

# **INTERNATIONAL CONFERENCE**

## **DEPUTY CHAIRMAN'S SPEECH**

**Mr Altaf Muhammad Saleem Chairman ERRA, Excellencies, Distinguished International and National Speakers, Valued Guests, Respectable Representatives of Media and Civil Society, Ladies and Gentlemen!**

On behalf of the ERRA Staff, I thank the distinguished guests for sparing time to attend this conference, which has been organised to share our rare experiences of managing the aftermath of one of the most devastating natural disasters in the history, with international community. I hope this conference will provide a useful forum to the participants to exchange their views, experiences and expertise about issues related to various aspects of managing a disaster, such as rural housing programme, reconstruction of destroyed/damaged infrastructure in education, health and water and sanitation sectors, besides participatory models and activities relating to community programme, livelihoods, gender equality, etc.

Ladies and Gentlemen! Four years after the earthquake, 100% of the affected people have returned to their new houses. Education, health, water and sanitation facilities have been restored to a large extent. The economic activities have restarted. I would like to share with you that our performance and achievements during the last two years have been quite encouraging. After having successfully accomplished the task of providing relief to over 3.5 million victims of the earthquake, we have come a long way in providing much improved civic services and better opportunities of livelihood to the affected people

### **Introduction**

The October 8, 2005 earthquake was a calamity of cosmic proportions; one that caused massive destruction and loss of life as well as material resources. Inter alia, 73,338 dead, 128,304 seriously injured and 3.5 million displaced; devastation unheard of in this part of the world naturally caught the country unprepared to deal with a catastrophe of this magnitude. When disaster struck, the first priority was to save lives and secure the dignity of the affected population. However, there was no institutional setup available to take up the daunting challenge of launching a fast-paced relief and recovery operation in a terrain that was not only inhospitable but also beset with a harsh and upcoming winter.

## **Rescue and Relief Operations**

The Federal Relief Commission was set up to fill the institutional vacuum and it efficaciously coordinated massive emergency relief efforts with the support of Pakistan Army, UN agencies, other donors and international as well as local NGOs. Delivering emergency relief against odds, such as a mountainous terrain, difficult access to communities, harsh weather conditions, resource constraints and the miserable plight of the affected people was indeed, a tough ask. As we recall today, the nation's hopes were pinned on the ability of the Federal Relief Commission to respond swiftly and efficiently to alleviate sufferings of the affectees. The fast-approaching winter necessitated appropriate arrangements to provide winterized tents and transition shelters to the people in high altitude mountainous areas. The Army and other relief agencies acquitted themselves impressively during a gigantic relief operation that was widely acknowledged for its speed, efficiency and effectiveness. This was one of the finest hours for Pakistanis as a nation. The response from Karachi to Khyber was unprecedented. Volunteers from all walks of life, especially students poured in along with relief goods. Though the tragedy had shaken the nation, it strengthened people's resolve and commitment to help their brethren in distress.

## **Early Recovery**

After six months, the emergency operation culminated successfully, to mark the beginning of the recovery operation. With the relief operation having been termed very successful by local as well as foreign observers, the Government of Pakistan officially ended the 'Relief' phase and the Federal Relief Commission (FRC) was subsumed into the Earthquake Reconstruction and Rehabilitation Authority (ERRA), a new institutional entity, with the responsibility of addressing the imperatives of early recovery, kick-starting the task of reconstruction and helping affectees get back to a degree of normalcy in their lives.

A Transitional Relief Cell was created within ERRA to supervise and coordinate residual relief activities, and implement the Early Recovery Plan (ERP), developed specifically, to bridge the gap between relief and reconstruction. During transitional arrangements, special attention was paid to making educational institutions and health facilities functional in transitional buildings within months to provide uninterrupted services to the affected population on priority basis. The success of the early recovery plan can be gauged from the fact that no student lost an academic year, no lives were lost due to the severity of the winter and there was no outbreak of an epidemic.

## **ERRA: MISSION, SCOPE AND ORGANISATIONAL STRUCTURE**

ERRA's mission is to convert this adversity into an opportunity by reconstructing the lost and destroyed facilities following the highest standards of reconstruction and rehabilitation with an obligation to "Build Back Better". In this endeavour, the main functions of ERRA are policy planning, financing, project approval and monitoring and evaluation. Additionally, it ensures necessary coordination and facilitates implementing partners. The actual implementation of the projects is the responsibility of respective State and Provincial Governments. ERRA has intervened in 12 different sectors with 3 cross-sectoral programmes and is required to reconstruct over 13,000 projects, at a cost of approximately US \$ 5 Billion. ERRA's hierarchy has four tiers: at the pinnacle is the ERRA Council, headed by the Prime Minister of Pakistan, with the Prime Minister of AJK and the Chief Minister of NWFP as members, amongst others. The second tier, ERRA's Board, is headed by Chairman ERRA and with the Chief Secretaries of AJK and NWFP as members, amongst others. ERRA Headquarters in Islamabad, the Provincial Earthquake Reconstruction and Rehabilitation Agency (PERRA) in NWFP and the State Earthquake Reconstruction and Rehabilitation Agency (SERRA) in AJK function as hubs of operational activities. While Chairman ERRA heads the organisation, the Deputy Chairman, ERRA provides strategic and operational directions to the organization through a core group that oversees the day-to-day activities of various wings within the Headquarters. ERRA, in its operations, follows stringent standards of transparency and accountability, and is subject to audit by the Auditor General of Pakistan and International Validation by Donors/Multilateral Lenders.

## **CHALLENGES**

### **Institution Building**

Raising new institutions and organisational structures is never an easy task. But starting a programme for reconstruction and rehabilitation in a devastated area, spread over 30,000 sq. km of rugged terrain, covering nine districts( five in NWFP and four in AJK) and involving twelve sectors with thousands of destroyed facilities, poses unprecedented challenges of organisation and institution building.

The Earthquake Reconstruction and Rehabilitation Authority was established to undertake the reconstruction of all facilities damaged or destroyed by the earthquake of October 8, 2005. With over 13000 projects to be constructed, the challenge for ERRA was enormous because each one of these projects had to be taken through the entire project cycle; from project identification to planning, designing, implementing, monitoring and handing over. The overwhelming

majority of these projects were Provincial/State Government structures. ERRA's number one priority was to pilot damage assessment in the wake of an earthquake that destroyed 600,000 private houses (largely in the rural sector) in addition to 13000 public sector facilities.

### **Damage Assessment**

Accurate damage assessment was among the earliest challenges posed by the quake. This activity was undertaken by Provincial and State Governments with the help and assistance of the Pakistan Army. While there was no logistic problem in drawing a list of damaged or destroyed public infrastructure, there was a technical issue regarding the identification of damaged buildings. The assessment teams did not comprise qualified structural engineers, who could determine whether a damaged structure was beyond repair, and had to be pulled down. As a result anecdotal evidence kept pouring in, that some salvageable buildings were also being pulled down. On the basis of this damage assessment, DISTRICT PROFILES were created for each of the nine damaged districts. These profiles provided the basic data about each district (geography, population etc.) including a list of the damage caused to public infrastructure therein, to gauge reconstruction requirements and steer all efforts in the right direction over the next five years.

### **Institutional Architecture**

Whatever planning and implementation capacity was available with the state or provincial governments and districts, prior to the catastrophe, had been seriously weakened by the loss of government functionaries and the destruction of infrastructure. This was not "business as usual", and therefore required the patronage and support of the highest levels of government to cut through normal bureaucratic in order to meet the time and quality targets of rehabilitation and reconstruction. The new institutional set up had to be dynamic and flexible in its outlook and ethos with firm and quick decision-making that could respond to capacity constraints, logistic and other challenges posed by geography and the ever-increasing demands of interest groups in the affected areas of AJ&K and NWFP.

To address these compelling institutional imperatives, new purpose-specific institutional entities were created, namely ERRA, SERRA, PERRA and the DRUs. DRUs, the bottom tier of this institutional architecture, were to be responsible for the planning of projects and preparation of PC-1s. SERRA and PERRA are dedicated organs of the State and Provincial governments for the coordination of all reconstruction activity in their respective domains. At the same time, they function as the implementation and coordination arms of ERRAs policies and

programmes in their respective jurisdictions. In a race against time, these new institutional agencies were brought to life by engaging motivated and competent human resource; formulating rules and procedures; defining mandates and responsibilities; identifying needed interventions; preparing sectoral strategies, and deploying resources.

### **Managing Expectations**

ERRA had to grapple with this and much more since its inception. The most challenging aspect of reconstruction was and still is managing expectations – both of the affected population, the general public and decision makers. Many people have questioned the speed with which reconstruction is progressing without really appreciating the amount of invisible preparatory work that goes into the reestablishment of thousands of schools, colleges, health facilities, public buildings, roads, and power and communication infrastructure. In an extraordinary situation of this nature, with the existing administrative capacities and planning systems badly weakened, if not completely overrun by the enormity of the destruction, it takes considerable time to restore the capacities and competencies just to their pre-existing levels.

### **Build Back Better**

The need to “Build Back Better” is important if we want to mitigate the devastation caused by catastrophes of similar magnitude in the future. To be better prepared to address the reconstruction and rehabilitation needs of communities in the wake of comparable natural disasters we need to “Build Back Better”, which means fresh seismic surveys, revision of building codes and standard designs, skill development and capacity building, mobilisation of appropriate human, financial resources, etc. Adherence to these higher standards in reconstruction could only be ensured by engaging reputed engineering consultants for detailed supervision. It has taken National Engineering Services Pakistan (NESPAK), a semi-public sector agency— with formidable experience in this field— a period of over two years to just mobilise the requisite manpower and expertise to optimally deliver the supervisory services for which they have been engaged.

### **Transparency and Accountability**

And if all this is not enough; with donors funding a large part of the reconstruction costs, their confidence in our systems and procedures could only be inspired and retained if high standards of transparency and accountability were achieved in operational decision-making and the management of fiduciary responsibilities. Such high standards of transparency and accountability required the patient nurturing and maturing of organisational procedures and mechanisms, with time.

## **Sectoral Strategies**

The Earthquake Reconstruction and Rehabilitation Authority, in consultation with donors and sponsors, and in close collaboration with PERRA, SERRA, DRUs and line departments, developed a comprehensive umbrella programme covering 12 major sectors: eight “hardcore” sectors, namely housing, education, health, water and sanitation, government buildings, power, telecommunication and transportation, and four “soft” sectors, namely Livelihood, Social Protection, Environment and Tourism. In addition three cross-sectoral programmes, namely Disaster Risk Reduction, Environmental Safeguards and Gender Equality, were initiated to complement the sector-specific programmes. The implementation approach followed by ERRA is based on decentralisation, whereby strategic planning, approval of projects, coordination, facilitation, and monitoring and evaluation are undertaken by ERRA but micro planning and implementation responsibility is delegated to the state/provincial governments and districts.

## **Sustainability Challenges**

“Building Back Better” has meant better designs and specifications for construction and the affected areas are now home to some of the finest hospitals, universities, colleges and school buildings in the country. While most of the facilities have been built, the major challenge, for the respective governments of AJ&K and NWFP, lies in building competencies as well as capacities and arranging adequate funding for operationalising services and sustaining them at optimal levels. The opportunities arising from this adversity would only materialise when people living in the affected areas are able to avail the complete range of services offered by newly built facilities once they have been adequately staffed and resourced by the state and provincial governments. Thousands of new jobs are being created in the process, alleviating poverty and expanding the market, which would in turn engender new opportunities for economic growth and development.

## **INNOVATIONS IN INSTITUTIONAL DEVELOPMENT**

### **Hybrid Organisation**

Despite the formidable challenges, ERRA has come a long way in its institutional development, and today it stands as a vibrant organisation with a unique institutional identity and performance-based work culture. Determined to convert this “Adversity into Opportunity”, ERRA performs a range of activities that covers almost the entire gamut of socio-economic development, with an aim to take the development process in the affected areas to a new level. The number and

complexity of the tasks called for a highly motivated team, undaunted and undeterred to confront challenges and meet deadlines. Efforts to build such a team have resulted in ERRA becoming a “hybrid organisation” with a workforce comprising military, civilian, and government, national and international personnel; each group bringing with them their differing competencies and unique skills sets, to add value to ERRA’s operations. Our team, an amalgam of people from of all types of professional backgrounds and remunerated through different sources of funding display remarkable levels of motivation, team spirit and cooperation. Both within and beyond its parameters, ERRA is a truly dynamic entity, working in collaboration with a variety of funding and implementing partners, multilateral and bilateral donor agencies and national and international NGOs. ERRA is living proof of the organisational success that can be achieved through collaboration, partnerships and networks.

### **Performance-based, Transparent Organisational Culture**

ERRA prides itself on its performance-based, open and transparent organisational culture, underpinned by a participatory and consultative management style and a commitment and motivation unmatched by any other public sector organisation in Pakistan. Organisational resources and finances are managed prudently under the stringent supervisory framework of the Government and donors. ERRA’s Financial Management Information System (FMIS), with state-of-the-art information technology at its core, provides real-time information on the state of finances across the entire organisational spectrum. Consultation with political and other stakeholders is undertaken on a regular basis and information on organisational performance is widely shared through all available media—annual reviews, website, newsletters and press briefings, inter alia.

The MEDIA CELL, through its various activities, encompassed in a comprehensive communication strategy, projects the achievements and performance of ERRA; proactively monitors the media; and, engages with media representatives to provide timely information on ERRA’s activities with a view to generating informed opinions and correcting misconceptions. Appreciating the fact that knowledge management is a critical activity for a dynamic and forward-looking organisation, ERRA’s Knowledge Management Cell acts as a storehouse of information on ERRA’s activities, achievements, experiences and lessons learnt. This information is available for use by researchers and others and is widely disseminated through electronic and print media as well as through seminars, conferences and other events. Management decision-making is informed by a robust monitoring and evaluation system that provides technical, social and economic assessments of the outcomes of projects and programmes. Continuous

feedback enables ERRA to apply the lessons learnt in the course of work to future endeavours, in addition to making timely mid-course corrections possible. Without the databases and timely reporting mechanisms that are being used by our vigilant monitoring outfits, spread throughout the affected regions, it would not be possible to monitor, facilitate and expedite over 13000 schemes.

### **Donors and Sponsors Cell**

After the earthquake there were a large number of donors and sponsors, who offered to re-construct some of the damaged/destroyed facilities. In order to better harness the commitment and enthusiasm of the maximum number of donors and sponsors, ERRA set up a Donors and Sponsors Cell. After some deliberation ERRA, taking into account the organisational muscle and technical expertise of donor agencies, decided to offer these agencies the work-conducive sites where construction could start forthwith. Hence, it should come as no surprise if the projects of donors and sponsors achieve completion before projects funded by the GoP.

## **KEY LESSONS LEARNT**

What are the key lessons that have been distilled from four and half years of Institution Building by ERRA that can provide useful information about the management challenges of similar post-disaster situations?

### **Institutional Lessons**

- A dedicated and dynamic organisational structure with “unity of command”, central policy planning and a decentralised implementation mechanism to ensure equitable and flexible policies, is a sine qua non for managing the task of reconstruction in the wake of a disaster of astronomical dimensions.
- A “hybrid organisation” that draws on personnel from various streams of public service including the armed forces, with each category bringing their own competencies and capacities, is better able to confront the logistic and administrative challenges presented by a disaster of this proportion.
- The involvement of all stakeholders in policy planning and critical decision making helps build ownership by all, which makes for speedy

and easy implementation as well as ensuring the sustainability of development interventions.

- Multi-sourced reconstruction efforts by donors, sponsors and the government, with centralised design approvals and monitoring mechanisms but decentralized implementation, help meet timelines for the reconstruction effort.

### **Strategic Lessons**

- Brick and mortar (hardware interventions) should be complemented with softer interventions to build human capital and capacities to ensure better management and improved service delivery.
- Ambitious timelines and targets need to be avoided as they unnecessarily raise expectations. Prioritisation of sectors and activities should be based on the need of the hour and available resources and capacities; this would help maintain focus on critical programmes and avoid dissipation of effort.
- A well thought-out, proactive media-cum-communication strategy for multiple stakeholders can avoid misapprehensions, manage expectations and ensure effective dissemination of information.
- Knowledge management activities are critical for storage and dissemination of organisational information and to promote awareness and organisational learning both within and outside the organisation. This creates the right environment and incentives for lesson learning and mid-course corrections.
- Owner-driven and community-owned development is beneficial for long term sustainability.

### **Operational Lessons**

- For better planning and designing, a comprehensive damage assessment, covering all socio-economic sectors and technical aspects, is the most important one-time step that needs to be taken upfront before starting reconstruction and rehabilitation activities.
- Information sharing and vertical and horizontal coordination mechanisms foster organisational success.

- The development of customised planning, procurement, financial management and monitoring and evaluation systems specific to the needs of an autonomous, public sector, post-disaster reconstruction organisation such as ERRA, imparts flexibility and enhances efficiency of organisational operations.
- Open, transparent and accountable systems enhance donor confidence.
- Alternative fast construction technologies should be encouraged right from the outset, to meet objectives within the given time.
- A decentralised grievance redressal system to ensure speedy dispensation of justice to the affected population.
- In earthquake prone areas all construction should be seismically safe.
- Multi-tiered monitoring, international validation, audits and external and internal review mechanisms, not only ensure adherence to standard practices and demonstrate transparency, but also harmonise efforts and facilitate efficient service delivery.
- Process documentation, knowledge management, and organisational learning have remained the key levers for ERRA to adjust its systems to an ever-changing environment, while maintaining transparency and accountability.

## **CONCLUSION**

Needless to say, ERRA has come a long way in fulfilling its responsibilities as per its mandate. In drawing billions of rupees into the local economy and opening up new markets, ERRA's activities are bringing about a social and economic transformation in the earthquake affected areas. The essential physical and social infrastructure is being built to higher standards to provide better services and facilitate greater mobility and speedy communications; all of which will help alleviate social conditions and the local economy's integration with markets in the rest of the country. Efforts to convert this "adversity into an opportunity" have unleashed a process that, in time, would lead to higher levels of socio-economic development resulting in higher standards of living and rapid reduction in poverty.