Early Warning System

ADB-48067-001

Strengthening Corporate Social Responsibility for Development

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Quick Facts

Countries	Pakistan
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	U
Sectors	Industry and Trade
Investment Type(s)	Grant
Investment Amount (USD)	$ 0.75 million

Project Description

DESCRIPTION

This TA will help develop best-practice models to strengthen collaboration between government, businesses, and CSOs in the delivery of social services and in poverty reduction. The key development actions that the proposed TA will focus on are:

(i) Bridge the knowledge and awareness gaps relating to CSR in businesses, CSOs, and government;

(ii) Develop CSR frameworks and partnership models for effective linkages between government, business, and civil society;

(iii) Build capacity of key stakeholders to strengthen partnerships; and

(iv) Establish philanthropy and CSO networks to facilitate sustainable governance structures to contribute to inclusive social sector development and poverty alleviation in Pakistan.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Since independence, Pakistan has experienced periods of strong economic growth. However, the resilience of the economy has been tested by exogenous and endogenous shocks and periods of macroeconomic instability. Sustainable social development and poverty alleviation has lagged behind economic growth. Pakistan ranks 146th out of 186 countries on the Human Development Index (HDI), and progress in HDI and achieving the Millennium Development Goals (MDGs) is below many peer countries. Pakistan's expenditure on social sector at 0.8% on health and 1.8% on education is very low by world standards. The result is a large social sector deficit which is a drag on sustainable, inclusive economic growth and poverty alleviation, and creates risks to social stability.

It is clear that the magnitude of the social sector service delivery is beyond the fiscal and institutional capacity of the Government, thus other alternatives must be considered to help achieve sustainable development. In other countries, efforts are being made to create productive and viable linkages with key stakeholders such as the private sector and the civil society to ensure attainment of development goals. This may be a viable option for Pakistan as well.

To mobilize additional CSR and corporate philanthropy and to enhance its effectiveness, it is essential to identify best CSR practices and models, CSO implementing partners, and to form strong and credible linkages between government, philanthropists and civil society. In order to enhance CSR for inclusive growth in Pakistan, it is crucial to generate relevant knowledge, form synergies, and create an enabling environment where these three segments of society work in partnership.

The ingredients exist to strengthen business and CSO contributions to overall social development and sector service improvement. Pakistan is a giving society, as indicated in several studies. There are over 45,000 active CSOs in Pakistan playing an important role as development partners. Government in its Poverty Reduction Strategy Papers (PRSP) has acknowledged the role of private sector contribution for poverty reduction in Pakistan. Reported 'giving' by a segment of the corporate sector amounted to PRs4.1 billion in 2012, an eighteen-fold increase over the past 8 years.

The proposed technical assistance (TA) will focus on enhancing CSR for social development in Pakistan by engaging government, business, and civil society. This three-way partnership will provide critical additional financial and institutional resources, and serve as a force multiplier for social sector development and poverty alleviation.

IMPACT

Improved social service delivery and corresponding decrease in poverty.

OUTCOME

Enhanced capacity for resource mobilization and CSR contribution of private sector and CSOs in Pakistan.

Investment Description

- Asian Development Bank (ADB)

TA: Strengthening Corporate Social Responsibility for Development in Pakistan
Japan Fund for Poverty Reduction US$ 750,000.00

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

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Bank Documents

- Project Disclosure PDF