departure from development thinking in the 20th century, with its emphasis on state and international organisations as “nannies” to which citizens could look for everything. It also represents a move away from “special” relations between individual countries in the developing and developed world, with their overtones of dependency and patron-client relationships. My sense is that in Pakistan today, the urgency of reducing dependency on external resources is widely appreciated. It will be equally important for the general public to understand and appreciate the requirements and consequences of the shift in responsibility for social services from the government to private and community organisations as well.

As governments pass more and more development responsibility to private and community level initiatives, countries must improve existing social service and development institutions, and create many new ones. Building and strengthening institutions and sustaining them on a continuing basis will depend primarily on the availability of philanthropic resources. The provision of such resources through multi-year grants is the optimum form of support. It enables institutions to plan and develop in an orderly fashion, rather than existing from year to year.

The question before this conference is how the movement toward self-reliance can be effectively supported and encouraged at the national, community and individual levels. The establishment of a Centre for Philanthropy, as recommended by the conference, would be a concrete step in that direction. Another would be to look for ways to strengthen an “enabling environment” of beneficial tax and regulatory conditions to stimulate philanthropic giving. Creating fuller public understanding of the role of philanthropy in the support and development of activities formerly offered exclusively through government funding are also very important.

My own engagement in international development work now extends over a period of more than forty years. This experience, which has included establishing the agencies of the Aga Khan Development Network to mobilise domestic and international support for a wide range of projects and activities, has yielded some important lessons.

The first is that funding is generally forthcoming when the conditions are right: solid institutions with committed leadership that inspire trust and confidence, an enabling legal and regulatory environment that welcomes and encourages philanthropic action, and programmes and activities that are grounded in local needs and initiatives and are informed by the latest thinking and experience where ever it can be found.

The second lesson is that giving can take many forms - funds, time, ideas, and professional skills. Everyone can and should be a donor, not just the wealthy, and all forms of giving should be encouraged and recognised. Volunteerism is critical, and is obtaining greater and greater recognition and encouragement. One indication is that the United Nations has designated the year 2001 as the International Year of the Volunteer.

The third lesson is that new forms or objects of giving do not take place at the expense of more traditional forms, and should not be seen as competing with them. More funding for institutions engaged in social and human development does not, if experience elsewhere is a guide, mean less giving for traditional forms of charity or for religious institutions. An invigorated culture of giving, supported by appropriate institutions and an enabling environment, benefits all institutions supported by philanthropic giving.

Experience around the world, in developed and developing countries, suggests that partnerships involving the government, the business sector, and the wide variety of institutions of civil society, have enormous potential for finding innovative solutions to the delivery of social services, and the development of a nation's human resources. New institutions will emerge, and existing institutions can be improved and in some instances take on new areas of activity. Opportunities will develop to create capacity to look beyond the pressing concerns of the day, and to address problems that are chronic or emergent.

Let us dream a little about some of the beneficiaries of a vigorous and maturing philanthropic movement ten or fifteen years from now. Endowed professorships, providing resources to attract and retain Pakistan's very best talent in critical fields of teaching and research, could be a feature of major government universities, not just a small number of private institutions. Funds for medical research on health problems and needs that are particular to Pakistan's

different regions and that can never be fully resolved by depending on the international research system, could be made available on a competitive basis to researchers in public and private universities, and in the commercial sector. Sustaining cultural integrity is a major issue in many parts of the non-western world today. How can these cultures survive in the face of the globalisation of communications, and the huge resources of the western media giants? Cultural institutions could be funded to develop material on all facets of Pakistani culture designed for use in the new media and directed to both domestic and international audiences.

These are only a few examples of what might be considered in the future. I am sure that this audience could think of many more. I also suspect that all of you know at least one or two very good institutions in this country that do very important work, and yet are extremely fragile for want of better financial support. They too would be appropriate beneficiaries of a maturing philanthropic system.

It is also important to recognise that needs will change because conditions themselves will certainly change. The experience of the Aga Khan Development Network in the Northern Areas is that the social service and development needs today are very different than they were fifteen years ago. Philanthropic institutions have the opportunity, and I would say the responsibility, to be observers of trends and to anticipate emergent needs. They can support

activities that focus on the kind of longer term requirements of the nation that are difficult for the government to consider, given the breadth and an depth of its role in dealing with the pressure of all its everyday responsibilities.

But now let us return to the present. Given what this conference has been able to accomplish, I am very encouraged about the future of indigenous philanthropy in Pakistan. The movement has a firm foundation on which to build. Giving in all forms is already much higher than many would have imagined. Fostering the expansion and development of philanthropic action will require continuous and vigorous attention. It is a source of confidence and inspiration that the ethical premises for philanthropy, from the time of the Revelation and throughout Islamic history, legitimise the application of charitable giving that has been the subject of this conference. I trust that some years ahead we will be able to look back at this gathering as something of great significance in the development of self-reliance and sustainability for this nation and all of its peoples.

You and I will recognise in General Musharraf's presence the importance he attaches to the subject of this conference, and his willingness to move its agenda forward. I thank him for sharing his time with us, and look forward to hearing his comments with great anticipation.

Thank you.

11. Address by the Chief Guest

General Pervez Musharraf, Chief Executive, Islamic Republic of Pakistan

Bismillah Ar-Rehman Ar-Raheem

Your Highness, Prince Karim Aga Khan, Dr. Attiya, Syed Babar Ali Sahib, Honourable Ministers, Excellencies, Dr. Shamsh Kassim-Lakha Sahib, Ladies and Gentlemen:

Assalam-o-Alaikum

It is indeed my singular pleasure to be attending this function on the promotion of indigenous philanthropy. It is also my special honour to be attending this function when Your Highness has travelled all the way to your country, Pakistan. It also confirms my judgement of the persuasive qualities of Dr. Attiya, which she used to the maximum this time.

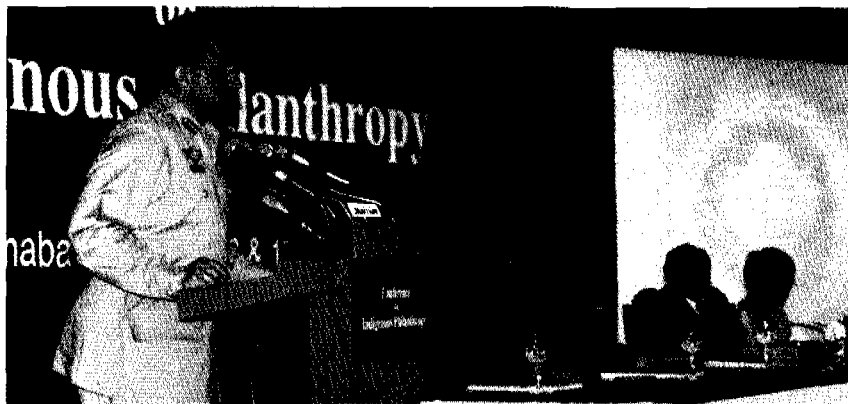
Pakistan is indeed fortunate to have the support of a personality of the stature of Your Highness to be initiating this *Conference on Indigenous Philanthropy*. Having full knowledge of the fact that, whatever Your Highness does - especially for Pakistan - ends up as a resounding success, I have no doubt in my mind that this Initiative will be as successful as all your other projects launched in Pakistan.

Your Highness, your presence here today is affirmation of your lifelong commitment to the alleviation of human suffering and the promotion of social well being. Your address was most thought provoking. We need to dwell careful on words that come from a caring heart and a very educated mind. I thank you for bringing into focus the need for institutionalising philanthropy in Pakistan, which is a part of our national ethos.

At a time when we are engaged in nation building, this great inner reservoir of strength needs to be tapped. As such, philanthropy needs to be understood and promoted as a social investment in development. Indeed, at a time when my government seeks to move the country out of indebtedness and into self-reliance, this Initiative on Indigenous Philanthropy relates to three priority concerns: poverty alleviation, self-reliance and the empowerment of the citizens of Pakistan. When citizens are empowered, they become socially responsible and work together in a spirit of self-reliance and self-help. They form the very basis of sustainable development. This recognition of the bottom-up nature of sustainable development underlines the Government's devolution policy, which is intended to unlock and mobilise local community resources - human as well as material - for sustainable development.

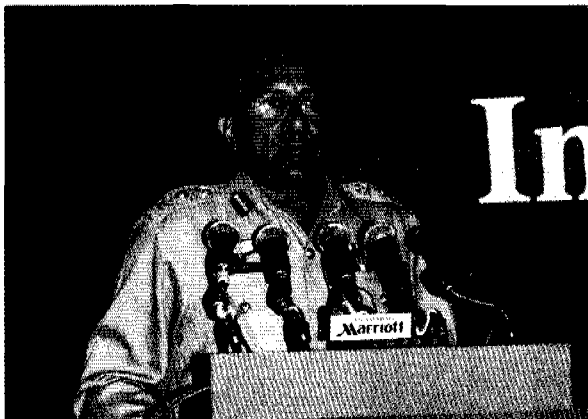
Poverty alleviation is a high priority goal of my Government. The Poverty Alleviation Programme launched by us comprises four major elements, which include:

- An integrated, small public works programme, aimed at improving infrastructure, civic amenities and education facilities
- A food support programme for the poorest of the poor
- Revamping and improving the *zakat* system in Pakistan
- An introduction of micro-credit financing



General Pervez Musharraf, Chief Executive of Pakistan, addressing the Conference on Indigenous Philanthropy. Seated from left: His Highness the Aga Khan, Dr. Shamsh Kassim-Lakha, Dr. Attiya Inayatullah

Talking of the Poverty Alleviation Programme, we have initially allocated a sum of Rs 35 billion to be spent up to 31st December next year. There are, at the moment, 5,000 projects going on across Pakistan and 500,000 (roughly) people employed on these projects, receiving a pay of Rs 2,500 to 3,000. These are the poorest people from the areas where the projects have been launched.



Chief Executive General Pervez Musharraf, Islamic Republic of Pakistan, addressing the Conference on Indigenous Philanthropy

I have visited more than 25-30 of these projects. The projects are of great value and significance towards the alleviation poverty, because they give jobs to the poorest and improve the conditions of the most backward areas of Pakistan. These projects have been initiated through public participation - the people's participation from those areas. I only wish, Your Highness, that I could have taken you to some of these poverty alleviation projects; it is a treat to see the benefits that are accruing to the people in those areas. As far as the *zakat* fund is concerned, I would like to say a few words. There is a lot of money in this fund. We receive, annually, a sum of Rs 3 to 4 billion, and we have a sum of over Rs 20 billion available to us. I particularly stopped its use because the funds were being used mostly to provide *mustahqeen* a sum of Rs 300 per month. We have increased this to Rs 500 per month, but I believe that doling out Rs 500 per month to an individual amounts to nothing. It is not the right line of action. Therefore we are in the process of evolving a new strategy, and this strategy is to increase the amount to an individual, to make him stand on his feet, and to make him financially self-sustaining. This is the project. We will also identify group projects to help these *mustahqeen* - those who get Rs 500 - financially self-sustaining. With the passage of time, we will reduce this list of *mustahqeen*.

We face problems, of course. I would identify three problems:

1. Identifying the right people and the right groups that deserve *zakat*.
2. Identifying the right projects for these individuals or these groups.
3. To put into operation a fool-proof method of ensuring the transfer of money to these individuals and groups through a transparent, honest system.

These are the three areas on which we are focusing and trying to study and analyse. Within one to two months I am sure we will be ready to launch this new *zakat* strategy. I am also sure it will go a long way towards the alleviation of poverty in Pakistan.

The other projects are the micro-credit financing and food support programmes. The food support programme reaches for over 1.2 million people now. And the micro-credit financing programme will spread its tentacles all over Pakistan and help the poorest of the poor in Pakistan.

Combined with these four projects, this Initiative on Indigenous Philanthropy will go a long way to alleviate poverty in Pakistan. So I am extremely grateful for its launch in Pakistan.

I wish to acknowledge the role of the citizens who have come forward, to advance a public purpose and to establish organisations, institutions and social welfare agencies. My Government, which emphasises the virtues of self-reliance will extend its fullest support to these organisations. However, it needs to be ensured that they will operate in a transparent, accountable and efficient manner - which I am sure, with this structure, it will be ensured.

I thank Syed Babar Ali Sahib who has given an eloquent summary of the recommendations of the Conference. It gives me pleasure to endorse and support the three conclusions of the Conference:

1. The importance of consultations with the stakeholders comprising the Government, social investors and citizens' organisations to formulate effective public policy.
2. An initiative by the media to highlight opportunities that all Pakistan's citizens have to volunteer and contribute towards the goal of equitable development. Our press, which is a vibrant and positive contributor to nation building, will - I am confident - promote such public awareness.
3. The establishment of a Pakistan Centre for Philanthropy, with objectives and purposes as proposed which are need-related and fill an existing vacuum. Here, I would like to commend the many Pakistani benefactors and organisations who have already contributed the initial amount required for the launch of the proposed centre. I believe many of them are present in this room. I take this opportunity to convey my personal appreciation to all of them.

We have not been oblivious to the need for a legal and fiscal framework that is consistent with our social objectives. The present tax framework allows considerable fiscal concessions to those who spend their money for promoting charity. The Government, by forgoing revenues, substantially shares and supplements investments in the social sector. You would recall that through the last budget, we had even exempted recognised charitable institutions from the 0.5 percent minimum income tax. We have also allowed concessions in the form of exemptions from customs duties, sales tax, and income tax withholding at import stage.

Your Highness, Ladies and Gentlemen: I applaud the contribution of the Steering Committee of the Indigenous Philanthropy Initiative. When they began their work, some two years ago, these ideas were nowhere to be seen on the public agenda. Today it is an ambitious agenda in the domain of civil society. It has provided leadership through a diverse and fully representative group of civil society – including philanthropists, businessmen, media, NGOs, university leaders, government ministers, public servants and international development agencies. This Committee itself is an excellent example of the synergy that our country needs to seek solutions to our problems.

I note with satisfaction that this conference contains an illuminating study of the deep connection between Islam and philanthropy. It also dwells on the generous habit of giving, which for us is both a religious obligation and an age-old social tradition. I share the



His Highness the Aga Khan greeting Chief Executive General Pervez Musharraf before the opening of Day Two of the Conference

Steering Committee's belief that while we must enhance and build on this tradition of giving, it should endeavour to support rehabilitation of the destitute rather than providing temporary relief so that they are reintegrated into our society and enabled to live honourably. That is what we are trying to do through our new *zakat* strategy.

We have here with us today many dedicated philanthropists, who have applied their hearts, minds and wallets to creating important social sector organisations. It is a privilege to recognise and honour your contributions to Pakistan. Syed Babar Ali Sahib stands out as a shining example of Pakistani philanthropy. Pakistan's best known philanthropist, Abdul Sattar Edhi, has led the way in demonstrating that Pakistanis will generously support social service providers that they trust. Just as well known is the Orangi Pilot Project, founded by the late Dr. Akhtar Hameed Khan, whose memory we honour each time Pakistani citizens come together to better the lot of their communities. It is through this kind of dedication and commitment that we will advance as a nation. And it is precisely this kind of community mobilisation that the Government seeks to encourage through its policy of devolution.

As we strive to bring together the various segments of our society to develop the self-reliance of which I know Pakistan is very capable, we must not overlook the ongoing partnership with the international community. Without their recognition and support for our efforts, we would not have come as far as we have.

Finally, we all recognise that educating society and building understanding are crucial to creating an enabling climate for indigenous philanthropy to flourish. For this I appreciate the educational value of this Conference itself. It has sharpened our understanding of these issues and given us concrete recommendations. I complement the media for its support of this endeavour and hope that the media establishment represented here will take up the challenge of enhancing indigenous philanthropy.

I also take this opportunity to thank all the participants, who have taken keen interest in the proceedings of this Conference. I thank you all.

Pakistan Painsabad.

12. Concluding Remarks

Dr. Attiya Inayatullah, Member of the Steering Committee

Chief Executive General Pervez Musharraf, Your Highness the Aga Khan, Honourable Ministers, Excellencies, Distinguished Participants, Ladies and Gentlemen:

Assalam-o-Alaikum

With your permission, Excellencies, I would like at the outset to pay a tribute to the people of Pakistan for being amongst the most giving nations in the world. In 1998 alone an estimated Rs 70 billion or 2.2 percent of GNP was given in money, goods and voluntary time. This indeed augurs well for the Chief Executive's concerted efforts to make Pakistan self-reliant.

There is in us the inherent value of individual giving. Yet, as practitioners of development we well know that the attainment of our laudable objective of human dignity through sustainable development will be within Pakistan's reach when we institutionalise individual giving.

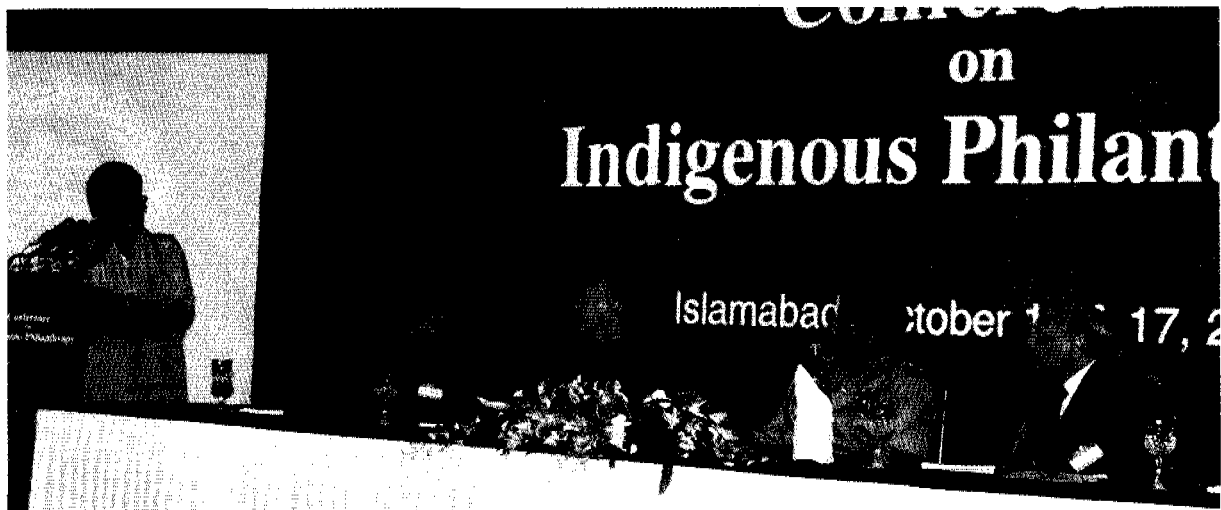
The Philanthropy Conference has deliberated on precisely this matter. The convening of this Conference is most timely and, as we have heard from the succinct report of the Conference proceeding by Syed Babar Ali, this Philanthropy Initiative will in the months and years ahead evolve as an important civil society contributor to the Musharraf Government's aspiration of achieving the empowerment that goes

with a vibrant, home-grown economy, free from the debt trap, which can be likened to a death trap in this era of globalisation.

We therefore view your presence in our midst, Mr. Chief Executive, as a recognition that this endeavour is integral to your government's effort to harness the people in the service of the nation. We thank you for your thought provoking address and acknowledgement of the task we are gradually but surely piecing together.

To your Highness, a recognised humanist, a deep debt of gratitude for being a beacon light, one which spreads good practises in all continents of the world. Thank you for guiding in your inimitable style the Aga Khan Development Network, to support those in Pakistan who seek to enhance indigenous philanthropy.

I have seldom enjoyed Committee work as much as I have as a member of the Steering Committee. The "value-added" quite clearly was the Chairperson, Shamsh Lakha, a born leader, mercifully not of the political variety, but one with true commitment to social betterment. I know that the Steering Committee members, and all of you gathered here today, would like me to extend our special gratitude to Shamsh. The meetings were focused and work-oriented, and together we learned much. Amongst other things I



Dr. Attiya Inayatullah offers closing remarks to the Conference on Indigenous Philanthropy. Seated from left: Syed Babar Ali, His Highness the Aga Khan, Chief Executive General Pervez Musharraf, Dr. Shamsh Kassim-Lakha

learned was that while philanthropy is a matter of personal altruism or a civic virtue, it has a business paradigm and there is a market place in philanthropy, evidence of which we have had in the generous contributions received for establishing a Pakistan Philanthropy Centre.

The Steering Committee took a principle decision to finance the proposed Centre with indigenous resources. To test the waters, we held a series of meetings with Pakistani business leaders and individual philanthropists. To our delight the response

insightful, meet a need, and certainly will contribute to the democracy the Chief Executive advocates, wherein the role of citizens is strengthened in governing and managing themselves.

The establishment of a Philanthropy Centre cannot but augur well for Pakistan. It will afford many opportunities and challenges, with the multi-stakeholder dialogue having been identified as a start-up activity. Speaking now as the concerned Minister for Social Welfare in the Musharraf Government, we shall – just as soon as the Centre is established – call



Delegates at the closing session of the Conference on Indigenous Philanthropy

was tremendous. To date, we have raised Rs 13.95 million. Many of these generous contributors are with us here today and have been recognised by name in the conference materials.

The proposed Centre will, amongst other things, be a catalyst for bringing together potential givers and NGO recipients. I have every expectation this private sector, institutionalised activity will generate the much-needed funds and harness volunteer energy for Government's poverty alleviation programme. Indeed, the Philanthropy Initiative brings to focus Pakistanis not as consumers or taxpayers but as responsible citizens.

We, members of the Steering Committee applaud the level of the Conference discourse, whether by keynote speakers, chairpersons, resource persons or participants. The consensus recommendations are

upon it to provide a forum for a dialogue between government and the NGO sector. This is vital for an exchange of ideas on subjects such as a regulatory framework that encourages self-regulatory mechanisms and an enabling legal and fiscal environment.

The thanks due are many because this Initiative has been like putting together a symphony, each player contributing to the melody. A word of appreciation to the distinguished international speakers: Thank you for having travelled long distances to be with us. We benefited greatly from your presence: John Gerhart, Ferry de Kerckhove, Sussan Tahmasebi, Lincoln Chen, Céó Gaudet, Mark Sidel and Caroline Hartnell. The Initiative on Indigenous Philanthropy has also been fuelled through generous development assistance from the Canadian International Development Agency.

The Aga Khan Foundation has served most ably as the Secretariat for the Steering Committee from the outset. I would like to acknowledge our “anchors” – Mahomed Jaffer, Chairperson of the Conference Organising Committee; Kamal Chinoy, AKF-Pakistan Chair; and Munir Merali, CEO of AKF-Pakistan – and thank the backroom team for their untiring efforts. In particular, I applaud David Bonbright from Aga Khan Foundation headquarters in Geneva, a live wire who with his combination of quick grasp and professional skills so skillfully converts our decisions into action. While the effort is anchored in Aga Khan Foundation Pakistan, it has co-opted staff from the much valued NGO Resource Centre and brought its multinational capabilities to the fore. In this regard I recognise the team from Aga Khan Foundation Canada, which has also provided grant support for the Initiative.

I began by acknowledging the Pakistani nation as a giving nation. May I conclude on the same note? Monetary and in-kind giving is an acknowledged

virtue of our ethos; it can thus be effortless. May I therefore pay a tribute to those who volunteer their time, skills and knowledge for social programmes that address poverty, ignorance and ill health? In a globalised world of materialism this is not easy to do. We have amongst us 22 volunteers who have made this Conference a more congenial experience for us all. It is most fitting to conclude a Conference on Philanthropy by recognising them.

Finally, an apology for what has turned out to be longer than proposed concluding remarks, but then we are wrapping up over two years of sustained effort, which gave birth to a valuable idea. No doubt the outcome has been well worth the effort because it addresses a national need; and how true the adage, “what is an end is nothing but a new beginning”.

May God bless us in our endeavours to create a strong, vibrant, self-reliant Pakistan. *Ameen.*

Annex A

National Press Coverage
of the Initiative and Conference

Annex A - Index to the National Press Coverage of the Initiative and Conference

TABLE: NATIONAL NEWSPAPERS FROM OCTOBER 10 ~ 20, 2000												
Date	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
Newspapers – English (A: Article, N: News Item)												
<i>The Balochistan Times</i>							A1	N1				A1, N1
<i>Business Recorder</i>	N1					A1, N1	A1, N1	N2	N2			A2, N7
<i>Dawn</i>				A1	N1	N1	N1	N1	N1			A1, N5
<i>Financial Post</i>							N2	N3	N1			N6
<i>The Frontier Post</i>							N1	N1	N1			N3
<i>The Nation</i>				N1	N1			N2	N3			N7
<i>The News</i>		A1		N1	N1	A2, N1		N1	N3	A1		A4, N7
<i>Pakistan Observer</i>				N1	N1	N1		N3	N6	N1		N13
<i>The Pakistan Times</i>					N1			N1				N2
Newspapers – Urdu, Sindhi (A: Article, N: News Item)												
<i>Amn</i>						N1			A1, N1			A1, N2
<i>Awami-Awaz</i>					A1		A1, N1		N1			A2, N2
<i>Daily Pakistan</i>				A1, N1				N2	N2	N1		A1, N6
<i>Evening Special</i>									N1			N1
<i>Express</i>						A1		N3	N2		A1	A2, N5
<i>Hilal-e-Pakistan</i>					N1				N1			N2
<i>Intekhab</i>								N1				N1
<i>Jang</i>				A1, N1	N1			N2	N1			A1, N5
<i>Jasarat</i>				N1					N2			N3
<i>Jurrat</i>									N1			N1
<i>Kawish</i>									N1			N1
<i>Khabreen</i>							A1	N3	N1			A1, N4
<i>Nawa-i-waqt</i>					N1	N1	A1	N3	N1			A1, N6
<i>Sindh Sujag</i>								N1	N1			N2
<i>Ummat</i>									N1			N1
TOTAL	N1	A1	0	A3, N6	A1, N8	A4, N6	A5, N8	N3	A1, N34	A1, N2	A1	A17, N96

National Press Coverage of the Initiative and Conference

The Initiative and Conference on Indigenous Philanthropy received substantial, positive national coverage in both the print and electronic media. Table 1 on the previous page documents the articles and news items printed in the major English-, Urdu-, and Sindhi-language newspapers from October 10 to October 20, 2000. It should be noted as well that follow-up coverage and news items referencing the Conference, particularly in relation to the visit of His Highness the Aga Khan to Pakistan, continued beyond the dates included in this table.

This annex also contains a selection of the wide range of articles, interviews, op-ed pieces, and editorials on the Conference and the broader issues raised by the Initiative. Representative rather than comprehensive, this selection underscores the potential for the national media and other agents of public understanding to contribute in meaningful ways to the social development of Pakistan. Simply put, there is a "business case" for the media to provide insight into development issues and organisations working for the public good: by identifying and disseminating the success stories of citizen-led social development, vital lessons may be replicated across the country, even across the developing world.

The English-language articles and news items reproduced in this annex are:

1. Shahina Maqbool, "From charity to development"
The News, October 13, 2000.
2. "Tarar to open moot on philanthropy today"
Dawn, October 16, 2000.
3. "Pakistanis contributed Rs 70b in charity"
The Nation, October 17, 2000.
4. "Indigenous Philanthropy Centre planned"
Business Recorder, October 17, 2000.
5. "Indigenous Philanthropy Moot: Tarar calls for giving relief to distressed, tragedy stricken people"
Financial Post, October 17, 2000.
6. "New Zakat distribution strategy shortly"
The Frontier Post, October 18, 2000.
7. "Indigenous Philanthropy"
Pakistan Observer, October 18, 2000.
8. Masooda Bano, "Collective Philanthropy"
The News, October 19, 2000.
9. "Onward with indigenous philanthropy"
Business Recorder, October 22, 2000.
10. Sultan Ahmed, "Can Philanthropy Help?"
Dawn, October 26, 2000.

SOURCE:

THE NEWS

October 13, 2000

**From charity to development:
Dr. Shamsh Kassim-Lakha wonders if we
are doing enough for development**

Shahina Maqbool

ISLAMABAD: Even though the bulk of indigenous philanthropy in Pakistan is provided directly to individuals to alleviate an immediate hardship, Dr. Shamsh Kassim-Lakha, convenor of the Steering Committee on the "Initiative on Indigenous Philanthropy", is confident that the existing impulse for giving can become a leading source of investment for long-term development.

What follows are excerpts from an exclusive interview with "The News" on Thursday:

For the first time in Pakistan's history, an initiative for the promotion of indigenous philanthropy appears to have been conceived. Where did this idea stem from?

Dr. Shamsh Kassim-Lakha: There is a lot of charity going on in Pakistan - both by way of individuals as well as organisations. While many NGOs and institutions have managed to get support from a variety of indigenous sources, we are still heavily dependent on foreign assistance. In June 1998 the Aga Khan Foundation formed "The Initiative on Indigenous Philanthropy" to promote philanthropy for social investment and to contribute to efforts aimed at strengthening citizen-led social development in Pakistan.

The history of philanthropy is as old as the history of humanity itself. Being Muslims, we have an obligation towards our less fortunate counterparts. Are we doing enough for them? How long will we continue to beg? To find answers to these questions, a group of like-minded people representing a cross-section of leadership from business, media, public service, and the citizen sector was convened to lead the initiative. Their task was to determine how to engineer an environment whereby the culture of giving could be promoted. The Steering Committee entered into a consultative process with emphasis on

research and canvassing of relevant international experience.

In the absence of data on the subject, we decided to do basic research in six areas and were pleasantly surprised by our findings. There exists in Pakistan a strong impulse for giving - both for religious causes and as well as for relief of the poor. We intend to turn the spark of indigenous philanthropy into a flame by investing in sustainable development projects. We will teach people how to fish, as opposed to giving them fish to eat.

How do you intend to capture this impulse?

Dr. Shamsh Kassim-Lakha: International experience proves that philanthropy can be greatly enhanced by virtue of specialist organisations such as centres of philanthropy. Such centres are operating with a great measure of success, not only in the West but also in countries including the Philippines, Sri Lanka, Malaysia, and South Africa. We also wish to create a Pakistan Centre for Philanthropy which, plainly stated, will act as a chamber of commerce for philanthropy. It will be as a clearinghouse of information and a focal point for dialogue.

After consulting various focus groups, we have decided to hold a nationwide debate on the possibility of establishing such a Centre in Pakistan. This will be done at a National Conference on Indigenous Philanthropy, which will be convened in Islamabad on October 16-17. The conference will not only serve as a platform for debate on the findings and recommendations of the Steering Committee, but will also seek further guidelines for the establishment of the Centre.

Who will fund this Centre?

Dr. Shamsh Kassim-Lakha: We have contacted philanthropists, NGOs and businessmen, all of whom are willing to provide financial and in-kind support for citizen-led development efforts. Moreover, thousands of overseas Pakistanis wish to donate money for the good of humanity in their own country, but are at a loss to understand whom to give. In our first round of requests for fund-raising, we have secured pledges to the tune of Rs 1.9 million, which is enough to run this Centre for three years. This has given us the confidence to move on.

Do you plan to give representation to various contributing agencies and individuals so that they have a say in how the money should be spent?

Dr. Shamsh Kassim-Lakha: The Board of the Pakistan Centre for Philanthropy will have representatives of the government, NGOs, as well as philanthropists. We have also decided to include respected citizens in the Board to lend greater stability to it.

How do you plan to generate confidence among donors that their contributions will be spent on legitimate causes? Do you think NGOs, with their undemocratic structures and abstract working patterns, would enjoy the confidence of the givers?

Dr. Shamsh Kassim-Lakha: First of all, let me clarify that the Centre will not be a grantmaking authority. It will only help others to make grants more effectively through research, training, demonstration projects, advice, information and learning exchange.

Confidence building will be a major challenge. Most NGOs are generally not well understood. Hence, the citizen-led development movement must seek proactively to commend itself to the society, the government, and to potential Pakistani donors. Such an effort will entail new mechanisms for self-regulation that distinguish the good, the bad, and the ugly, and therefore foster greater social legitimacy. Our workers will personally identify NGOs engaged in meaningful development initiatives. Only if we are satisfied with their working will we register them on our panel.

We also considered issuing certifications to NGOs, as is being practised in the Philippines, but decided against it because that's a tricky business. Our real aim

is to inculcate management and financial discipline in NGOs, and to improve their capacity to do good work. This will be an extraordinary opportunity for these organisations to tap the deep impulse of charitable giving and volunteering in Pakistan.

A series of training programmes and seminars will be conducted for NGOs and philanthropists. While the former will be encouraged to measure and communicate the impact of their work rather than merely describing their activities, the latter will learn what to look at while giving money.

Over the years, Pakistanis have developed a sense of mistrust against successive governments and people holding the reigns of power. Don't you think that by associating government agencies or functionaries with your proposed system for centralised philanthropy, you will run the risk of scaring away potential donors?

Dr. Shamsh Kassim-Lakha: All members of the Steering Committee possess an extraordinary level of commitment and creativity. They volunteered their services for two and a half years to be able to study the pros and cons of this initiative. The professional standing and credibility of these members will automatically compel philanthropists to donate. The real question is how do we continue to maintain this trust? That will solely depend on our performance.

What are your expectations from the present Government in the context of this initiative?

Dr. Shamsh Kassim-Lakha: All we want from the Government is to provide an enabling environment for the promotion of philanthropy, and to announce generous tax incentives for charitable giving.

SOURCE:

DAWN

October 16, 2000

Tarar to open moot on Philanthropy today

ISLAMABAD, October, 15: President Muhammad Rafiq Tarar will inaugurate on Monday a two-day international conference on philanthropy aimed at building an understanding of the concept of philanthropy as social investment in development as well as charitable relief and religious expression.

Spiritual leader of [the] Ismaili community, Prince Karim Aga Khan, will also address the conference that will work towards a broad consensus about the ways and means of enhancing philanthropy. Chief Executive General Pervez Musharraf will be the chief guest at the concluding session of the conference on October, 17.

The conference will present a remarkable, and largely untold, story of dedicated individuals and communities harnessing their collective efforts to contribute to the social development of Pakistan.

It will explore how community self-help efforts can be enhanced through greater levels of support from within Pakistan.

The conference begins from the premise that the current pattern of heavy reliance on foreign aid is unsustainable. The delegates will actively participate in working groups, addressing themes that are essential to strengthening indigenous social investment. The ideas that arise out of these sessions will be drawn together in a comprehensive plenary statement that reviews the field of philanthropy support in Pakistan today, and recommends a course of action regarding the proposed "Pakistan Centre for Philanthropy", and undertaking that has already attracted generous private support within Pakistan.

The conference has been convened by the Steering Committee for the Initiative on Indigenous Philanthropy, comprising Dr. Shamsh Kassim-Lakha (Convenor), Mr. Mueen Afzal, Syed Babar Ali, Mr. Kamal Chinoy, Mr. Asif Fancy, Dr. Attiya Inayatullah, Mr. Mahomed J. Jaffer, Mr. Shoaib Sultan Khan, Mr. Khursid Marker, Mr. Shaukat R. Mirza, Mr. Saeed Ahmad Qureshi, Ms. Sherry Rehman, Dr. Sulaiman Sheikh, and Mr. John Wall. - *PPI*

SOURCE:

The Nation
October 17, 2000

Pakistanis contributed Rs 70b in charity

ISLAMABAD - The Government is taking initiatives to solve the problems of poverty, illiteracy and disease, said President Rafiq Tarar while inaugurating the conference on 'Indigenous Philanthropy' organised by the Aga Khan Foundation on Monday.

His Highness the Aga Khan, federal ministers, secretaries and diplomats were present at the inaugural session of the conference.

The Chief Executive Pervez Musharraf will be the Chief Guest at the concluding session of the conference today.

Pakistan, the President during his speech said, had huge human needs and stressed the need to work together to solve the problems of poverty. The Government, he said, needs help to cope with the massive problem.

The population, he said, was growing at a rate which has outstripped the resources.

Efforts, he said, should be channelised to support programmes that pursue long-term, sustainable development and empower the less fortunate members of our society.

Over the years, he said, there has been an encouraging awareness in our society. Those who have been blessed by Allah are increasingly recognising the need to give more of their time and resources towards charity and to reducing poverty, he said.

The Aga Khan network, the President said, has taken the much-needed step in the right direction for improving the quality of life of the poor by institutionalising receipt and disbursement of charity.

With its new initiative to encourage indigenous philanthropy, the Aga Khan network, the President said, has set another example for others to emulate.

As Muslims we should feel a sense of obligation to participate in an event which concerns one of the fundamental tenets of Islam, he said.

Islam, the President said, enjoins upon us to care for our families, religion, community, and for the whole humanity. Giving in charity, he said, was a well-developed tradition in Islam. The conference, he said,

was another historic moment in the long, evolving tradition. We have pioneers who have endowed private universities, hospitals and contributed to the development of the society, he added.

As social investments philanthropy and poverty alleviation efforts the President said must be encouraged to build a civil society.

Dr. Shamsh Kassim-Lakha during his welcome address at the conference on indigenous philanthropy revealed that Pakistanis contributed Rs 70 billion in charity in various forms in 1998, of which two-third was in material resources and one-third was volunteered time.

This amount, Dr. Shamsh said, was many fold of what is received in annual grants from foreign sources and nearly equals government budgets for health and education.

Thirty-four percent of the monetary giving, he said is contributed by those who belong to the lowest income strata.

The Steering Committee, he said, believes that a permanent institutional vehicle to enhance philanthropy as social investment could make a significant contribution to the nation.

The Conference, he said, was dedicated to the idea that persons of goodwill can come together, breathe life into a spirit of self-reliance and reduce our dependence on external benevolence. The Conference, Dr. Shamsh said, affirms our notion that we can enhance the experience of philanthropy for Pakistanis in a way that will contribute to sustainable national development.

The main obstacles on the way, he said, were absence of a fully enabling regulatory and fiscal environment and crippling lack of trust in institutions. Indigenous philanthropists, he said, unanimously talked about the need for some mechanism to help them sort the "good, the bad and the ugly" from amongst those organisations seeking their support.

The Steering Committee, he said, has decided not to pass any judgement on the issue, but encourage NGOs to be proactive in raising their standards of accountability and transparency.

Earlier, President John D. Gerhart of American University in Cairo and Dr. Syed Husain Mohammad Jafri, Professor Emeritus, University of Karachi, presented papers on international experience in enhancing philanthropy and charitable giving in Islamic contexts.

SOURCE:

**BUSINESS
RECORDER**
October 17, 2000

Indigenous Philanthropy Centre planned
RECORDER REPORT

ISLAMABAD: The four working groups have unanimously opted for setting up a Centre for Indigenous Philanthropy and holding of a multi-stakeholder dialogue on the issue.

The groups, however, have stressed that the centre in no case should become a collection or disbursement centre for charities.

The composition of such a centre and its working are yet to be determined, but the groups realised that self-regulation, transparency, and credibility were of paramount importance for the successful running of the proposed Centre, which is seen as a historic initiative for future social development and alleviating poverty.

After the inauguration of the two-day Conference on indigenous philanthropy, the working groups examined important issues regarding enhancing social investment, of the civil society, creating public awareness and creation of an enabling environment.

Their recommendations were discussed at a plenary session on Monday afternoon. On Tuesday, the conference would come up with important decisions on these issues. The group headed by Syed Babar Ali was of the view that Centre should not be taken as a replacement of the social service. The proposed Centre, which was unanimously approved by group members, should not become the monopoly of any particular group or hijacked by any particular group or NGO.

The working group headed by Saecd Qureshi, among other things, suggested holding a policy dialogue for a joint platform with the federal and provincial governments, Government and NGOs, and NGOs and corporate sector. Since there was a big information gap, the Centre should have an independent information and data centre for NGOs. For wider dissemination of its activities, the Centre should have a website and seek cooperation from the electronic media.

The working group on public awareness, headed by Shaukat Mirza, was dissatisfied with the projection of social issues in Pakistani media, and especially divergent trends in the English and Urdu press.

It suggested clearing public misperception of NGOs being elitists, and regular liaison with the media. It went to the extent of [suggesting] approaching Zee TV because it enjoyed a wide popularity in the country. The working group on enabling environment headed by Moeen Afzal, Secretary-General Finance, also suggested holding of a multi-stakeholder dialogue, the need to remove public apathy and ignorance and increasing Government-NGO contact. There was also the need for greater interaction with the religious groups. The groups felt that the income generated by the NGOs should enjoy fiscal incentives, and there should be a legal framework for foreign funds.

During discussion on working group recommendations, an interesting issue was raised by Dr. Lincoln Chen, Executive Vice President of Rockefeller Foundation, US, who asked the group leaders what would be the success of the Centre ten years hence. Moeen Afzal was confident that the expenditure on social sector would double from the existing two percent [of GDP]. The others expected much greater rapport between citizen and corporate sector and better self-regulation of civil society, and move from philanthropy to charity, which aims at wide ranging social development.

SOURCE:

FINANCIAL POST

October 17, 2000

**Indigenous Philanthropy Moot:
Tarar calls for giving relief to distressed,
tragedy stricken people**

ISLAMABAD, October, 16: President Muhammad Rafiq Tarar called upon philanthropists to help the Government and the NGOs giving relief to those in distress, the hungry, the destitute and those struck by tragedy. Inaugurating a two-day international conference on Indigenous Philanthropy here Monday, he underlined the need of greater efforts to fight against hunger, diseases and illiteracy.

The Conference was convened by the Steering Committee for the Initiative on Indigenous Philanthropy. It was attended among others by Prince Karim Aga Khan, Labour Minister Omar Asghar Khan and Minister for Population Welfare Dr. Attiya Inayatullah.

Those who addressed the opening session were Dr. John Gerhart, President, American University of Cairo, renowned scholar Professor SHM Jafri and Dr. Shamsh Kassim-Lakha, President of Aga Khan University and Convenor of the Steering Committee. The President termed the Conference as highly significant, which deliberates upon one of the fundamental tenets of Islam, adding that Islam enjoins upon us to care for our families, neighbours, communities and the whole of humanity.

He said that people should apply themselves to the task of the rehabilitation of the less fortunate members of the society. They should channel the charitable impulse to support programmes that pursue long-term, sustainable development and empowerment of the under-privileged with a view to improving their quality of life, he added.

Tarar said, "In Islam charity does not end only with an act of 'giving'. It enjoins upon the believers to help the needy in such a way that is pride and self-respect is not injured in any manner whatsoever. Charity is not confined only to giving out material things to the needy, but it also includes voluntary service, a piece of good advice, solace and healing touch of a hand or even a smile."

By institutionalising receipt and disbursement of charity for the empowerment of the underprivileged and to improve their quality of life, the President said the Aga Khan Network has taken the much-needed step in the right direction. With its new initiative to encourage indigenous philanthropy the network has set another example for others to emulate.

The President said the Government is taking initiatives, but needs help. "The silver lining however is that Pakistan has a great tradition of care for the poor and those in distress which goes back to our Islamic roots and which guided us to overcome our difficulties at the time of independence in 1947."

In view of the quantum of poverty, hunger, diseases and illiteracy, much more is needed to be done. We have vast areas where even clean drinking water is not available.

Having been faced with this grave situation, the philanthropic impulse that is already there needs to be immensely enhanced. We should respond without reservation to those in immediate distress – the hungry, the destitute, those struck by tragedy – and seek to relieve their immediate suffering, he added.

He commended the Steering Committee for its commitment to a better future for Pakistan. He thanked the international development agencies that have been particularly effective in their assistance to community self-help efforts and social programmes.

He hoped the delegates of this Conference will be able to lend their expertise to building a partnership between indigenous philanthropy, voluntary organisations and Government policy. As social investments, philanthropy and poverty alleviation efforts must be encouraged to build a society assuring basic human needs to every citizen. Dr. Shamsh Kassim-Lakha in his address of welcome said the Steering Committee is taking initiative for strengthening ongoing efforts to alleviate suffering and ensure sustainable national development.

Professor Jafri presented his paper on "Charitable Giving in Islamic Contexts," while Dr. John Gerhart spoke on the "International Experience in Enhancing Philanthropy." - APP

SOURCE:

The
Frontier Post

October 18, 2000

New Zakat distribution strategy shortly

ISLAMABAD (NNI) - Chief Executive General Pervez Musharraf Tuesday said a new *Zakat* distribution strategy would be announced in the next couple of months, which will go a long way to the eradication of poverty in the country.

This was announced by the Chief Executive while addressing the concluding session of a two-day Conference on Indigenous Philanthropy organised by the Aga Khan Development Network in Islamabad.

He said there are about Rs 20 billion available in the *zakat* fund and the annual income in this head is between three to four billion rupees. The new strategy aims at increasing the amount for individuals and groups to enable them to stand on their feet financially on a sustained basis.

He said there are three problems in the distribution of *zakat*, namely to identify the deserving people and groups, projects for these individuals, and the method of ensuring the transfer of money to these people through a transparent and honest process.

He said that the Government seeks to eradicate poverty, empower the citizens and achieve self-reliance. He said that poverty reduction is a high priority goal of the Government, which has four major elements. These are integrated small public works programmes, including improvement of infrastructure, civic amenities and education; food support programme for the poorest of the poor; revamping and improving the *zakat* system; and the introduction of micro-credit finance.

He said the Government has allocated Rs 35 billion for poverty alleviation.

Five thousand projects under this programme are going on all over the country. Five lakh people have been given employment on these projects who are earning between two and a half to three thousand rupees each per month. He said these projects have been initiated through people's participation in their own areas.

He said the Food Support programme will benefit over 1.2 million people, while the micro-credit financing facility will spread all over the country.

Referring to [the Initiative on] Indigenous Philanthropy, he expressed the confidence that this project will go a long way to alleviate poverty in Pakistan. He assured full support of the government to this idea.

He asked for consultations of stakeholders including government, social investors and citizens organisations for the formulation of effective policy and appropriate projection for Indigenous Philanthropy by the media in order to promote public awareness. He welcomed the establishment of the Pakistan Centre for Philanthropy and commended the Pakistanis who have contributed to the centre. He said the Government in the last budget had already announced fiscal concessions in customs duty, sales and income taxes for charitable organisations.

He said Pakistan is fortunate to have the support of a personality of the stature of Prince Karim Aga Khan for initiating this Conference on Indigenous Philanthropy and for social development activities in Pakistan.

He was confident that this initiative of Prince Karim Aga Khan will be as successful as all other projects launched by him in Pakistan.

He emphasised the need for enhancing and building on the tradition of giving. "While the Government seeks to encourage community mobilisation through its policy of devolution and trying to bring together various segments of society to develop self-reliance, we must not overlook the ongoing partnership with the international community."

SOURCE:

**Pakistan
OBSERVER**

October 18, 2000

Indigenous Philanthropy

Prince Karim Aga Khan, Imam of the World's Ismaili Community, has assured continued assistance to the Social Welfare Programmes in Pakistan. At his meeting with the Chief Executive, Gen. Pervez Musharraf, the Aga Khan also reiterated that he will continue to provide full assistance for the promotion of the tourist industry. Issues relating to investment in Pakistan's tourist industry and matters pertaining to various aspects of Socio-Economic Development were reviewed at their meeting held in Islamabad on Monday.

The Pakistani nation is greatly indebted to the Aga Khan's family for the yeoman's services rendered by his grandfather in the process of South Asian Muslims' freedom struggle earlier in the century. Prince Karim Aga Khan has also remained a consistent well wisher of Pakistan. He has been taking keen interest in its progress and prosperity and has launched ambitious health and education programmes in the Northern Areas to banish poverty and illiteracy and to provide better health care to the people of the

region. The Ismaili Community is also contributing towards the country's development through a vital role in the business and trade sector. The Aga Khan's assurance of full assistance for the promotion of the tourist industry and endorsement of the Government's reform agenda manifests his deep interest in the progress and prosperity of Pakistan. The need of the hour, however, is that indigenous philanthropists should come forward to participate in the social welfare task, rather than drifting the nation to be perpetually dependant on foreign assistance. In this connection, the concept of indigenous philanthropy, introduced in the country through a Conference inaugurated by President Rafiq Tarar in Islamabad on Monday, is certainly a laudable step to persuade the well-to-do people to promote social welfare activities in the country. The concept is fully in consonance with the fundamental tenets of Islam, which enjoins upon all of us to care for our families, neighbours, communities, and humanity at large. It is imperative that the social welfare task should not be entirely left on the Government, as it is not possible for any administration to fully cater to the public needs and aspirations in the social sector. The affluent people will hopefully respond to their religious and moral obligations towards their less fortunate brethren and contribute liberally towards the mitigation of their sufferings on a permanent basis.

SOURCE:

THE NEWS

October 19, 2000

Development Notes: Collective Philanthropy

Masooda Bano

The money is there; missing is the mechanism to channel it towards addressing the human development problems of this country. This is a very important message that has come out of research on the potential of indigenous philanthropy in Pakistan commissioned by the Aga Khan Foundation.

The research findings were shared in the two-day, high profile conference on indigenous philanthropy held in Islamabad this week. The research estimates that Rs 70 billion are given in charity by Pakistanis as a nation in the form of donations or voluntary work annually. This figure might be contested but what is irrefutable is the basic findings of this research, which is: Pakistanis give a lot for social welfare but somehow this money is not being channelled towards addressing the human development needs of the country.

The research highlights that there is a lot of potential to raise resources for social development through the corporate sector and the public. The questionnaire results show that the corporate sector as well as the general public are open to the idea of giving for the long term development needs of the poor but they do not really know how to do so.

The government ministries are not a channel which people would like to trust their money with. As for the NGOs, the people lack knowledge about the activities of NGOs and are also reluctant to channel their money through them.

Thus, people simply help by giving money to needy people around them. But giving in this style does not help address the underlying causes of poverty which revolve around the lack of development opportunities like education, health, sanitation, etc. If all this money, or even part of it, could be channelled towards human development projects in areas like education, health and income generation, much progress can be made in the development of the country.

None of these research findings come as a surprise. How many of us have not seen our mothers or senior

family members giving money to the servants in addition to the wages or helping to buy books for their children to go to school? How many of us do not contribute a penny to organisations like Edhi or a local madrassa for poor children? Even if it is just a few rupees, most of us would have made some charitable contribution some time or the other if not on a regular basis.

Some of this giving is spurred purely on humanitarian grounds while most of it is rooted in the Islamic belief whereby giving money for the uplift of the needy and the poor is highly encouraged. However, very few of us ever actively contemplate giving this money to an NGO or a development organisation. Edhi could be considered an NGO but it is a social welfare organisation rather than a development organisation.

This means that there is a big gap between the public and the development sector organisations and the latter are not benefiting from a very significant source of resources. This gap seems all the more strange considering that the development sector is hard pushed for resources and can solve some of its problems by tapping into these resources.

The issue gains all the more prominence considering that foreign aid is shrinking in general and is highly susceptible to the foreign policy shifts of donor countries. The cuts in foreign aid to Pakistan after the nuclear bomb and the military take-over are examples of the vulnerability of foreign aid.

Thus, the idea of raising awareness about this local potential and setting up a Pakistan Centre for Philanthropy is a worthy and timely effort for which the Aga Khan and other partners having initiated this project deserve due credit. Similar initiatives are taking place in many other countries. However, the problem in Pakistan is channelling this money towards development, with the current state of the development sector, is a very challenging task.

The development sector, which has come to be perceived by the common man as a means of money-making for self-serving NGOs, faces a severe credibility crisis and lack public trust. People's giving is closely linked to the trust they have in the proper utilisation of the money they give. No one from a middle income group will be willing to give to an NGO the couple of hundred rupees that they want to give to help the needy, when they have not trust in the functioning of the NGOs and their commitment to development causes.

The development sector has failed to win the confidence of the general public for various reasons. NGOs are highly mistrusted and seen as a way of earning good money. For young graduates, incentives for joining NGOs often revolve around better salary packages rather than real commitment to development issues. Jokes like “there is a lot of money in poverty nowadays” are common in discussions on the development sector as people refer to the highly paid staff and four-wheel drives of the big NGOs working on poverty and human development.

The development sector has its answers and some quite justified. NGOs need competent, qualified people to address poverty and other development issues and such people don't come cheap. If they are not paid well they will move to the profit-making sector. Similarly, four-wheel drives are necessary for effective outreach in the remote areas. But, even when justified, these answers do not solve the problem of lack of credibility and mistrust that people have of the NGOs.

This is a big challenge for any philanthropic campaign that wants to attract public money for the development sector. It should not be difficult to make people understand the benefits of pooling resources for development projects rather than continuing the pattern of individual giving. But what will be extremely difficult would be to make them trust a mechanism through which they feel their money will be spent for the right purpose. None will trust their money with the government social sector ministries, and few will be willing to put their money in the hands of the NGOs. So what will require active thinking and work on the part of the philanthropy centre, if it is

opened, is to work out ways of bridging the gap between the public and the deserving development organisations.

And surely there are some of them around. Anyone having seen the Aga Khan Foundation's work in the Northern Areas and Chitral cannot but feel inspired by the role non-governmental factors can play in the uplift of disadvantaged communities. Similar is the impact of Orangi, initiated by Akhtar Hameed Khan, in Karachi.

Many commendable trusts are also working all across Pakistan. The Kashmir Education Foundation in Rawalkot, Mianwali Education Trust, CARE schools in Lahore, are a few beautiful examples of how some people are devoting their time and family resources for the benefit of poor children by providing quality education. The efforts of these organisations, which are often not directly seen as part of the development sector as they do not classify themselves as NGOs in the typical sense, need to be supported.

The Philanthropy Centre can carry out this role. But the job is a daunting one: to build the trust of the public in development sector organisations. This will require developing a better understanding of the reasons for the existing mistrust of the public on the NGO sector and undertaking an active campaign to counter this mistrust. This will involve developing an awareness in the public that all NGOs and development organisations are not the same. They are independent organisations and it is for the public to develop an eye to differentiate the good ones from the bad.

SOURCE:

**BUSINESS
RECORDER**
October 22, 2000

Onward with Indigenous Philanthropy

The conclusion of the two-day Conference on Indigenous Philanthropy, in Islamabad, on clarity of thought on the inevitability of a harmonious synthesis of social investment, charitable relief and religious expression, will be seen as having set the pace for a really collective endeavour for public welfare in a manner consistent with the demands of the fast changing times. It will be recalled that, inspired by the fervour behind the solemn initiative, President Rafiq Tarar had in his inaugural address eulogised the effort as a happy augury for private-public partnership on a new plane to ensure material well-being of the people from a well-defined approach. In a similar vein, speaking at the concluding session of the unique moot, Chief Executive General Pervez Musharraf felt visibly encouraged by the event to declare his government's active participation in the laudable initiative. Notable, in this regard, was his reference to the ongoing effort by his government for evolving a new strategy for *zakat* which, together with the Poverty Alleviation Programme, could contribute a great deal towards strengthening the thrust of indigenous philanthropy as an effective means of ensuring purposeful social development in the country.

A significant feature of the Chief Executive's address was his identification of the Aga Khan Development Network as a model of success in the kind of approach to indigenous philanthropy as worked out by the participants of this important Conference. However, as to the success of AKDN, it was left to the Aga Khan himself to fully explain the salient features of principles and working methodology of his organisation. Characterising indigenous philanthropy as essentially an unfailing strategy of self-reliance as

diametrically opposed to dependence on the developed countries, which he decried as indicative of a patron-client relationship. It will be noted that much has been said and written about the urgency of adopting the strategy of self-reliance during the last 35 years, in wake of the upset to the country's Third Five-year Plan. The governments that have come and gone since then have continued glorifying self-reliance, often alluding to some of their programmes as exercises in self-reliance, but always leaving a great deal to be desired in the end. From the Aga Khan's own elucidation of the philosophy of indigenous philanthropy and from the recommendations of the Conference, including the one relating to the setting of the Centre for Philanthropy, one can get the real feel of what actually are the demands of self-reliance.

As earlier pointed out in these columns, apart from the religious stimulation, enlightened perceptions of collective welfare have prompted Muslim individuals and groups, even broad masses, to contribute wholeheartedly, both in cash and kind, to projects of social advancement even during the long years of British rule. The establishment of the Aligarh Muslim University in the thick of opposition from bigots to modern education for the Muslims stands out as an epic monument to the sublime spirit of indigenous philanthropy. Many of the donors may well have contributed to that noble cause out of personal *zakat* obligation as enjoined upon the Muslims of prescribed means. At the same time, instances are not lacking, in the popular versions of that movement, of the less resourceful participating in it to the best of their capacity. Needless to point out that the Aligarh Movement proved a strong catalyst for development, notably in the spheres of education, health, sport, etc. One hopes that from the willing and active cooperation of the Government, the private enterprise, NGOs and other voluntary agencies, it should be possible to launch an unfailing mass drive for social development conducive to the realisation of the aims and aspirations of the people.

SOURCE:

DAWN

October 26, 2000

Can Philanthropy Help?

Sultan Ahmed

At a time when foreign aid to Pakistan is fast shrinking and much of whatever is available is coming with stiff pre-conditions, can indigenous philanthropy help the country, keeping in view that 40 percent of the people are living below the poverty line?

Many people would dismiss this as a utopian prescription, but the results of a two-year survey conducted on behalf of the Aga Khan Development Network may come as a big surprise to them. The results show that total charitable giving in 1998 in the form of money, gifts-in-kind and man-hours devoted to social welfare work was Rs 70.5 billion in Pakistan.

Only a part of that money was given out as *zakat*. While the money given as *zakat* was Rs 13.8 billion, non-*zakat* donations were Rs 16 billion, making the monetary contributions total Rs 29.8 billion, gifts-in-kind were for Rs 11.42 billion and the value of time volunteered for social welfare Rs 29.4 billion - calculated on the basis of Rs 150 for an eight-hour workday.

Compared to that, foreign aid received in 1997-98 (before the nuclear explosions) was Rs 6 billion in grants (5 percent of the total) and Rs 112 billion in concessional loans. Comparing indigenous to foreign grants, Pakistanis gave Rs 30 billion in money alone, five times more than the money received as outright grants from foreign aid.

Of course, the religious faith was mentioned as the motive by 98 percent of the donors, and of the total share going to organisations, 94 percent went to religious institutions and causes. Of that money, 65 percent went directly to individuals, and of that two-thirds was *zakat*.

The big question now is: how to institutionalise individual philanthropy, how to make it contribute to social welfare and national development, and how to make it part of the process of self-reliance instead of simply relieving personal distress or lasting absolute indigence? The issue is not merely to generate more

funds in this area but also to direct them to the right cause, and making the effort sustainable for the uplift of the poor half of Pakistan.

At a time when there is so much stress on poverty alleviation in the developing countries and poverty is seen on the rise in countries like Pakistan, what efforts are we making to reduce the level of poverty? The three-year plan of the Planning Commission (2000-01 and 2002-03) seeks to reduce incidence of poverty on the basis of calorie consumption from 35.34 percent to 33 percent and to cut down the poverty rate on the basis of basic needs from 47.85 percent to 45.86 percent.

Under this plan the population growth would be reduced to two percent per year by 2002-03 from 2.1 percent next and 2.2 percent this year. These are debatable claims and questionable projections because of the unreliability of official figures. The poor whose ranks are swelling are not going to wait indefinitely for a reduction in their poverty nor are they content with this all too gradualist approach. The increasing number of suicides following prolonged unemployment and turning to crimes by the unemployed educated youth are an indication of the reaction of deprived groups to their enduring poverty and increasing distress.

It is time to mobilise national resources for achieving self-reliance rather than depending on the IMF, World Bank and other donors who complain of misuse of their assistance and inadequate efforts on our part to reduce poverty. Large-scale, organised philanthropy can play an effective role in reducing this dependence.

The Steering Committee set up for the Initiative on Indigenous Philanthropy sponsored by the Aga Khan Development Network has given serious thought to this problem for over two years and produced a great deal of literature with the help of some of the best experts in the world. And that resulted in a largely attended Conference on this subject last week in Islamabad. The Conference decided to set up a Centre for Philanthropy to enhance indigenous philanthropy in a sustained manner.

Officials say there are 20,000 NGOs in the country. Of them, 10,000 are active. A large number of small social welfare organisations led by women are active in the villages. Some of them now face serious threat from religious bodies, which allege they represent Western interests. The threatened organisations seek help and protection from the Government, which they don't get and which,

in turn, encourages the religious bodies to be more militant. Gen. Sabeeh Qamar uz Zaman, former Chief of Pakistan Steel, has set up an NGO as a public limited company to educate people by setting up a chain of schools in remote areas. But, even after two years, he failed to get permission from the government to work. He had to face one intelligence agency after another and finally the Intern Services Intelligence for clearance before the October 12 military take-over.

Other delegates to the Conference had similar stories to tell, showing more obstruction than encouragement from the government to the welfare efforts.

For the proposed Centre for Philanthropy, which is to promote "social investment", already about Rs 17 million has been donated by corporations and rich individuals. It can plead the cause of NGOs with the government collectively, protect NGOs from those inimical to them, help settle disputes between NGOs, remove the hindrances in their way and conduct research in this area to make the NGOs more effective.

The role of the media in promoting philanthropy is very important. Besides, the Pakistanis abroad, over three million, could help the country in this regard. Their total income was estimated at 60 billion dollars a year, the same as the total gross domestic product of Pakistan. And they can make larger donations for the cause of philanthropy in Pakistan. The proposed Centre can come up with credible and effective measures to make better use of their donations.

In the absence of adequate employment and reasonable wages the Government has come up with

the food programme which is to help 1.2 million under-nourished persons. In this context, the statement of Shafi Niaz, Advisor to the CE on agriculture is significant that Pakistan would achieve self-sufficiency in food by 2010. He is being realistic.

What is essential now is that not only should Pakistan live within its means but also make the best use of its resources. And of the total outlay on philanthropy is as large as Rs 70.5 billion, we have to make the most productive use of that money. The US is said to be a land of 90 million volunteers. If in the richest country of the world so many are working to help each other to make life better, the need for such cooperation and volunteering is far greater in Pakistan.

Of course, large-scale charity or more organised philanthropy alone cannot solve all our social and economic problems. Far more employment avenues have to be created and with better wages and greater social security. If the investment scheme of 2.8 billion dollars in the next six years is implemented resolutely with the help of domestic and foreign investors, some of the problems can be solved.

Clearly we have to work hard both on the economic front and the social front and improve the rate of literacy and the quality of our education. And that needs concerted action by the government, business sector and civil society on a sustained basis with a strong commitment to alleviate poverty and reduce the increasing human suffering which the suicides symbolise.

Annex B

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