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# GRASP • PAKISTAN

Growth for Rural Advancement and Sustainable Progress

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## First round of multi-stakeholder consultations lead to selection of priority value chains

*GRASP is a six-year project designed to reduce poverty in Pakistan by strengthening small-scale agribusinesses in two provinces: Balochistan and Sindh. GRASP is implemented by the International Trade Centre with strong participation of local partners. GRASP is funded by the delegation of the European Union to Pakistan with a budget of up to €48,000,000*



Around 300 participants from the government, research and academia, development partners and public and private institutions and organizations participated in the first round of multi-stakeholder consultations on efforts to reduce poverty in Pakistan.

The discussions were held on 26th September in Karachi, 1st October in Quetta and 3rd October in Islamabad. The consultations focused on the identification of priority products in the horticulture, livestock and dairy sectors. Participants provided feedback on the list of priority products for Balochistan and Sindh and shared their views on key competitiveness constraints for both sectors.

Mr Abdul Razak Dawood Advisor for Commerce, said: 'In order to achieve coherent, broad-based and sustainable economic growth, there is a need to focus on SMEs and unlock the potential in livestock and horticulture besides other sectors in the country'.



Mr Milko Van Gool Head of Cooperation, EU in Pakistan said 'GRASP aligns with the rural development and economic cooperation initiatives of the European Union in Pakistan as it will help SMEs in horticulture, livestock and dairy sectors become more competitive by making improvements at all levels of the value chains'. Robert Skidmore, Chief, Sector and Enterprise Competitiveness International Trade Centre speaking about the consultations said the contributions of partners in this first round of consultations would help us in designing a sound plan of action for the project to achieve a measurable reduction in poverty and increase in economic growth in addition to creation of more job opportunities in the country. Olivier Marty Lead Inception Phase ITC and Owais Khan Representative of ITC in Pakistan were also present.



GRASP will help small and medium-sized enterprises in horticulture and livestock become more competitive by making improvements at all levels of the value chain. A second round of consultations in early December will present the results of value chain analysis and identify key priority actions for the project implementation.

## How environment lies at the heart of GRASP

*Alexander Kasterine, Head, Trade and Environment at the International Trade Centre describes the environment-related challenges facing the livestock and horticulture sectors in Pakistan.*

Managing environmental risks is a major theme of the GRASP programme. Pakistan is ranked as one of the ten most at-risk countries in the world from climate change. It faces multiple challenges from declining water availability and quality and extreme weather bringing floods and droughts. Farmers are at the sharp end of these impacts, battling to maintain yields and to meet the public's expectation to minimize the impact of food production on the environment.



This month's GRASP mission to Pakistan to launch the inception phase of the project gave the ITC team an opportunity to capture several snapshots of environment-related challenges facing both the livestock and horticulture sectors.

One hour outside Karachi, a city of 15 million people, is located a large dairy and beef farm. Owned by Mr Jamil Memon, it holds 4,500 cows and 2,500 buffalos, producing milk for the Karachi market. Managing waste to avoid local water contamination is a main environmental concern in the dairy sector.



On his farm, Mr Memon is testing a new technology to convert manure into pellets that fire boilers. This will

help reduce the amount of waste disposal and generate income through sales to local industry.

Another innovation is on the marketing side where he packages the farm's buffalo and cow's milk as "hormone free" and sells it directly at a 20% premium to the main supermarket in the city.



Adding value in this way means he can also avoid having to accept prices fixed by the local district committee. This is a long-standing policy that farmers criticize for reducing incentives to invest in the sector.

The other sector that ITC will support is horticulture. In Quetta, Baluchistan, an arid province bordering Afghanistan and Iran, FAO colleagues drove us out to visit two orchards growing grapes and apples. In both orchards, it is clear that the use of water is unsustainable and of grave concern to the future of the viability of the province.

The apple grower told us that when he started pumping water 20 years ago, it was at 200 feet below ground. It is now at 600 feet below ground. There are very limited incentives for conservation of water. The grower receives a government subsidy to bore holes into the ground aquifers and extract water paying only 10% of the diesel costs to run the pumps. Across Pakistan, farms have installed solar panels so running the pumps at zero cost. The water is thus almost free. As a result, there are entrenched traditional practices of "flood irrigation" whereby the farmers open the taps and an entire field is covered with water. In addition to huge losses through evaporation, flood irrigation also causes waterlogging.

Addressing these issues will require GRASP to engage both at the farm level to demonstrate water-saving technologies whilst working at the policy level to explore ways to improve incentives for sustainable water management in the province.