

2006

ANNUAL REPORT



TheNetwork
for Consumer Protection

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Abbreviations and Acronyms

ADB	Asian Development Bank
BF	Breastfeeding
BSK	Batein Sehat Ki - TheNetwork's health magazine in Urdu
CCC	Consumer Complaint Cell
CI	Consumers International
CMU	Consumer Mobilization Unit
CSO	Civil Society Organization
DFID	Department for International Development
EMRO	Eastern Mediterranean Regional Office
EPA	Environment Protection Agency
FCTC	Framework Convention on Tobacco Control
GATS	General Agreement on Trade in Services
GTZ	German Agency for Technical Cooperation
HAI	Health Action International
HRDN	Human Resource Development Network
ICDC	International Career Development Conference
LGO	Local Government Ordinance
LHWs	Lady Health Workers
NDP	National Drug Policy
NGO	Non-Governmental Organisation
NIFB	National Infant Feeding Board
NIH	National Institute of Health
NWFP	North West Frontier Province
PCRWR	Pakistan Council for Research on Water Resources
PPA	Pakistan Pediatrics Association
PMA	Pakistan Medical Association
PSQCA	Pakistan Standards and Quality Control Authority
PRSP	Pakistan Poverty Reduction Strategy Paper
SDPI	Sustainable Development Policy Institute, Islamabad
SKP	Sarif Ki Passand - TheNetwork's consumer magazine in Urdu
TFI	Tobacco Free Initiative
TN	TheNetwork for Consumer Protection
USAID	United States Aid for International Development
UNICEF	United Nations International Children Education Fund
WABA	World Alliance for Breastfeeding Action
WAPDA	Water and Power Development Authority
WASA	Water and Sanitation Agency
WHO	World Health Organisation
WoM	Watch on Medicines - TheNetwork's magazine on pharmaceutical
WTO	World Trade Organisation

Chairman's Message



Sixteen years ago I published a report about the lethal effect of loperamide (Imodium) in young children. Soon after that a TV channel from UK approached me to make a documentary about it which was duly made in my department. This led to the withdrawal and banning of the drug in most of the countries of the world and the documentary became a teaching tool for management of diarrhea in the developing world by WHO.

Save the Children fund UK approached me to form an organization for the rational use of drugs to help in averting such disasters in the country and thus TheNetwork for the Rational Use of Drugs came into existence. Many of the Board members are with TheNetwork from those early days.

TheNetwork initially focused on irrational drugs and their misuse. It also brought out a newsletter to inform not only the health professional but the general public as well. This did have an impact on our medicine scene.

Few years later it was realized that we need to expand our organization and tackle issues which confront our public as consumer on daily basis. So the organization changed its vision and thus TheNetwork for Consumer Protection came into existence.

A number of international organizations like WHO, UNICEF, DFID, ADB etc. came forward to help us in our work. This happened because of the credibility and commitment which the organization showed during these years. The government also started taking note of the work of TheNetwork and asking it for support in areas in which TheNetwork developed expertise.

TheNetwork spread out into various areas of interest beside rational use of drugs like promotion of breast feeding, tobacco control, water supply etc. It also started publishing three more journals for information of general public. It also opened a complaint cell to help in redressing the complaints of the consumers. This became one of its most important tool to help the public.

During all this time one of our main financial supporter was DFID which supported us to expand our network and work in different areas of consumer rights. That financial support has come to an end in march this year. So there is an urgent need to reach out to other donors who are interested to work in this field.

At the same time there has been changes in the organization. The executive coordinator left and the new incumbent is in place and I hope that he will use all his energy and make best efforts to strengthen the organization and find new sources of support. The BoD has been providing all the necessary support to TheNetwork in its functioning for which I would like to thank them wholeheartedly.

A sustainability plan has been put in place and the organization has got rid of some dead wood and reduced its expenses. The need for changes in the compendium has been felt for some time and I hope the Board will soon bring about changes in the rules which will help TheNetwork in its smooth functioning.

We need to increase our membership. We do have more than two thousand associate members who support TheNetwork but we also need to have more full members to strengthen TheNetwork.

A complaint cell has been opened in Mansehra. GTZ has given us support to do drug testing in NWFP, but much more needs to be done and I hope that all the members of the team will put their best efforts to keep TheNetwork in the forefront of consumer rights voice in the country.

Tariq Iqbal Bhutta
Dr. Tariq Iqbal Bhutta
June 2007

Message of the Executive Coordinator



The contemporary discourse on rights of consumer-citizen is shaping a future agenda which signifies the collaborative role of State and the private sector in fulfilling the broader needs of the people specifically poor, vulnerable and marginalized sections of society in Pakistan. Although, there is low levels of literacy among general population but increased access to relatively free media has been playing pivotal role in general awareness of the masses with regard to goods, services and policies.

TheNetwork for Consumer Protection has been constantly playing its pioneering role in consumers-citizens rights in the context of health policy, poverty, governance, access to justice, impact of globalization in trade, consumer protection laws etc. The year 2006 was another eventful year in this regard.

Recently, I have joined the TheNetwork, which is not a new organization for me to work with. I had been associated with this organization for nearly two years during 2004-05. During that period I headed its Health Policy Unit. It is worth mentioning that we were able to generate a dialogue on health policy and the role of non-governmental organizations as one of the stakeholders of the policy around a Strategic Plan; publication of one book and three papers on health policy.

The Annual Report for 2006 provides account of activities undertaken by TheNetwork during the year. It indicates that the organization has been focusing on broad range of areas from social determinants of health to access to justice and consumer rights.

Moreover, it is worth mentioning that TN got certification under Institutional Management Certification Program (ICMP). Human resource policy and procedures has been revised to create conducive environment for the staff. TheNetwork is a women friendly organization with 27 percent female staff that are provided pick and drop as well as a day care facility for working mothers.

In the end, I must thank Board of Directors of TheNetwork for its continued support and guidance. Furthermore, on behalf of the organization I express my gratitude for the support provided by the Department for International Development, UK (DFID), GTZ, WHO, UNICEF, HAI, Nutrition Wing, Ministry of Health, Islamabad Traffic Police and other national and international partners.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Talib Lashari'.

Dr. Talib Lashari

June 30, 2007

1. Health Policy

1.1 Protecting Health of Poor and Marginalized

The article 9 of the Constitution of 1973 state that "no person shall be deprived of life or liberty save in accordance with law". This article was interpreted by the Supreme Court of Pakistan in *Shehla Zia vs. Wapda*, PLD 1994 S.C 693 that health was right to life. However, despite the fact that the country has a strong public sector health infrastructure, the challenges of efficiency and equity are undermining this strength. This leads to less access to health care by poor and marginalized sections. Hence, progressive policies need to be implemented in the health and other social sectors to turn this situation around.

TheNetwork is contributing to this goal by advocating a pro-poor and implementable Health Policy, building consumer awareness about health issues, and marshalling consumer pressure for improved performance from existing health facilities.

Health Policy: The Quest Continues

Over the years, TheNetwork has been recognized as a credible consumer representative with the capacity to work with the government to bring about change. In 2006, TheNetwork was invited as technical partner for the development of the National Health Policy. TheNetwork along with other stakeholders was invited to the Health Policy Forum, which provided an excellent opportunity to give voice to consumers' concerns and also to effectively highlight consumers' perspective in Health Policy.

In 2006, TheNetwork drafted 13 issue papers on health issues. These issues were chosen in the light of their topicality, urgency and recent developments which have led to a change of perspective or emphasis that demands closer analysis.

During 2006, TheNetwork received comments on its paper on GATS and Public Health published in the last year from the World Trade Organization Headquarters Geneva, Permanent Mission of Pakistan to WTO Geneva, World Bank, WTO Wing of Ministry of Commerce, University of Ottawa Canada, Indiana University USA, Public Services International, Consumers International and local experts.

They appreciated TheNetwork's contributions to build awareness to safeguard consumers' health.

TheNetwork developed links with the NWFP Department of Health to caution that before Pakistan's health sector can be opened up under WTO agreements, safeguards need to be established to ensure public access to health services, particularly for the poor, and to fulfill national needs for technical development. In a seminar on WTO agreements and its implication on Public Health, the Provincial Minister of Health appreciated TheNetwork's point of view and agreed to work in partnership for the improvement of access and quality of health services.

The Ministry of Labor and Punjab Planning and Development WTO wing invited TN as technical resource on WTO and its agreements. TheNetwork attended the sessions and presented pro-poor and pro-consumer perspective in the context of the agreements.

TheNetwork was invited by Nutrition Wing, Ministry of Health as member of the National Fortification Alliance for National Wheat Flour Fortification Program. The program aims to introduce the universal fortification of wheat flour by the year 2013. This would reduce iron deficiency anemia in children and in women of reproductive age.

A Charter of Patients' Rights

TheNetwork's strive for a charter of patients rights continued in 2006. Years of pursuance played a significant role

in generating demand for accountability in healthcare system. In 2006, the government initiated the setting up of an authority to regulate clinical practices.

The landmark win of Riaz Bibi's case, augmented the demand for patients' right charter. Pakistan Medical Association (PMA) and some other social sector organizations worked in collaboration with TheNetwork towards making our aim for a patient's charter a reality. A seminar on Medical Negligence in Pakistan was arranged in collaboration with SDPI to increase public awareness on the issue.

Documenting the pursuance and decision in Riaz Bibi's medical negligence case, TheNetwork published a book titled 'Medical Negligence in Pakistan: Tragedy under Wraps', which was launched at the occasion of World Consumer Rights Day. The book was shared with media as well as other stakeholders.

TRAGEDY UNDER WRAPS

Few sad incidents of medical negligence from 'Medical Negligence: Tragedy Under Wraps':

Captain Tahir Malik is a doctor serving in Pakistan Army. He got his grandmother operated for a bladder tumor from Osama Clinic in Multan by Dr. Hanif. The lady died of a cardiac arrest after the operation. Mr. Malik suspects that her grandmother's death was caused by improper anesthesia. 'I went through the 'operation room notes' and was surprised to see that no anesthesia notes were documented'.

Doctor Naeemullah Sheikh, a medical practitioner, died during a 'rescue by-pass' at the Armed Forces Institute of Cardiology in Rawalpindi. The Surgeon who operated him admitted that 'there we went wrong'.



Building Consumers' Health Awareness

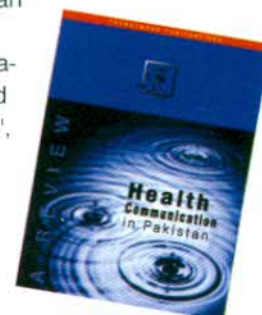
Overall, there is a dearth of published discourse on healthcare ethics in Pakistan. TheNetwork believes that greater emphasis on the active and informed consumer in healthcare sector would improve the current health prospects in Pakistan. In 2006, TheNetwork continued publishing two bimonthly health magazines 'Watch on Medicine' and 'Batain Sehat Ki'.

This year 6 issues of the Watch on Medicines were published. The readership of the magazine is approximately more than 5000 readers. WoM is member of International Society of Drug Bulletins and promotes rational use of medicines and essential medicines concept in the country. The magazine has duly established it self as an authentic and credible source of information on medicines policy and practice, and to some extent health in general.

Thirteen articles from the BSK were reproduced by national dailies taking the information to lot more readers. Approximate readership of this magazine is more than 10,000 across Pakistan.

In order to support Lady Health Workers (LHWs) continual learning and in order to provide them useful day-to-day healthcare information, TheNetwork in partnership with the LHW secretariat distributed 2 issues of BSK free of cost to 821 LHWs and 141 nursing schools in district Mansehra.

TheNetwork conducted an extensive review of health education initiatives taken up in Pakistan during the past 25 years. Drawing from the lessons learnt from international experiences, this review titled 'Health Communication in Pakistan', presents what essential steps are necessary for an effective health communication strategy and how much have they been followed by the local campaigners.



1.2 Promoting Breastfeeding

Although, health experts around the world unanimously agree that breastfeeding is essential for the physical, mental and emotional growth of children, and both religion as well as tradition support the practice in Pakistan yet breastfeeding rate is lower as compared to regional countries. Lack of awareness and unethical marketing of breastmilk substitutes are cited as the main reasons for the increase in bottle-feeding and the resultant malnutrition and disease.

TheNetwork, one of the pioneer organizations lobbying for breastfeeding practices in Pakistan, played an instrumental role in the promulgation of the 'Protection of Breastfeeding and Child Nutrition Ordinance 2002'. To protect the first right of baby consumers, i.e. the right to the best and the healthiest nutrition source, TheNetwork strives to strengthen relevant laws and their implementation, monitor and report violations and educate the general public, health professionals, media and civil society groups on mother and child nutrition issues. Our efforts also include promotion of mother-friendly work environments.

Reviving the Breastfeeding Ordinance

Since the promulgation of the Protection of Breastfeeding and Child Nutrition Ordinance, TheNetwork has been struggling for the implementation of the law through unrelenting advocacy with the government and other stakeholders.

During 2006, TheNetwork made major strides in forging strong relationships with the government as well as international organizations for the implementation and improvement of the Ordinance.

TheNetwork re-established its contacts with international advocacy groups for its breastfeeding protection project. International Center for Code Documentation (ICDC), Malaysia agreed to train TheNetwork researchers on International Code of Marketing of Breastmilk Substitutes. This would facilitate TheNetwork to monitor

the implementation of the code and the breastfeeding protection law.

In 2006, TheNetwork's dynamic participation in National Infant Feeding Board (NIFB); and monitoring the implementation of the law at chosen health facilities, helped to expose lacunas and to propose the necessary amendments needed to make the law more effective. TheNetwork's campaign to build pressure for the improvement and implementation of the legislation gained momentum. The Ministry of Health after four years of promulgation of Ordinance, notified rules for NIFB, which was formed under the Ordinance and was entrusted with the task to formulate rules and regulations for the Ordinance.

TheNetwork participated in a meeting of the Statutory Body of the Ministry of Health, in 2006, as a notified Statutory Member. TheNetwork's recommendations were appreciated and accepted for finalizing rules under the Ordinance. The Nutrition Wing of the Ministry of Health requested TheNetwork for technical support in developing a guideline based on TheNetwork's findings of its last year's pilot Ordinance Implementation and Monitoring study.

TheNetwork is carrying out a comprehensive study to assess the progress for the implementation of Breastfeeding law and also estimate the achievement so far in this regard. This study would not only be helpful to highlight the gaps in the legislation, but would also help in

recommending a viable implementation mechanism.

Pakistan has very low breastfeeding rates

TheNetwork issued a Consumer Report 'Breastfeeding: Key to Mother and Child Health' addressed violations of the BF Ordinance. The report was widely picked by major dailies. Media monitoring continued during the reporting year, TheNetwork pull out all the stops to check and control violations of the ordinance. For instance, ads of breastmilk substitutes printed in Herald, Mothering, and Shifa News were noticed and letters were written to the editors, requesting them to stop violation of BF law.

Protecting Working Mothers' Right to Breastfeed

TheNetwork's decision to take up maternity protection legislation in Pakistan is a complementary effort aimed to harmonize women's decision to work and breastfeed their babies.

In 2006, TheNetwork initiated work on a study titled 'Maternity Protection at Workplaces' to compare international provisions and Pakistan's laws on maternity protection for improved legislation and better implementation mechanisms. The study reveals serious inadequacies in the legislation, for instance, the law only facilitates private sector employees. The legislation neglects a huge number of mothers working in government and semi-government institutions.



In order to make improvements in the law, TheNetwork is carrying out a survey 'Factors Influencing Mothers' Feeding Decision' to identify different factors influencing mothers' decision for the type of feed and food chosen for their infants.

% AGE OF CHILDREN WHO ARE			
Country	Exclusively breastfed (<6months)	Breastfed with complimentary foods (6-9 months)	Still breastfeeding (20-30 months)
India	37	44	66
China	51	32	15
Bangladesh	36	69	90
Sri Lanka	53	-	73
Pakistan	16	31	56

Source: The State of the World's Children 2006, UNICEF

Factors Influencing Mothers' Feeding Decision

Some quotes from TheNetwork's survey 'Factors Influencing Mothers' Feeding Decision':

I started giving infant formula to both my children from their first week after birth. In the absence of a daycare facility at my workplace, I was left with no other option. Formula milk was the only solution to work and rear my children at the same time. For a mother, going out to work is like riding three boats at a time. It is a grueling experience to keep a balance between performing duty at workplace; taking care of home chores and fulfilling obligations as a mother. (Rubina, a Teacher)

When a physician prescribed formula milk for my son, I did not approve it. I did not work and preferred staying home because I feared that I might not be able to find a job in a mother-friendly workplace. Working mothers should be provided with a daycare facility; it would eventually help to improve their efficiency to work. (Mehwish, a Producer in a radio channel)

My six months old son was not allowed in the school premises; I had no other option but to feed him cow milk with bottle. It was difficult for me to keep a job and look after my children, so I quit job. (Nazia, a social worker)

Due to immense work pressure, I got only 20 days maternity leave. I could not breastfeed my babies because I had to resume my job. (Ayesha, a Manager in a Cellular Company)

Everyday, I ask for forgiveness from God for not being able to properly fulfill my duties as a mother. (Asifa, a Receptionist)

1.3 Tobacco Free Environment

Tobacco is believed to be the fourth most common risk factor for disease worldwide. WHO asserts that 4.9 million people die due to tobacco use every year; this number is likely to reach 10 million by 2020. In Pakistan, 54 percent of men and 20 percent of women use some form of tobacco on a regular basis: there are 100,000 tobacco-related deaths every year. As developed countries tighten controls against tobacco promotion, the transnational tobacco industry is increasingly targeting developing countries like Pakistan, where there is little or no regulatory control, to sustain and expand its market. Having lobbied hard for the promulgation of the 'Prohibition of Smoking at Public Places and Protection of Non-smokers' Health Ordinance, 2002', TheNetwork continues to fight staunchly for the implementation of the law. TheNetwork view this effort as a precursor to comprehensive and effective legal control over the promotion and use of tobacco.

Assisting Implementation of Tobacco Ordinance

Since the promulgation of Ordinance in 2002, TheNetwork is intensively lobbying for its implementation in letter and spirit. In 2006, the Ministry of Health, recognizing TheNetwork's efforts as a civil society representative, invited TheNetwork as a Permanent Member of the Federal Task

Force to facilitate implementation of the Tobacco Ordinance.

To identify the gaps in implementation, and to propose necessary amendments to reinforce the Ordinance, in 2006, TheNetwork conducted a survey in Rawalpindi and Islamabad. The survey found some serious inadequacies

Prohibition of Smoking Ordinance Scores

Mr. Jamil Hussain of Rawalpindi is a member of TheNetwork. While traveling in a local public van, he observed that the driver was smoking. Smoking in public transport is prohibited under the Tobacco Ordinance 2002. Mr. Hussain, who knew about the Ordinance through The Network's publications, asked the driver to stop smoking. To his dismay, the driver not only refused his request, but also threatened him to force him off the van.

Mr. Hussain reported this incident to CCC, mentioning the route name and registration number of the van, and asked for help in persuading the authorities to take legal action against the violation of the law and the driver's rude behavior.

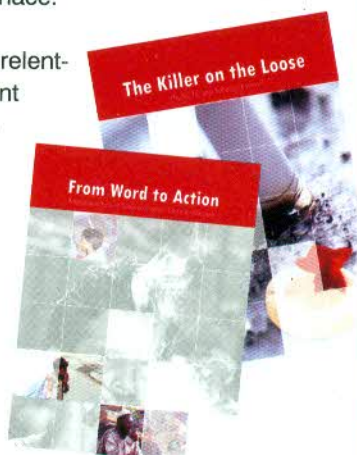
CCC notified to the Superintendent Police, Islamabad, who investigated the matter and fined the driver Rs. 600. Thus, Mr. Hussain's awareness and activism led to the enforcement of the Prohibition of Smoking Ordinance.

in the implementation, due to inadequate law enforcement mechanism.

It had been observed in many European countries that governments effectively controlled tobacco through tax increase. Our government can also play a key role in regulating tobacco through taxes and efficient legislation. In 2006, TheNetwork sent letters to the Prime Minister and other important members of the parliament, requesting them to consider imposing heavy taxes on tobacco products, which would eventually help to curb the prevalence and consumption of the menace.

As a result of TheNetwork's relentless persuasion, the Assistant Commissioner of Rural Sub Division Islamabad imposed a complete ban on Shisha (an Arabian hubble-bubble) in November 2006 in all the hotels and restaurants located in the jurisdiction.

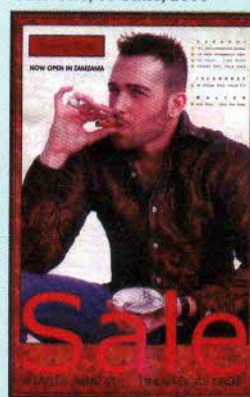
TheNetwork's endeavors to undermine the tobacco use by raising awareness, two studies were published focusing on effective anti-tobacco legislation and its impacts on tobacco control. 'The Killer on the Loose: The FCTC and Tobacco Control', provides a comparative analysis of how Framework Convention on Tobacco Control (FCTC) provides a successful implementation mechanism to control tobacco around the world, and how the lack of seriously developed practical mechanism for its implementation works against the interests of consumers in Pakistan. Another readable study, 'From Word to Action: Implementation of Tobacco Control Laws in Pakistan', highlights the gaps in the implementation of Ordinance, 2002, and suggests amendments to make it more practical.



Cotton & Cotton Revised its Ad

'Prohibition of Smoking and Protection of Non-smokers Health Ordinance, 2002' discourages models to be depicted using or smoking cigarettes in posters, films or on records albums. In June, 2006 Cotton & Cotton announced sale through an advertisement in newspapers. The advertisement showing a male model smoking a cigar was a clear violation of the guidelines for advertisement under tobacco law. TheNetwork wrote to the Manager Cotton & Cotton, and requested to revise their ad. Responding to TFI's letter Cotton & Cotton changed the picture for sale promotion.

TheNews, 08 June, 2006



TheNews, 26 June, 2006



Ban on Promotion

During 2006, TheNetwork's efforts to completely ban advertisement of tobacco products in the media continued. TheNetwork was invited as a Statutory Member by the MoH, in the meeting of a Committee on Tobacco Advertisement Guidelines. On TheNetwork's recommendation to strictly comply with the provisions of Tobacco

Ordinance, the tobacco industry was directed by the MoH to remove all the billboards promoting tobacco products.

In 2006, TheNetwork published a study 'Selling Poison-Combating Tobacco Advertisement', which provides an insight on how tobacco industry is aggressively marketing and unethically advertising in developing countries and how measures to control direct and indirect tobacco advertising can guarantee a consumers' right to tobacco free environment.

Monitoring of media continued and violations of the Ordinance notified to relevant authorities using radio channels and by involving print media through press releases on each and every vital achievement.

Awareness Building Campaigns: Educating the Masses

On World No Tobacco Day 2006, TheNetwork organized awareness camps at various locations in Islamabad to impart awareness on 'Prohibition of Smoking and Protection of Non-Smokers' Health Ordinance 2002', particularly about prohibition of smoking in enclosed areas and public vehicles. Islamabad Model Traffic Police collaborated with TheNetwork in the campaign and made it a tremendous success. Informative and motivating stickers and handouts, bearing messages about the Tobacco Ordinance, were disseminated. The activity was widely covered in electronic and print media. Live coverage of the event was broadcasted by a local radio channel FM99.

On 'World No Tobacco Day', TheNetwork also wrote letters to the President and Prime Minister of Pakistan and demanded a declaration to ban smoking in the Presidency and Prime Minister House, to set an example for others to follow. In order to sensitize and motivate business community on Tobacco Ordinance, we sent letters to different banks, hotels, grocery and garment stores, requesting them to follow the Tobacco Ordinance in order to ensure public security from passive smoking.

BAN ON GUTKA

Mr. Mumtaz Kumbhar, a member of TheNetwork from District Umar Kot, Sindh, sent a letter to TheNetwork about his apprehensions on sale of *Gutka* and *Manpuri* (chewable tobacco) in the district. These products are not only dangerous, but are also made under extremely unhygienic conditions.

CCC provided Mr. Kumbhar detailed information on the harmful effects of *gutka*, and ban imposed by the Sindh High Court on its sale and production in Karachi. CCC urged Mr. Kumbhar to use this information to persuade the local administration to impose a similar ban in Umar Kot. CCC also assured its full support in further pursuit of the matter.

In addition, CCC approached District Food Controller and asked him to look into the matter and take necessary action to protect consumers' health. The matter was followed up by sending two reminders. Through CCC's tireless efforts, the District Nazim imposed a ban on sale, purchase, and production of *gutka* and *manpuri*. Later on, the efforts led to raids by the District Food Controller with the local administration's help and support; 19 owners and managers of 11 factories producing the harmful products were arrested.

The matter raised by a member, supported by TheNetwork, led to reduction in sale of *gutka* and *manpuri* in district Umar Kot. The effort also activated the government functionaries, reminding them of their responsibility, and sensitizing them on an important public health matter.

1.4 Clean Drinking Water for All

Although, Pakistan is gifted with abundant water resources, the vast majority of the country's inhabitants do not have access to drinkable water. Economic development has largely ignored environmental claims. Many parts of the country suffer from lack of potable water due to poor planning as well as contamination by industrial and municipal waste and agricultural runoff.

Through its Water Project, TheNetwork has come to be recognized by the government, civil society and media as a key resource for addressing drinking water issues. TheNetwork supports innovative research and developments in water purification and supply; builds awareness about health issues associated with the consumption of contaminated water; and acts as a catalyst for appropriate actions to enable the provision of safe drinking water to urban as well as rural areas, in particular to poor and marginalized consumers at various levels.

Quest for a Pro-People Water Policy Continues

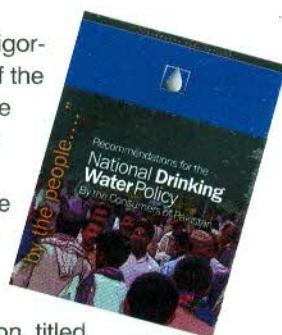
In 2006, following TheNetwork's rigorous efforts for the development of the National Drinking Water Policy, the Environmental Protection Agency released the first draft of the National Drinking Water Policy. The draft incorporated several recommendations by TheNetwork extracted from its research report based on public consultation, titled 'By the People: Recommendations for the National Drinking Water Policy' published in year 2005. The study was to assert access to safe drinking water as people's basic right; adherence to minimum standards by water providing agencies; quality monitoring; and equity in water distribution.

In order to ensure a public friendly water policy, TheNetwork launched another public consultation to invite

comments and suggestions from people by organizing consumer forums, and through its e-group and brief publications about the policy. Peoples' concerns and suggestions about the issue of privatization of Water and Sanitation Authority (WASA) and water billing were communicated to the Environment Protection Agency (EPA). TheNetwork collaborated with other civil society organizations in carrying out a study on the consequences of government's decision to privatize WASA and its possible impact on consumers in terms of supply, quality, quantity and billing etc.

Drinking water is the constitutional responsibility of the provincial governments and town and tehsil administrations under the Local Government Ordinance. TheNetwork took up the matter with National Reconstruction Bureau for the amendments required in Local Government Ordinance 2001 to ensure PSQCA minimum standards and other mechanisms to provide safe and low cost drinking water.

Following the severe water shortage in Rawalpindi and Islamabad, TheNetwork arranged a consumer forum in May, 2006 to highlight consumers' concerns over mismanagement of water. More than 75 participants attended the seminar including the Director WASA Rawalpindi, Nazims of various union councils of Rawalpindi, journalists, local government councilors and TheNetwork members. A brief Urdu booklet titled 'Peenay Ka Saaf Pani, Rawalpindi Kay Shehriyon Ka Khawab' on the state of drinking water in Rawalpindi was distributed to the participants.



Public Water Supply Monitored

For the past several years, TheNetwork had been periodically monitoring the quality of the public water supply to the residents of Islamabad. During 2006, monitoring of the water supply at various locations by analysis of water samples at the laboratories of Pakistan Council for Research in Water Resources (PCRWR) and the National Institute of Health (NIH) continued. To ensure safe water supply and to facilitate the authorities in improving the quality of water, results of these quality tests were shared with the relevant authorities.

TheNetwork's monitoring of the safety of water supplied at community drinking water points in Islamabad and Rawalpindi revealed that 4 collection points in Islamabad out of 10; and 1 out of 4 filtration plants in Rawalpindi were not providing safe drinking water to the consumers.

EPA announced completion and operation of 40 water filtration plants in the country, in 2006. TheNetwork monitoring of the filtration plants in four tehsils, Gujar Khan, Chaka, Kottli Sattian and Kahuta and two districts (Rawalpindi & Chakwal) unfolded that most of the plants were either not functional or poorly maintained. The findings were shared with all the stakeholders on the occasion of 'World Water Day', in a seminar jointly organized by the EPA and the UNICEF.

In order to evaluate the work progress and benefits of Filtration Plants installed by EPA, following the 'Clean Drinking Water Initiative' announced by the Government, TheNetwork encouraged direct involvement of its members. In 2006, members from Punjab were involved into monitoring of the filtered water collection points in their respective areas. 20 members from different regions of Punjab voluntarily sent the requested information. It was reported that most of these plants were located at places far-flung from densely populated areas. Due to problems such as untrained staff; no time schedule for water supply; and poor maintenance, these water collec-

tion points did not serve the purpose.

Innovations for Improved Consumer Access to Safe Drinking Water

It has become imperative that Pakistan seeks out new and cheaper ways to provide safe drinking water to its people. TheNetwork, in 2006 kept looking at different inexpensive water purification techniques that could be employed on a mass scale.

TheNetwork continued to educate consumers on hazards of unsafe drinking water, through various media events, seminars and workshops. In 2006, TheNetwork published 6 issues of monthly newsletter 'Pani Zindigani' (Water Matters), in order to sensitize consumers on current water related problems and to introduce innovative domestic water treatment options to improve the quality of available drinking water.

In collaboration with Center for Affordable Water and Sanitation Technologies (CAWST), Plan Pakistan and Hisar Foundation, TheNetwork introduced a low tech but effective method of water filtration. The method is called Bio-Sand Filter, which is useful especially in rural areas where electricity and overhead water tanks are not available. A community level pilot project was initially launched in Vehari, Chakwal, Mansehra and Islamabad.

Quality testing of domestic water filtration equipment was completed in 2006. A detailed study based on lab results would be published next year. The study would provide reliable information on the utility and cost effectiveness of these filters and a few other water treatment options. TheNetwork also guided people to use other water purification methods like tablets, boiling, solar disinfection etc.



2. Essential Drugs

Promoting rational use of medicines has been a primary goal of TheNetwork since its inception. TheNetwork's aim is to ensure that all consumers have access to safe and inexpensive drugs to address their health problems. To this end, TheNetwork monitors the safety and availability of drugs in the market; disseminates its findings to all stakeholders; educates consumers and prescribers about rational drug use; and facilitates improvements in the legal and regulatory framework governing the pharmaceutical sector so that consumers' rights can be protected and fulfilled.

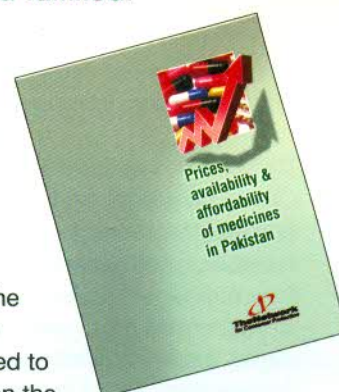
Protecting Access to Drugs

The consumers' right of access to essential drugs necessitates efficacy and safety as well as an assessment of comparative cost effectiveness. TheNetwork, under its pharmaceutical project monitors the supply of essential drugs and marketing practices of the pharmaceutical industry to verify whether the consumers' right of access to drugs is being fulfilled properly.

In 2006, the monitoring work was further improved by refining the previous strategy, which helped to make the process even more efficient. The issue of non-availability of essential drugs was tagged along with the issue of banned drugs being sold in the market. The drug profiles included technical information, current market status, demand, and effects of missing essential drugs on general public and health professionals.

Monitoring drug prices is another key issue TheNetwork is focusing on. Reckless marketing practices and escalating prices of medicines forms a serious, persistent and widespread problem with the Pakistani pharmaceutical industry. Following earlier participation in a regional survey on price monitoring of selected pharmaceutical products in collaboration with the Health Action International (HAI) and World Health Organization (WHO), TheNetwork in 2006, again participated in a pilot study on Drug Prices Surveillance System. TheNetwork's collaboration with the international organizations in studying drug prices and devising price monitoring mechanism was aimed at raising

the issue of soaring drug prices, and promoting a need to have a rational drug pricing mechanism to ensure consumers' access to essential medicines in Pakistan. An encouraging affirmation to TheNetwork's proficiency on the subject was expressed by the Ministry of Health, which agreed to develop drugs pricing policy on the recommended guidelines based on WHO, HAI and TheNetwork collaborative drug pricing study.



In 2006, TheNetwork conducted a survey in Punjab and NWFP, titled 'A Survey of Pharmaceutical Marketing Practices in Pakistan'. The findings of this study were presented in the First International Health Expo of Pakistan held in Islamabad, which was attended by the representatives from pharmaceutical industry, health professionals and other stakeholders. TheNetwork's study revealed unlawful practices of the pharmaceutical industry. This study would be used to develop a national code for marketing of pharmaceuticals in the country.

TheNetwork's Pharmaceutical Project team also attended the 13th International Pharmacy Conference organized by Pakistan Pharmacist Association (PPA) in Lahore. The team presented the theme of the pricing survey 'Drug Prices in Globalize World', which inspired many pharmacists and

students of pharmacy, who extended their voluntary support and participation for similar studies conducted by TheNetwork in future.

Monitoring Drugs' Quality and Safety

In 2006, TheNetwork's credibility as the only Civil Society Organization working on issues related to pharmaceuticals was acknowledged by the Supreme Court of Pakistan. The apex court appreciated TheNetwork efforts for monitoring the quality and safety of the drugs available in the market. The court also directed the Ministry of Health to ensure consumers' access to safe drugs.

TheNetwork was invited to the 196th meeting of the Central Drug Registration and Licensing Board, for the first time. TheNetwork shared its apprehensions regarding the availability of Metamizol, Galenicals and a combination of Paracetamol with Caffeine and Diazepam in Pakistan, and recommended a ban and removal of these drugs from the market. Later on, TheNetwork also facilitated the Government's efforts to remove the drug from the market.

Besides probing the quality of available drugs, TheNetwork closely monitored, for the presence of unsafe drugs in the country. TheNetwork kept the pressure on the government by informing the relevant authorities about the availability of various dangerous drugs and by persuading them to remove these drugs from the markets. This helped in improving the government's mechanism to check the sale of expired, spurious and banned drugs.

After receiving a ban on the production and sale of Metamizole in Pakistan, the leading manufacturer of the drug 'Aventis' focused its attention to export Metamizole based drugs to other South Asian countries. TheNetwork teamed up with WHO, Eastern Mediterranean Regional Office (EMRO) and Asia Pacific Office of the Health Action International (HAI) to forewarn the neighboring countries to take preemptive measures to stop the possible export.

It not only helped to protect consumers in those countries, but also significantly expanded TheNetwork's consumer protection discourse beyond borders.

Drug Policy and Legislation

TheNetwork's credibility as a clearinghouse for information on pharmaceuticals, and our readiness and competence to work along the government was widely recognized and appreciated. TheNetwork's standing as an Observer Member on the Statutory Drug Licensing and Registration Board provided us an opportunity to raise issues related to the consumer interests, and build support for the proposals to change. The Ministry of Health, with TheNetwork's assistance, acknowledged the need to evaluate and amend the Drug Act 1976 and the National Drug Policy (NDP).

TheNetwork's collaboration with the government in identifying amendments in the Drug Act and the NDP continued through 2006. A draft based on detailed critique along with proposed amendments in the NDP and Drug Act was prepared and presented to The Ministry of Health.

Awareness Building

TheNetwork's dedicated efforts and zealous commitment to enhance consumers' awareness associated with critical issues related to health and pharmaceutical sector continued in 2006. Through the bimonthly publication, 'TheNetwork's Watch on Medicine', the organisation aimed to promote critical awareness among prescribers for the rational use of medicines and provided current, national and international information about drugs. Six issues of the magazine were published and disseminated in reporting period.



3. Consumer Protection Laws

The UN Guidelines for Consumer Protection (1985) recognize eight fundamental consumer rights: satisfaction of basic needs; safety; information; choice; representation; redress; consumer education; and a healthy environment. As a signatory to the Guidelines, the Government of Pakistan affirms the rights of consumers. However, most consumers in Pakistan remain marginalized and lack access to justice. In the modern corporate world, the need to protect the basic rights of citizens-consumers has become more critical. The hardships posed by rampant commercialism are most obvious in the situation of marginalized communities who exist on the brink of economic failure, and whose struggle to survive becomes harder every day.

Over the years, TheNetwork for Consumer Protection has striven hard to promote consumer protection as a key issue in the attainment of equity, sustainable development, and democracy. To strengthen the consumer protection framework, TheNetwork is lobbying relevant government institutions and providing technical assistance to them in the development of pro-consumer policies, laws and institutions, and a stronger mechanism to regulate commercial activities, particularly where it concerns goods and services related to public health. At the same time, TheNetwork is arming consumers with the information and encouragement they need to recognize, claim and affirm their rights.

Recognition of Consumer Protection as a Priority

The year 2006 was another eventful year for consumer protection. The Government of Pakistan acknowledged the need for consumer protection at various levels. In response to escalation in the prices of consumer goods, the Prime Minister directed relevant federal and provincial departments to notify consumer protection councils, and assure price sustainability especially during the month of Ramadan.

Recognizing TheNetwork efforts, the Supreme Court of Pakistan invited TheNetwork to jointly hold a session on the 'Role of Judiciary in Consumer Protection' during the

International Judicial Conference held as part of the Golden Jubilee Celebrations of the Supreme Court of Pakistan. TheNetwork pointed out various inadequacies in the Consumer Protection Laws in Pakistan in the session on consumer protection.

Development of Provincial Laws and Institutions

TheNetwork actively highlighted the need for consumer laws at various national and international forums and lobbied for the development of consumer protection laws and institutions in Punjab and Sindh, and revision of the consumer protection law in NWFP. The Sindh Consumers' Protection Ordinance was promulgated, although the rules and regulations needed to make it functional are yet to be formulated.

In 2006, TheNetwork provided technical assistance to the Government of Punjab in developing pro-consumer policies to ensure consumers' protection. We also recommended various proposals to close the existing loopholes in the Punjab Consumer Protection Act 2005, and submitted recommendations for making it more effective. It had been announced by the provincial government that Consumer Courts would be established in 11 districts during the financial year 2005-06. TheNetwork's unrelenting advocacy persuaded government authorities to notify these institutions in eight major districts. These consumer

courts are expected to provide quick and low-cost redress to consumers' complaints. Unfortunately, due to lack of infrastructure, they are not yet functional.

TheNetwork's quest continued to make the provincial consumer protection law operational and effective in NWFP. TheNetwork developed and shared recommendations for necessary amendments in the law with the Provincial Department of Law.

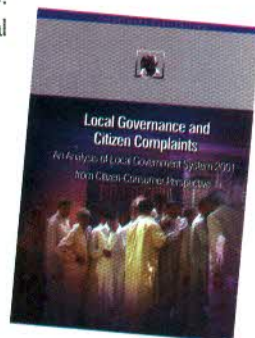
In Sindh, TheNetwork's facilitation and lobbying resulted in promulgation of the Sindh Consumer Protection Ordinance 2006. The draft of this ordinance was finalized with TheNetwork's assistance for approval from the provincial assembly. The law prescribes the establishment of two types of institutions: a consumer rights protection council and consumer tribunals.

The creation of consumer laws and institutions is expected to infuse a much-needed element of accountability in the commercial sector that may lead to improved standards for various consumer goods and services.

Consumer Protection and Local Government Institutions

In today's world, the local government has emerged as a key service provider as well as an enforcing agency. Local government institutions in many countries have developed laws, procedures and charters incorporating citizen's prerogatives, the right to redress, and accountability of both public and private service providers. In Pakistan, however, the latest local government experiment is still in a formative stage.

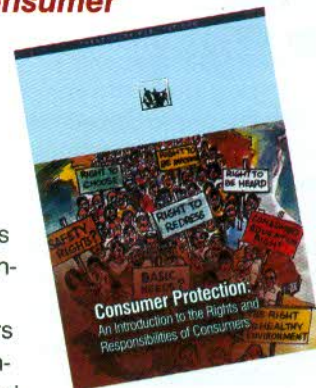
TheNetwork has been studying the Local Government Ordinance (LGO) 2001 to identify the avenues available for redress of consumers' complaints. During 2006,



TheNetwork published a study on the consumer protection aspects of LGO 2001 'Local Government and Consumer Complaints: An Analysis of Local Government System 2001 from Citizen-Consumer Perspective'. The paper explores the overall design and scope of the new system for addressing citizens' everyday problems as consumers of goods and services, and particularly discusses the role of the District Ombudsman in this context.

Towards National Consumer Protection

In 2006, TheNetwork published a booklet entitled 'Consumer Protection: An Introduction to the Rights and Responsibility of Consumers', which elucidates consumers' rights and responsibilities, and spells out the roles of the three major actors in today's society: the government, the business sector, and consumers themselves. The study is geared not only to facilitate consumers in getting good deals in the market, but also to help them adopt sustainable patterns of consumption.



Expanding Awareness about Consumer Issues

Exposing Consumer Problems

TheNetwork firmly believes that in order to build the demand pressure for consumer protection, the general public must be equipped with the information it needs to comprehend its rights with respect to public as well as private suppliers of goods and services. In 2006, TheNetwork continued to build public awareness about current consumer issues through three magazines, the Urdu 'Sarif ki Pasand' (SKP) and 'Baatein Sehat Ki' (BSK), and the English 'TheNetwork's Watch on Medicine' (WoM).

Sarif ki Pasand is a popular magazine of TheNetwork that educates consumers and concerned stakeholders about various consumer issues. Presenting information based on comparative product testing and market surveys, it guides consumers about day-to-day matters of consumption, including the utilization of government services. During 2006, TheNetwork continued to report the scale of illicit practices by the manufacturers. Comparative testing of consumer goods has become a routine activity at TheNetwork. Outcomes of these tests for instance for anti-bacterial soaps, tetra packed juices, chocolates, bottled water, washing machines, calling cards and microwave ovens were reported in SKP.

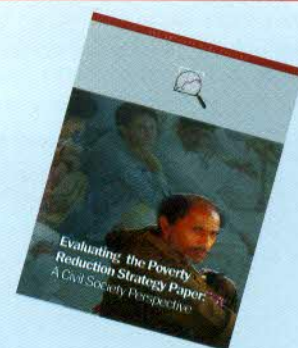
This year, twelve issues of SKP were published and disseminated to TheNetwork's regular members and readers. Collectively it reached over 7000 readers. There had been tremendous multiplication of the readership as many articles and contents of SKP and WoM were reproduced by a monthly journal "NABZ" published by Pakistan Medical Association (PMA) and various local daily newspapers.

Recognizing the need for a systematic consumer protection discourse, TheNetwork in 2006, launched a new weekly series of investigative consumer reports named as 'Consumer Report'. These reports giving adequate

Poverty Challenge

Poverty, injustice and imbalance in social and economic development are the major descriptive features of our society. All these problems, combined with lack of consumer protection stipulate recognition of consumer rights and a need to enrich the discourse.

In Pakistan, Poverty Reduction Strategy Paper (PRSP) was introduced by International Financial Institutions in 1999. In 2006, the PRSP completed its five years, and the government was in the process of revising the PRSP. As a Civil Society Organization, TheNetwork published 'Evaluating the Poverty Reduction Strategy Paper: A Civil Society Perspective', to present a critical analysis of the study by highlighting citizen's point of view on the subject. The study provided a synopsis of PRSP, and reveals how tactfully the policy makers have outmaneuvered the poor, for the betterment of whom the PRSP was set in motion.



INEQUALITY FIGURES

Period	2000-01			2004-05		
	Urban	Rural	Pakistan	Urban	Rural	Pakistan
Urban / Rural						
Gini Coefficient*	0.323	0.237	0.275	0.339	0.252	0.298
Ratio of Richest 20% to Poorest 20%	10.40	2.22	3.76	12.02	2.19	4.15

Source: Government of Pakistan, Pakistan Economic Survey 2005-06.

* The Gini coefficient is a measure of inequality of a distribution.

and appropriate coverage to issues regarding goods and services faced by consumers at large, unveiled the different motives behind these issues. Consumer Reports covered various consumer related issues which were not directly focused by our different projects, for instance, bird flu, dengue fever, psychotropic drugs, sugar crisis, utility stores, diet foods etc.

In order to expand outreach to consumers, TheNetwork also used FM radio. TheNetwork's 45 minutes weekly broadcast 'Consumer Power' on FM99 became even more popular among consumers. 51 programs were aired during the year featuring various consumer problems such as impact of Iodine on health, dengue fever, Drug Regulatory Authority, un-ethical marketing practices, calling cards, price increase in the month of Ramadan, and comparative test reports of different consumer goods.

Media Watch

TheNetwork's media presence increased during 2006. In order to enrich consumer rights dialogue through mainstream media, TheNetwork broadcasted 51 interactive programs from its own radio show, 'Consumer Power', on a local channel FM99; 84 items were published in daily newspapers and almost 11 appearances on different TV channels.

Building the Demand: Pressure for Consumer Protection

TheNetwork strives to promote a fairer society by defending the rights of all consumers, especially the poor, marginalized and disadvantaged. Abuse of consumers seems to be the norm rather than the exception in the current scenario. TheNetwork, showing remarkable foresight in recognizing the importance and need for a practical redress

Contaminated Food Products

The December issue of the SKP magazine tested nine brands of bottled water and discovered that most of them were contaminated. A test of eight commonly used brands of tea proved that none of them was according to the prescribed standards. Similar was the case with different brands of tomato ketchup, chocolates and various brands of bread available in the market.

These days as consumers, we face a literal bombardment of cajolery from media to eat this or that. The only source of information on standard, quality, quantity and composition of food related products available in the market is either what manufacturers advertise through media or what they print on their labels; most of which, sadly, is not entirely based on truth. Irresponsible marketing practices form a serious, persistent and widespread problem among all the providers of goods and services. TheNetwork's revealing comparative testing reports are a wake up call to the relevant government agencies, especially the Pakistan Standards and Quality Control Authority (PSQCA). These reports provide an unbiased source of factual information about products to the consumers, suppliers and regulators. Thus, by educating all the stakeholders, TheNetwork intends to help them by identifying their respective roles in accomplishing the consumer rights.



channel for the consumers, has nurtured a complaint culture through its Consumer Complaint Cells (CCC), one each in Islamabad and Peshawar. 2,651 members have so far joined TheNetwork in its quest for consumer protection, ratcheting up the scope of consumer awareness to a higher level.

Beginning of a New Trend/ Promoting Complaint Culture in Pakistan

Established in 2002, Consumer Complaint Cell has, over the years, acquired the maturity that has become the pride of TheNetwork. TheNetwork encouraged the public through publications, radio programmes, and presentations at various forums, to lodge complaints regarding goods and services with CCC. Following the landmark victory in Riaz Bibi's case in 2005, CCC gained nationwide popularity and recognition. During 2006, CCC received a total of 1,103 complaints from the consumers, out of which 1,081 complaints were pursued with the relevant authorities, and 95 complaints were successfully resolved.

Following CCC's scrupulous and devoted redress services, many public sector service providers established their own complaint cells (for example WAPDA and the telecom sector).

Putting People in the Picture

In order to build demand pressure for the fulfillment of consumer rights, the first and foremost requirement is to educate the consumers about their rights against public and private providers of goods and services. TheNetwork is a membership organization; it firmly believes that the corporate sector will not act to protect consumers. Consumer pressure could be a compelling force to drive public and private providers of goods and services to ensure performance and quality. TheNetwork progressively provides consumers with the knowledge, exposure and organization to demand and assert their rights.

In 2006, 1,143 new members joined TheNetwork, raising

SUGAR CRISIS

Following the sugar crisis in the country, TheNetwork published a comprehensive study report '*Cheeni Ka Buhran: Haqeeqat Ya Naatak*' on the crisis; which explores the long-standing conflict between politically influential industrialists and poor consumers.



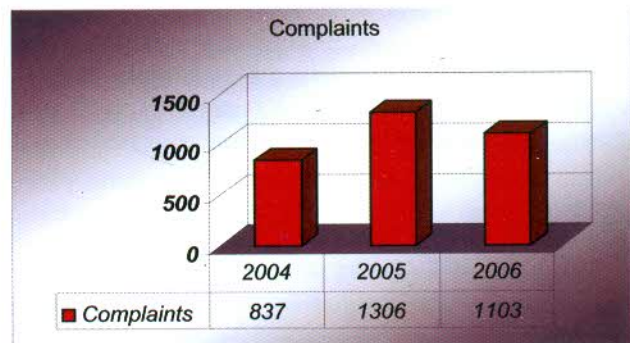
the total membership to 2,651 by December 31, 2006. Hailing from the different parts of Pakistan, TheNetwork's members includes thoughtful citizens from almost all walks of life, such as physicians, pharmacists, NGO professionals, entrepreneurs, paramedics, journalists, lawyers, politicians and students.

To communicate on specific projects and campaigns, 'Raabita'- TheNetwork's Newsletter in Urdu for members kept TheNetwork connected to its members. In 2006, TheNetwork's Consumers' Mobilization Unit (CMU) expanded its outreach, and encouraged people through various seminars, publications, presentations and participation in different events, throughout the year. TheNetwork as a membership organization aims to develop strong and independent consumer groups by coordinating their partnership in various events organized to promote consumer protection.

On World Consumer Rights Day, TheNetwork organized two seminars on 'State of Consumer Policy and Legislation in Pakistan' and 'Medical Negligence-Tragedy under Wraps' to mobilize consumers' action. The activities were covered widely by the print and electronic media. Pakistan Television invited TheNetwork for a live discussion on the consumer rights.

A National Roundtable on 'State of Consumer Policy & Legislation in Pakistan' was organized by TheNetwork in connection with the celebrations of World Consumer Rights Day. The Minister of Law, who was invited as a chief guest, accepted the fact that the consumer protection laws and their implementation is a provincial matter under the constitution of Pakistan. He promised that the federal government would introduce a policy to bring in harmony among all the institutions responsible for the development and implementation of consumer laws in Pakistan, which would eventually improve the consumers' rights situation in the country.

TheNetwork, during 2006 arranged consumer forums to exchange opinions and ideas with consumers and also to generate local initiative on different pressing consumer



issues. These forums were used to elicit views on specific issues, such as sugar crisis, public transport services, water crisis, and consumer protection laws.

FAULTY AC FIXED

Maj. Amer Sattar, a member of TheNetwork from district Rawalpindi bought a PEL split air conditioner from Pak Electronics Rawalpindi (an authorized dealer of PEL), for Rs. 23,000 in June 2005. The manufacturer provided a Warranty for one year for parts and services, and five years for the compressor. Maj. Sattar was not satisfied with the performance of the air conditioner and he called the dealer for repairs several times. He also contacted PEL office many times for requesting satisfactory repair or replacement of the unit, but to no benefit. Finally, he decided to return the AC and get his money back, but the dealer refused. Maj. Sattar forwarded the matter to CCC for help.

CCC took up the matter with PEL and also contacted the dealer. The matter was followed up by sending a reminder. Consequently, PEL repaired the unit and apologized for the inconvenience. Mr. Sattar thanked CCC for standing up for consumers' rights and providing invaluable support and assistance.

4. Strengthening TheNetwork

As the leading protagonist in the consumers' movement in Pakistan, TheNetwork recognizes the importance of and need to improve its own capacity to successfully play its role, particularly through team capacity building, organizational improvement, and collaborations with government and non-government organizations, as well as national and international civil society organizations.

Governance and Leadership

TheNetwork had the guidance of its Board of Directors at each step it took to improve and modify its structure and programmes during 2006. The Board met 4 times in the reporting year and important decisions regarding the future work strategies were taken. Executive Coordinator of TheNetwork ensured that not only TheNetwork sustains its role but also develops further its contribution to the cause of consumer protection in Pakistan in the context of health, poverty, governance and rights.

Organizational and Team Development

During 2006, the regular monitoring of the progress of TheNetwork was sustained through programs monitoring and evaluation system; which helped to ensure integration among the various program components, developed program planning and enhanced capacities of program and field staff.

Weekly watch reports, bimonthly support meetings, quarterly review and planning forums, and annual retreat took place as per schedule during the reporting year. DFID's project plans were reviewed, revised and adjusted during the retreat in order to complete the work agenda.

TheNetwork, in 2006, was approved for certification under the Institutional Management Certification Program (ICMP) for compliance with management standards adopted for Pakistani NGOs. Earlier, the ICMP audit which was conducted by the Non-Government Organization Resource Center (NGORC) of The Aga Khan Foundation (AKF) found TheNetwork's management, human resource,



monitoring and evaluation, governance and information technology policies and procedures adequate.

TheNetwork revised its Human Resources related policies and procedures in 2006. According to December 2006 statistics, TheNetwork was being operated by a team of 45 employees, out of which 26.7% were women. TheNetwork provides a mother-friendly work place to its female staff by offering day-care and transportation facilities.

TheNetwork continued to invest in team capacity building in order to improve its organizational effectiveness to sustain improved governance, leadership, mission and vision, administration (including human resources, financial management, and legal matters), program development, implementation and evaluation, fundraising and income

generation, diversity, collaboration, advocacy and policy change, positioning and planning. 23 staff members received training in 'Effective Writing Skills' and 2 employees attended training on 'Project Management' from SDPI. A staff member attended a training workshop on 'Time Management' conducted by Center of Excellence. One staff member successfully completed one year's distant learning course on 'Social Enterprise and Management Program' conducted by McGill University in collaboration with Lahore University of Management Sciences (LUMS), Pakistan. A female staff member attended a UNICEF training course on Monitoring International Code of Marketing of Breastmilk Substitutes.

TheNetwork initiated establishment of two low-budgeted in-house laboratories for comparative testing of drugs and consumer products. GTZ provided financial and technical assistance to make our aspiration a reality. The labs would enable TheNetwork to obtain accurate and unbiased information about the quality of medicines.

National and International Collaborations

TheNetwork's pioneering work on Intellectual Property Rights and poor people's access to medicines was widely recognized. TheNetwork was invited as a resource for training on Intellectual Property Rights and International Trade Issues by the National Intellectual Property Organization working under the Cabinet Division. TheNetwork also participated in 9th Sustainable Development Conference, National Consumer Protection Conference, and various other events already mentioned in the relevant projects.

In Pakistan, with a long standing problem of weak governance, the role of civil society organizations has become more worth considering. Thus, besides working with public bodies, TheNetwork also worked in coalition with various other CSOs.

Among important collaborations, TheNetwork actively

engaged with other CSOs in planning and carrying out of World Social Forum- Asia Pacific Chapter, held in Karachi in March 2006.

TheNetwork took part in SUNGI Development Foundation Members' Assembly. TheNetwork also participated in activities undertaken by Rawalpindi and Islamabad based NGOs for repeal of 'Hudood Ordinance'.

A seminar on medical negligence was jointly organized in collaboration with SDPI. On the occasion of World Women Day, TheNetwork collaborated with Aurat Foundation, SUNGI, ActionAid, and other CSOs to acknowledge women's right to equality, equity, justice, peace and development.

TheNetwork continued participating in HRDN forums and meetings of Coalition of Rawalpindi Islamabad NGOs (CORIN). TheNetwork joined hands with other CSOs such as Pakistan Social Forum, Joint Action Committee, Mubariza etc, on various social issues.

TheNetwork re-established its contacts with international advocacy groups for breastfeeding protection project. Various international organizations including International Baby Friendly Action Network (IBFAN); WABA; Baby Milk Action; Infant and Breastfeeding Promotion Network of India (BPNI) were contacted for collaboration to protect and promote breastfeeding. ICDC, Malaysia agreed to train TheNetwork researchers on International Code of Marketing of Breastmilk Substitutes. It would facilitate TheNetwork to monitor the implementation of the Code and the Breastfeeding Protection Law in Pakistan.

From Pakistan, TheNetwork is the sole voting member of Consumers International (CI), an umbrella body of 220 member organizations in 115 countries; TheNetwork remained in close contact with Consumer International on various consumer issues.

5. Auditors Report

Khalid Majid Rahman Sarfaraz
Rahim Iqbal Rafiq

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Other Offices: Lahore & Karachi

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **The Network for Consumer Protection in Pakistan** ("the Company") as at December 31, 2006 and the related income & expenditure account, cash flow statement and statement of changes in capital fund together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

1. Program expenses exceeding budgeted amount were debited to other expense heads resulting in misclassifications in the recording of expenses.
2. The balance of cash in hand at the close of the year of Rs.315,480 is made up of loan from staff amounting to Rs.200,000 received on December 31, 2006 and a cheque dated December 28, 2006 of same amount drawn on Company's bank account for petty cash less an over spent amount of Rs.84,520. The cash received on account of loan from staff amounting to Rs.200,000 remained unverified while the cheque dated December 28, 2006 was not even encashed as reflected in the bank reconciliation statement. In view of these facts, there is significant doubt about the verification of balance of cash in hand resulting from lack of internal controls.
- a) except for the effect on the financial statements of the matters referred above, in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) except for the effect on the financial statements of the matters referred above, in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) except for the effect on the financial statements of the matters referred above, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income & expenditure account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2006 and of the deficit, its cash flows and changes in capital fund for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

Date: July 4, 2007
 Islamabad

KHALID MAJID RAHMAN SARFARAZ
RAHIM IQBAL RAFIQ
 Chartered Accountants

(KMR name has been changed to KMR&SR due to an interim injunction issued by Honorable Sindh High Court.)

THE NETWORK FOR CONSUMER PROTECTION IN PAKISTAN
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2006

	Notes	<u>2006</u> Rupees	<u>2005</u> Rupees
INCOME			
Income recognised on contracted donations	12	39,272,294	41,621,524
Other income	13	257,615	886,164
		39,529,909	42,507,688
EXPENDITURE			
Program expenses	14	(39,272,294)	(41,621,524)
Administrative expenses	15	(373,637)	(968,822)
Financial charges		-	(14,760)
		(39,645,931)	(42,605,106)
Surplus / (deficit) for the year		<u>(116,022)</u>	<u>(97,418)</u>

- The annexed notes from 1 to 17 form an integral part of these accounts.



EXECUTIVE COORDINATOR



CHAIRPERSON

THE NETWORK FOR CONSUMER PROTECTION IN PAKISTAN
BALANCE SHEET AS AT DECEMBER 31, 2006

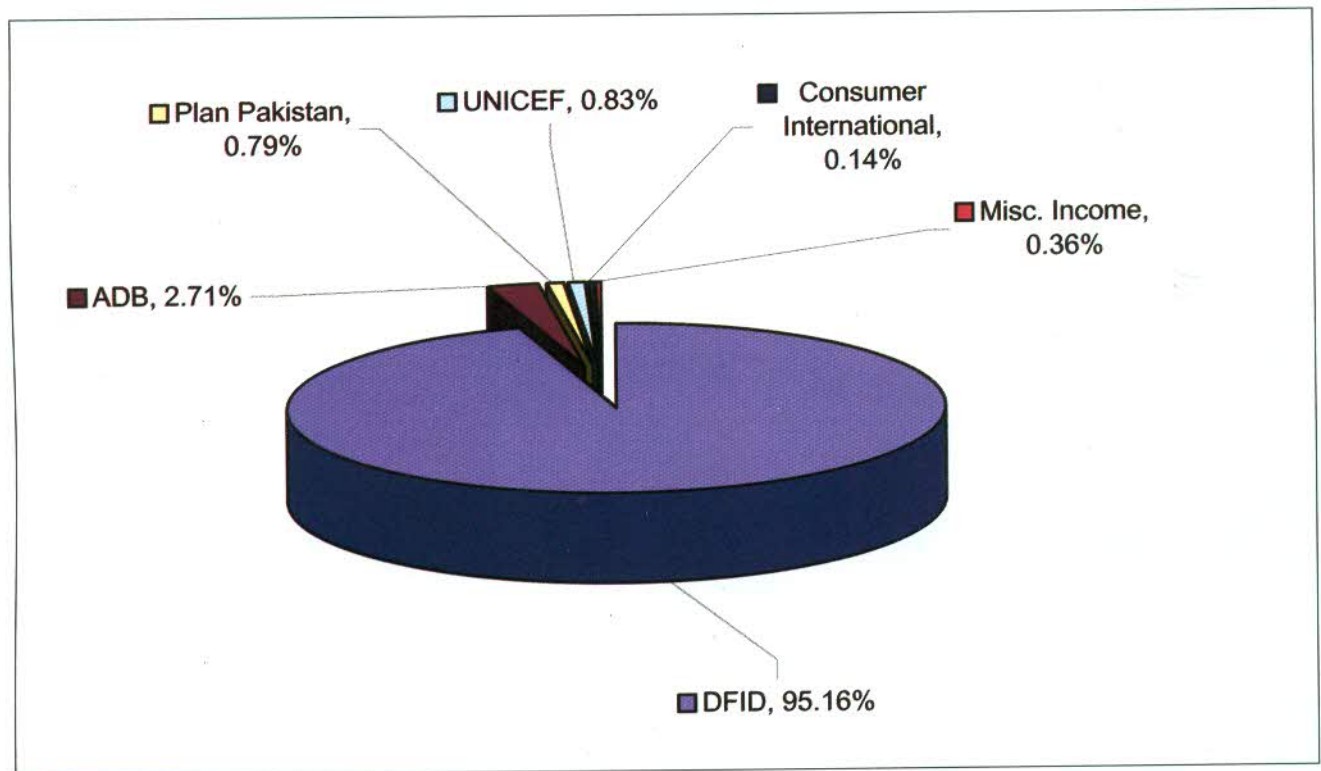
		2006	2005			2006	2005
	Note	Rupees	Rupees		Note	Rupees	Rupees
CAPITAL FUND AND LIABILITIES				ASSETS			
Capital fund							
Opening balance		1,149,859	1,247,277	Fixed assets	9	81,633	104,569
Surplus/(deficit) for the year		(116,022)	(97,418)	Assets Subject to finance lease	9	442,400	663,600
		1,033,837	1,149,859			524,033	768,169
DEFFERED LIABILITIES							
Staff medical fund	4	1,691,549	2,084,413				
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE							
	5	234,901	400,996				
CURRENT LIABILITIES				CURRENT ASSETS			
Current portion of finance lease liability	5	166,095	148,868	Advance, deposits & prepayments	10	692,265	347,998
Unspent portion of contracted donations	6	3,163,969	1,138,578	Cash at bank	11	5,307,274	4,225,187
Accrued liabilities	7	548,701	214,540	Cash in hand		315,480	152,787
Payable to provident fund trust		-	356,887			6,315,019	4,725,972
		3,878,765	1,858,873				
Contingencies and commitments	8	-	-				
		6,839,052	5,494,141			6,839,052	5,494,141

- The annexed notes from 1 to 17 form an integral part of these accounts.

EXECUTIVE COORDINATOR

CHAIRPERSON

6. Program Funding for the Year 2006



7. Board of Directors

1. Prof. Tariq Iqbal Bhutta
Chairperson Board of Directors
 2. Mr. Adul Latif Sheikh
Vice Chairperson
 3. Dr. Inam Ul Haq
 4. Dr. Tasleem Akhtar
 5. Prof. D. S. Akram
 6. Prof. Samad Shera
 7. Lt. Gen (R) Mahmud A. Akhtar
 8. Mr. Aslam Azhar
 9. Dr. Zafar Mirza
 10. Mr. Khurram Muzaffar
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About TheNetwork for Consumer Protection

TheNetwork for Consumer Protection is an independent, not-for-profit, public interest organization working for the promotion and protection of consumers' rights in Pakistan since 1991. TheNetwork works to advocate consumer-friendly laws and policies, and empower consumers to protect themselves by providing them with relevant information.

TheNetwork focuses its intervention in key areas of Pakistan's health sector where the implications of state or business negligence are particularly grave. In addition, TheNetwork also intervenes in the cross-cutting arenas of consumer policy and law, and access to justice. TheNetwork is a membership organization, which also operates Pakistan's first-ever independent Consumer Complaint Cell.

In today's world, we envision a society where consumer rights are respected and where consumers are involved in decision-making that affects them, have access to a just system of redress, and act as responsible members of society.

TheNetwork is a full member of Consumers International. It is registered under the Companies Ordinance 1984.

To join activities of TheNetwork and receive its publications, consider becoming a member of the organization. For more details contact: 051-2261085 or visit www.thenetwork.org.pk



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