

Global Compact Steering Board, Karachi, Pakistan, Jan 16, 2004.

**OMV (PAKISTAN)
Sharing The Global
Corporate Social Responsibility**

FOCUS

**Community Development Program (CDP)
in Sindh, Pakistan.**

By

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Community Development Manager, OMV (Pakistan).

WORDS FROM THE TOP

- For us “corporate responsibility” stands for all the responsibilities to the world around it that a company should accept, including corporate social responsibility. We take the view that sustainable enterprise involves taking responsibility for all aspects of performance across the “triple bottom line” - it means economic, environmental and social accountability.

By signing up to the Global Compact we have undertaken to observe universal principles in the areas of human rights, labor and the environment.

Wolfgang Ruttenstorfer

Chairman Executive Board and CEO, OMV - AG.

- OMV (PAKISTAN) aims at passing on the benefits of technology and modern industrial setups to the country and its people. With every new dawn, the company is exploring a range of untapped opportunities with focus on improving the quality of life.

Werner Ladwein

General Manager, OMV (PAKISTAN).

CORPORATE SOCIAL RESPONSIBILITY: ESSENTIAL PREREQUISITES

- Sensitivity to local social environment and mindsets; understand, accept and confirm to local standards, customs and beliefs.
- Avoid attempts to enforce rapid changes or introduce sudden external influences which could cause resentment and antagonism .
- Develop a working organization based on a just and equitable partnership between all stake holders.
- Focus on local HRD and maximum use of local material resources.
- Safeguard corporate interests by building an amicable, trustworthy and conflict-free relationship with community.

POLICY GUIDELINES – GC PRINCIPLES

- To support and respect the protection of international human rights within our sphere of influence.
- To make sure that we are not complicit in human right abuses.
- To uphold freedom of association of labor and the effective recognition of their right to collective bargaining.
- To work for elimination of all forms of forced and compulsory labor.
- To work for the effective abolition of child labor.
- To support the elimination of discrimination with respect to employment and occupation.
- To support a precautionary approach to environmental changes.
- To undertake initiatives to promote greater environmental responsibility.
- To encourage the development and diffusion of environmentally friendly technologies.

OMV (PAKISTAN) – GROWTH STORY

- 1990 – The company was incepted as a part of a joint venture comprising OMV (PAKISTAN) as operator with ENI(old LASMO), PPL, MND and OGDCL.
- 1993 – OMV’s first major breakthrough in Pakistan, discovery of the natural gas reservoir called “Miano” in the Thar Desert, District Sukkur.
- 1998 – Discovery of Sawan gas field in District Khairpur.
- 2002 – Full production started at Miano gas field.
- 2003 - OMV (PAKISTAN) successfully took charge of the Kadanwari plant operation.
- 2003 – The company commissioned Sawan plant as its second operated development.
- 2003 – Operating Kadanwari / Miano and Sawan with a production of over 100000 boe/d, OMV becomes the largest foreign gas producing company in Pakistan.

OMV's COMMUNITY DEVELOPMENT PROGRAM (CDP) IN MIANO & SAWAN

- OMV is making a sincere effort to involve local people in development projects, focusing on capacity building rather than traditional donor-beneficiary relationships.
- Our community development approach, whereby local people are always involved in planning, implementing and managing projects, ensures that our humanitarian aid truly meets their needs.
- Through needs assessment and baseline surveys, OMV has been able to tap into local resources and enhance their capacity. By improving the community's quality of life through this direct interface, OMV aims to leave a lasting footprint in a sustainable manner.

CDP OBJECTIVES

- Local social sector development based on community priorities, needs and requirements.
- Community motivation, mobilization, organization and training for maximum and effective participation in development projects.
- Local human and material resource development.
- Transferring project responsibility to local community organizations for security, sustainability and empowerment.

FUNDAMENTALS OF COMMUNITY DEVELOPMENT

- Must be based on community needs and priorities.
- Baseline survey is essential to define working parameters.
- Involvement, participation and contribution from all sectors of the community in all stages of project planning, development, implementation and monitoring.
- Community motivation, awareness, organization and training to enhance participation.
- Facilitating employment and income generation opportunities.
- Focus on long term sustainability through local capacity building and technology transfer.
- Decentralization and delegation of responsibility for community empowerment.
- Flexibility, innovation and adaptability.

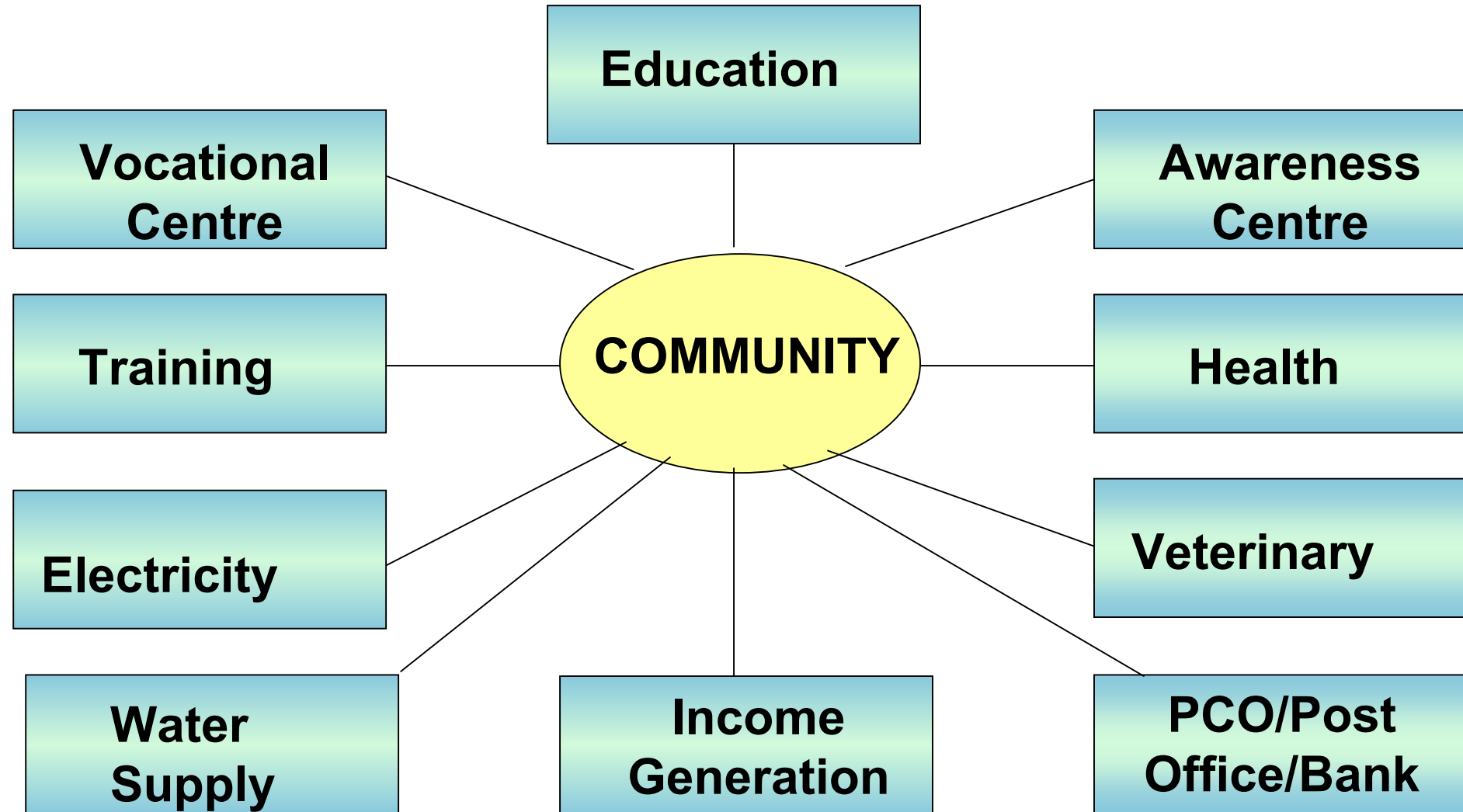
CDP ACTION PLAN

- STAGE I : Baseline Survey, Community Awareness & Motivation, Pilot Project Planning & Resource Allocation.
- STAGE II: Implementation of Pilot Projects, Community Organization & Training.
- STAGE III: Strengthening & Review of Pilot Projects; Monitoring / Evaluation; Ongoing Community Training.
- STAGE V: Replication of Successful Projects; Community Empowerment.

IMPLEMENTATION STRATEGIES

- Consultation, interaction and feedback from all segments of society for needs assessment, project planning and implementation.
- Project implementation preferentially through community-based organizations (CBOs), with maximal reliance on identification and development of local human and material resources.
- Facilitating optimal involvement and participation of government institutions and line departments by supporting and supplementing local mechanisms of public service delivery.
- Initiating implementation on small scale through pilot projects for identified CDP components to safeguard resources, allow adequate time for community mobilization & capacity building, test project efficacy and incorporate modifications / innovations.
- Instituting a transparent regulatory mechanism through a multi-tiered system for project monitoring, supervision, reporting and evaluation.

CDP Components



CDP Process

Initiator

OMV

Catalyst

CDM

Target:

COMMUNITY

Reactions

Mobilization

Organization

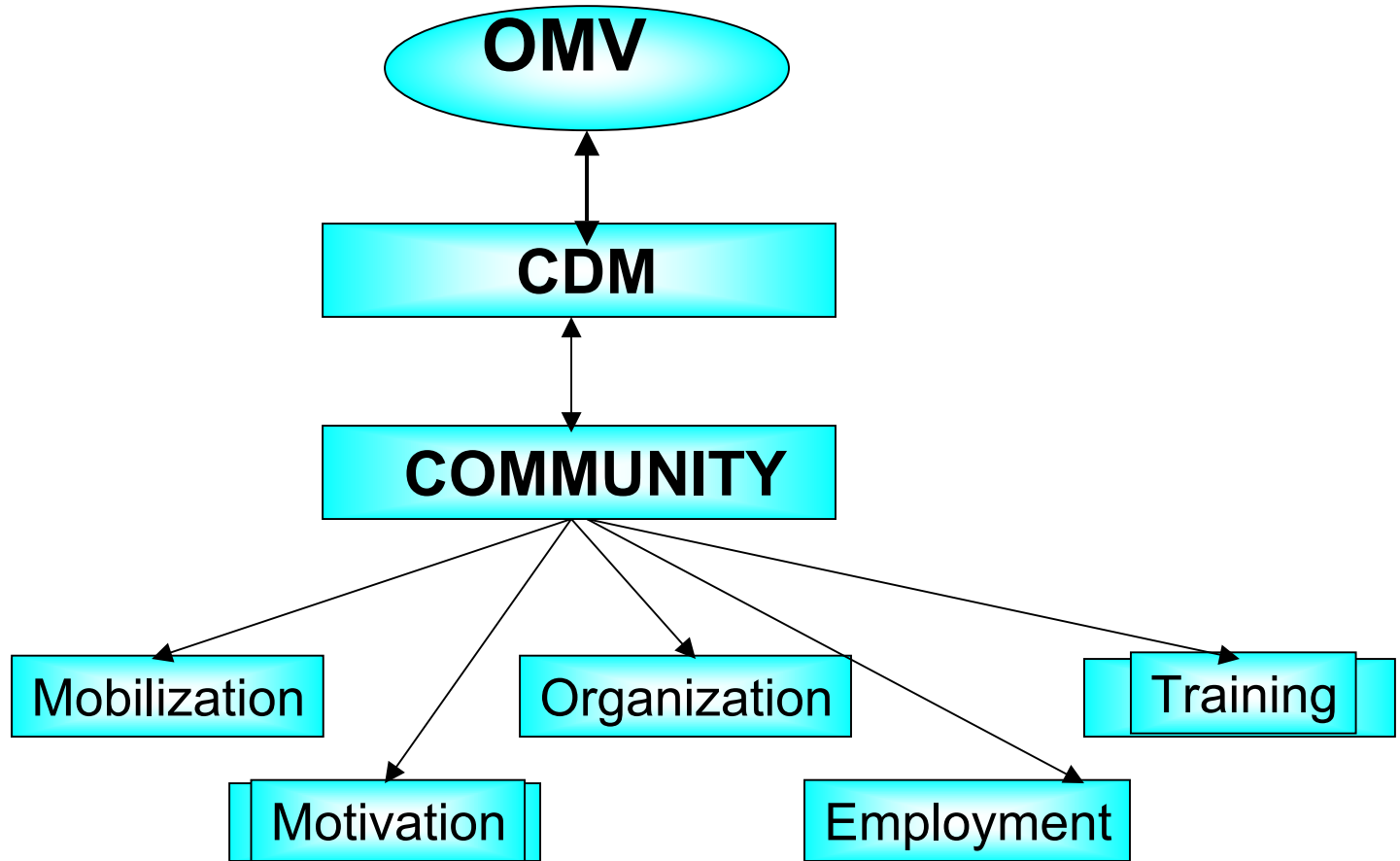
Training

Motivation

Employment

Result:

**ATTITUDINAL CHANGE TOWARDS COMMUNITY
RESPONSIBILITY FOR EMPOWERMENTS & SUSTAINABILITY**



THE MDG CHALLENGE

MDGs	OMV CDP INITIATIVES
<ul style="list-style-type: none"> •Eradicate extreme poverty and hunger 	<ul style="list-style-type: none"> •Supply and development of potable water sources •Income generation, credit & employment schemes •Land and property rent / compensations
<ul style="list-style-type: none"> •Achieve universal primary education 	<ul style="list-style-type: none"> •Re-activation of non-functional government schools •Opening of non-formal primary schools •Upgrading high schools / teachers training
<ul style="list-style-type: none"> •Promote gender equality and empower women 	<ul style="list-style-type: none"> •Female Wing for women awareness & organization •Promoting local handicrafts to increase income •Model villages with women-operated projects
<ul style="list-style-type: none"> •Reduce child mortality •Improve maternal health •Combat diseases 	<ul style="list-style-type: none"> •Village health clinics, MCH centers, extension of taluka/district hospitals, medical camps, EPI support •Training of female health workers / veterinary care
<ul style="list-style-type: none"> •Ensure environmental stability 	<ul style="list-style-type: none"> •Water development, plant nurseries, afforestation •Reduction of waste & emissions, more recycling, better energy efficiency & regular impact monitoring

Miiano

A 525 sq.km stretch of desert in Taluka Saleh Pat,
District Sukkur

Comprises three Union Council, Saleh pat, Tarai,
Lal Jurio Shambani

MIANO BASELINE SURVEY FINDINGS

- Number of villages 57
- Number of Households 970
- Population 3864
- Population with No Education 95 %
- Main Occupation:
 - Cattler/Laborer 86 %
- Average Household Income 1170
- Modes of Communication leading to Village
 - No Roads 52
 - Katcha (S) 04
- Modes of Transportation
 - Camel Cart 56
- Main source of Energy used for Cooking
 - Wood 97 %

CDP MIANO – ACHIEVEMENTS 2002

COMMUNITY DEVELOPMENT

Organization & training of 1 NGO, 4 CBOs, 57 VRs

- Awareness & motivational campaigns, formulation of FMCC

WATER SUPPLY

- Installation of 6 hand pumps after survey and testing
- 30 fiber glass tanks for supply of drinking water by tanker

EDUCATION

- Reactivation of 4 non-functional government primary schools
- Opening of 4 non formal primary schools
- Upgradation of Taluka Saleh Pat high school to higher secondary

INCOME GENERATION

- NGO-managed transport scheme by operating a truck on local route

HEALTH CARE

- Eye camps, EPI campaigns, outreach health care
- Construction of MCH Center at Saleh Pat started

MIANO D & P LEASE
COMMUNITY DEVELOPMENT PROJECT

2002

Health Care Project

Construction of Mother & Child Health (MCH) Centre at Saleh pat is underway.

Continuous fortnightly based outreach health programme for Miano Community is in practice from BHU-Saleh Pat.

OMV's sponsorship for 10 National EPI and Polio Campaigns for Miano field areas, in the shape of rental vehicles.

Community Development Projects-Miano District Sukkur, 2003

Under District Coordination Officer (DCO)-Sukkur Patronage)

Education

- Establishment of 07 NFP schools
- Establishment of Resource Centre.
- Awards, Incentives for Teachers / Students.

Water Supply & Management.

- Installation of 10 hand pumps.
- Construction of concrete water tanks of 3 thousand liter capacity.
- Shifting of existing 30 water tanks to new locations with pads.

Feasibility Study

- Water supply pipeline scheme to link Nara Canal to Kadanwari and Miano area through different points for distribution and storage of drinking water for human consumption and live-stock

Primary Health Care

- Establishment of dispensary with ambulance service.
- 04 medical camps for general check-up and date collection to issue medical cards.

Sawan

A 236 sq.km stretch of desert in Taluka NARA
District Khairpur

Comprises two Union Council, Choondiko, Tajal
Sharif

SAWAN BASELINE SURVEY FINDINGS

- Number of villages 161
- Number of Households 5,106
- Population 21,608
- Population with No Education 67 %
- Main Occupation:
 - Farm Laborer/Laborer 72 %
- Average Household Income 1541
- Modes of Communication leading to Village
 - No Roads 40
 - Katcha (S) 111
- Modes of Transportation
 - Motor cycle 104
 - Van/Bus 49
 - Camel/Cart 19
- Main source of Energy used for Cooking
 - Wood 97 %

Community Development Projects

District Khairpur -2003

PROJECT	PROGRESS TILL DATE
<p>Education</p> <p>➤ Establishment of 20 Primary schools (14 Non-Formal / 06 Formal).</p> <p><i>Budgeted Pak Rupees</i></p>	<p>➤ OMV, District Administration-Khairpur and DGPC all have approved the project.</p> <p>➤ All schools are functional.</p> <p>➤ Registration of 04 girls primary schools are completed with Government Education Department-Khairpur. Registration of remaining schools are under process.</p> <p>➤ Handing over of CDSS schools to Government Education Department Khairpur is under process.</p>
<p>Establishment of 10 village Health Clinics</p> <p><i>Budgeted Pak Rupees</i></p>	<p>➤ Construction of all 10 Village Health Clinics have been completed.</p> <p>➤ Training of Dispensers (Male), Lady Health Workers (LHW), and Trained Birth Attendants-Female (TBAs) will be completed by 30th, September 03.</p> <p>➤ Purchase of equipments & medicines are under process</p> <p>➤ All the Village Health Clinics will be in operation by the first week of October, 03.</p>

Community Development Projects

District Khairpur - 2003

Project	Progress till date
<p>Micro Credit project Seed fertilizer and pesticides for the growth of area.</p> <p><i>Budgeted Pak Rupees</i></p>	<ul style="list-style-type: none"> ➤ OMV, District Administration-Khairpur and DGPC all have approved the project. ➤ Selection of 100 members and location for warehouse are being finalized. ➤ Registration for seed & Fertilizer agency is under process with the Foji Fertilizer Corporation. ➤ Payments has recently been released on September 16th, 2003 by OMV to local NGO for immediate implementation.
<p>Set-up of Plant nursery In order to provide tress for reforestation.</p>	<ul style="list-style-type: none"> ➤ OMV, District Administration-Khairpur and DGPC all have approved the project. ➤ Selection of 10 members and location of Nurseries are being finalized. ➤ Liaison being maintained with line department / forest department for expeditious implementation of project, with experts from Shah Latif University-Dr. Raza Bhati. ➤ Payments has recently been released on September 16th , 03 by OMV to local NGO for immediate implementation.

Female Wing

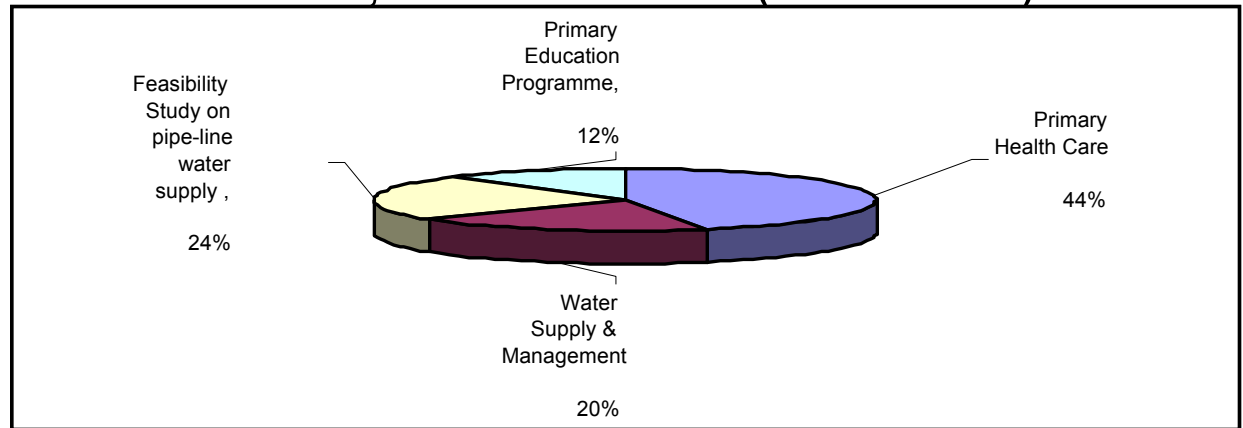
Establishment of model villages in the Lease areas with the aim of

- Counseling, awareness, motivation and mobilization of local women community.
- Formation of females groups.
- Vocational training.
- Promotion of local skill-works and handicrafts.
- Income generation schemes.

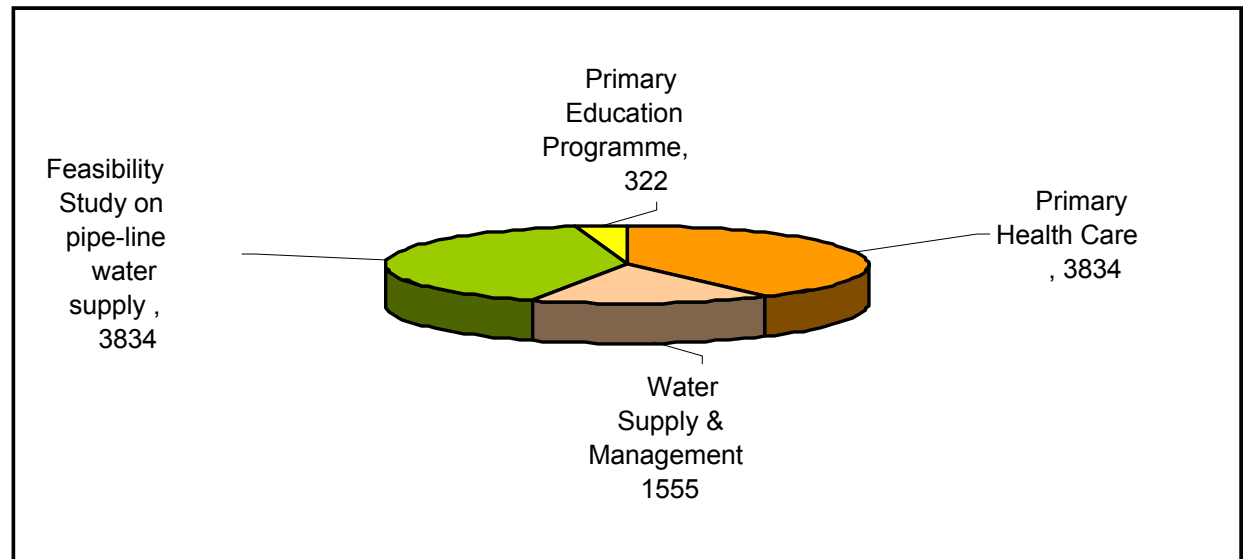
Annual Commitment per Concession by OMV (Pakistan)

- **Exploration Phase ~ US \$**
- **Production Phase ~ US \$**

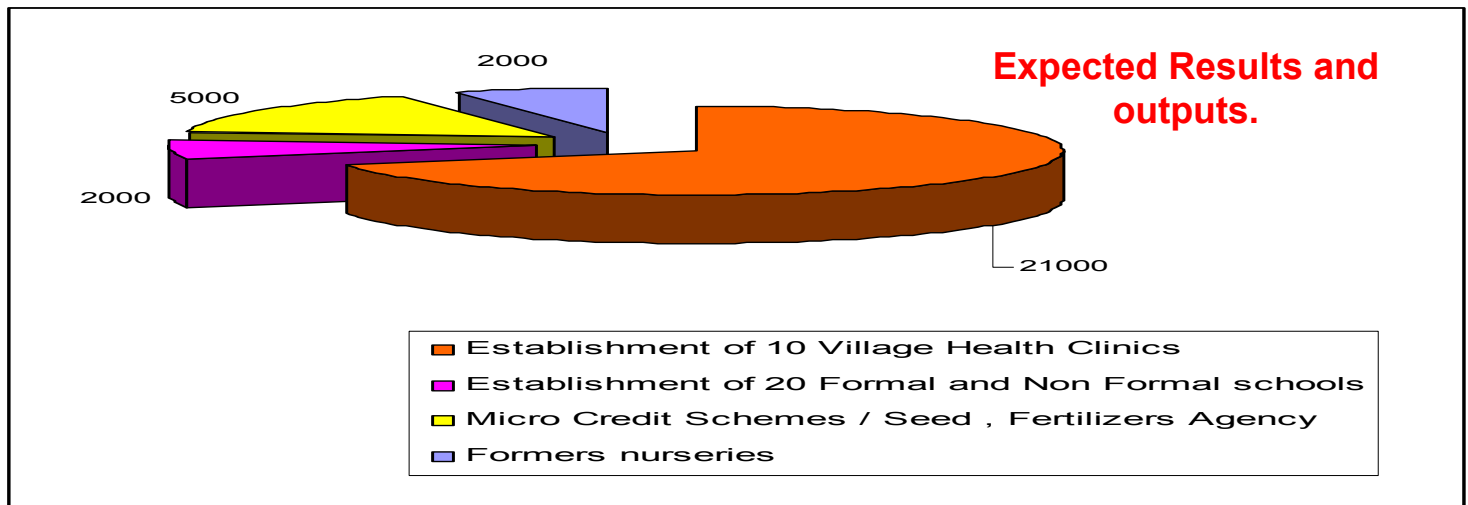
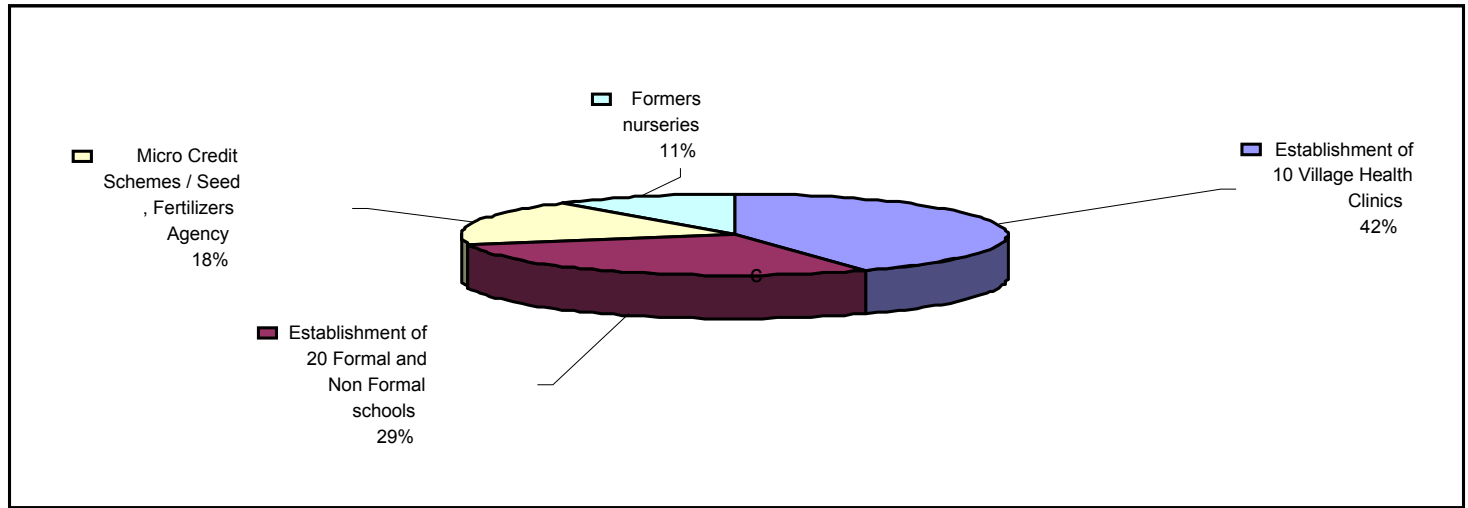
Approved Community Development Programmes for MIANO Area, Taluka Saleh Pat, District Sukkur (Year 2003)



Expected Results and outputs



Approved Community Development Programmes for Sawan Area, Taluka Nara District Khairpur (Year 2003)



OBSTACLES AND CHALLENGES

- High level of local illiteracy and lack of proper infrastructure, needing intensive and long term efforts for community motivation, organization and human resource development for effective participation in CDP.
- Obstructive attitude of some elements of society, manipulated by influentials for unjustified demands and negative tactics like threats, processions, strikes, road blocks, etc.
- Lack of understanding/interest by Government departments and local decision makers about the importance of community organization and capacity building in local social development. Hence, the long procedural delays and official bottlenecks in approval and sanction of projects.